HIGHWOODS PROPERTIES INC
Form SC 13G/A
July 30, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 3)

Highwoods Properties, Inc.
(Name of Issuer)
Ordinary Shares
(Title of Class of Securities)
431284108
(CUSIP Number)
May 20, 2008
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

o Rule 13d-1(b)
þ Rule 13d-1(c)
o Rule 13d-1(d)

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS ING Groep N.V.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP Not Applicable (a) o (b) o		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION The Netherlands		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 2,947,684	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 5,823,584	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 5,823,584 [1 2]		

10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES 21,100 Custodian shares þ
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 10.16%
12	TYPE OF REPORTING PERSON HC

[1] 5,505,484 of these shares are held by indirect subsidiaries of ING Groep N.V. in their role as a discretionary manager of client portfolios.

[2] 11,600 of these shares are held by indirect subsidiaries of ING Groep N.V. in their role as trustee.

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS ING Clarion Real Estate Securities, L.P. [3]		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP Not Applicable (a) o (b) o		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION 201 King of Prussia Road, Suite 600, Radnor, PA 19087		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 2,399,484[4]	
	6	SHARED VOTING POWER 2,900[4]	
	7	SOLE DISPOSITIVE POWER 5,383,484[4]	
	8	SHARED DISPOSITIVE POWER 0	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 5,383,484[4]		

10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES Not Applicable o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 9.39%[4]
12	TYPE OF REPORTING PERSON IA

[3] ING Clarion Real Estate Securities, L.P. is a wholly owned indirect subsidiary of ING Groep N.V.

[4] These numbers are corrections to those previously reported by ING Clarion Real Estate Securities, L.P. on its Schedule 13G/A, which was filed jointly with ING Groep N.V. on July 16, 2008.

Item 1(a). **Name of Issuer:**

Highwoods Properties, Inc.

Item 1(b). **Address of Issuer's Principal Executive Offices:**

3100 Smoketree Court
Suite 300
Raleigh, NC 27604

Item 2(a). **Name of Person Filing:**

ING Groep N.V.

ING Clarion Real Estate Securities, L.P.

Item 2(b). **Address of Principal Business Office or, if None, Residence:**

ING Groep N.V.:
Amstelveenseweg 500
1081 KL Amsterdam
P.O. Box 810
1000 AV Amsterdam
The Netherlands

ING Clarion Real Estate Securities, L.P.
201 King of Prussia Road
Suite 600
Radnor, PA 19087

Item 2(c). **Citizenship:**

See item 4 on Page 2
See item 4 on Page 3

Item 2(d). **Title of Class of Securities:**

Ordinary Shares

Item 2(e). **CUSIP Number:**

431284108

Item 3. **If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:** (Not Applicable)

(a) o Broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended (the Exchange Act);

(b) o Bank as defined in Section 3(a)(6) of the Exchange Act;

(c) o Insurance company as defined in Section 3(a)(19) of the Exchange Act;

(d) o Investment company registered under Section 8 of the Investment Company Act of 1940, as amended (the Investment Company Act);

(e) o Investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) under the Exchange Act;

(f) o Employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F) under the Exchange Act;

(g) o Parent holding company or control person in accordance with Rule 13d-1(b)(ii)(G) under the Exchange Act;

(h) o Savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;

(i) o Church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;

(j) o Group in accordance with Rule 13d-1(b)(1)(ii)(J) under the Exchange Act.

Item 4. Ownership.

(a) Amount beneficially owned:

See item 9 on Page 2
See item 9 on Page 3

(b) Percent of class:

See item 11 on Page 2
See item 11 on Page 3

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

See item 5 on Page 2
See item 5 on Page 3

(ii) Shared power to vote or to direct the vote:

See item 6 on Page 2
See item 6 on Page 3

(iii) Sole power to dispose or to direct the disposition of:

See item 7 on Page 2
See item 7 on Page 3

(iv) Shared power to dispose or to direct the disposition of:

See item 8 on Page 2
See item 8 on Page 3

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable

Item 8. Identification and Classification of Members of the Group.

Not Applicable

Item 9. Notice of Dissolution of Group.

Not Applicable

Item 10. Certification.

By signing below we certify that, to the best of our knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

July 30, 2008

(Date)

ING GROEP N.V.

By:
/s/ Eric E. Ribbers

(Signature)

Eric E. Ribbers
Senior Compliance Officer
(Name/Title)

/s/ R.M. Fischmann

(Signature)

R.M. Fischmann
Head of Compliance, Regulator & Industry
Body
(Name/Title)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

July 30, 2008

(Date)

ING CLARION REAL ESTATE
SECURITIES, L.P.

By:
/s/ William Zitelli

(Signature)

William Zitelli
Chief Compliance Officer

(Name/Title)

Exhibit A to Schedule 13G

Joint Filing Agreement
Pursuant to Rule 13d-1(k)

The undersigned persons (the Reporting Persons) hereby agree that a joint statement on this Schedule 13G, and any amendments thereto, be filed on their behalf by ING Groep N.V.

Each of the Reporting Persons is responsible for the completeness and accuracy of the information concerning each of them contained therein, but none of the Reporting Persons is responsible for the completeness or accuracy of the information concerning any other Reporting Person.

Date: July 30, 2008

ING GROEP N.V.

By: /s/ Eric E. Ribbers
Name: Eric E. Ribbers
Title: Senior Compliance Officer

By: /s/ R.M. Fischmann
Name: R.M. Fischmann
Title: Head of Compliance, Regulator & Industry Body

ING CLARION REAL ESTATE SECURITIES, L.P.

By: /s/ William Zitelli
Name: William Zitelli
Title: Chief Compliance Officer

on active memberships. Commission payments to associates for the six months ended June 30, 2001 were as follows: (in thousands) -------------- Unearned advance commission payments at December 31, 2000..............$167,193 Advance commission payments, net...................................... 55,147 Earnings applied to advance commission payments........................ (28,234) Advance commission payment write-offs................................. (929) --------- Balance at June 30, 2001 before estimated unrecoverable payments....... 193,177 Estimated unrecoverable advance commission payments.................... (12,770) --------- Unearned advance commission payments at June 30, 2001..................$180,407 --------- Unearned advance commission payments outstanding at June 30, 2001 of $193.2 million included $24.7 million attributable to "D status" associates and $168.5 million from sales associates that have met certain minimum vesting requirements. An associate is considered to be "vested" if he or she has sold at least three new Memberships per quarter or if he or she retains a personal Membership. The Company has not historically demanded repayment of advances to associates from sources other than future earned commissions, even when management has reason to believe that future earned commissions to which the associate may be entitled would be insufficient to recover the advance. This policy is based on management's judgement that pursuit of collection would have the potential to disrupt the Company's relationship with its sales associates and potentially adversely affect shareholder value. A substantial amount of advances, estimated at $12.8 million at June 30, 2001, are not expected to be recovered from future earned commissions. The Company believes that it has significant ability to finance expected future growth in Membership sales based on its existing amount of cash and cash equivalents and unpledged investments at June 30, 2001 of $29.2 million, the cash flow generated from operations and the recovery of the advance commission payments. The Company expects to maintain cash and investment balances on an on-going basis of approximately $30 to $40 million in order to meet expected working capital needs and regulatory capital requirements. Cash balances in excess of this amount would be used for discretionary purposes such as stock repurchases. The Company continues to consider borrowing funds in order to continue or increase the rate of stock repurchases, including financing its new corporate headquarters in order to allow cash flow from operations to continue to be used to repurchase stock. Parent Company Funding and Dividends Although the Company is the operating entity in many jurisdictions, the Company's subsidiaries serve as operating companies in various states which regulate Memberships as insurance or specialized legal expense products. The most significant of these wholly owned subsidiaries are PPLCI, UFL and PPLSIF. The ability of PPLCI, UFL and PPLSIF to provide funds to the Company is subject to a number of restrictions under various insurance laws in the jurisdictions in which PPLCI, UFL and PPLSIF conduct business, including limitations on the amount of dividends and management fees that may be paid and requirements to maintain specified levels of capital and reserves. In addition PPLCI and UFL are required to maintain its stockholders' equity at levels sufficient to satisfy various state regulatory requirements, the most restrictive of which is currently $3 million for PPLCI. Additional capital requirements of PPLCI, UFL or PPLSIF, if needed, would be funded by the Company in the form of capital contributions or surplus debentures. FORWARD - LOOKING STATEMENTS --------------------------- All statements in this report concerning Pre-Paid Legal Services, Inc. (the "Company") other than purely historical information, including but not limited to, statements relating to the Company's future plans and objectives, expected operating results, and statements regarding accounting issues raised by the staff of the Division of Corporation Finance of the Securities and Exchange Commission (See Note 2 (Contingencies) to the Consolidated Financial Statements), and the assumptions on which such forward-looking statements are based, constitute "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on the Company's historical operating trends and financial condition as of June 30, 2001 and other information currently available to management. The Company cautions that the Forward-Looking Statements are subject to all the risks and uncertainties incident to its business, including (among others) those listed in the Company's Annual Report on Form 10-K and in Note 2 to the Consolidated Financial Statements included herein. Please refer to page 30 of the Company's 2000 Annual Report on Form 10-K and page 10 herein for a more complete description of the factors that could cause actual results to differ materially from those described in the forward-looking statements. Moreover, the Company may make acquisitions or dispositions of assets or businesses, enter into new marketing arrangements or enter into financing transactions. None of these can be predicted with certainty and, accordingly, are not taken into consideration in any of the Forward-Looking Statements made herein. For all of the foregoing reasons, actual results may vary materially from the Forward-Looking Statements. The Company assumes no obligation to update the Forward-Looking Statements to reflect events or circumstances occurring after the date of the statement. Risk Factors As noted above there are a number of risk factors that could affect our financial condition or results of operations. The status of pending SEC inquiries with respect to certain of our accounting practices has been updated as described in Note 2 (Contingencies) and Item 1 Legal Proceedings. Please refer to page 30 and 31 of the Company's 2000 Annual Report on Form 10-K for a description of other risk factors. ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK -- The Company's consolidated balance sheets include a certain amount of assets and liabilities whose fair values are subject to market risk. Due to the Company's significant investment in fixed-maturity investments, interest rate risk represents the largest market risk factor affecting the Company's consolidated financial position. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, liquidity of the instrument and other general market conditions. As of June 30, 2001, substantially all of the Company's investments were in investment grade (rated Baa or higher) fixed-maturity investments, interest-bearing money market accounts and a collateralized repurchase agreement. The Company does not hold any investments classified as trading account assets or derivative financial instruments. The table below summarizes the estimated effects of hypothetical increases and decreases in interest rates on the Company's fixed-maturity investment portfolio. It is assumed that the changes occur immediately and uniformly, with no effect given to any steps that management might take to counteract that change. The hypothetical changes in market interest rates reflect what could be deemed best and worst case scenarios. The fair values shown in the following table are based on contractual maturities. Significant variations in market interest rates could produce changes in the timing of repayments due to prepayment options available. The fair value of such instruments could be affected and, therefore, actual results might differ from those reflected in the following table: Estimated fair value after Hypothetical hypothetical change in interest change in rate interest Fair Value (bp=basis points) rate ------------ ----------------- -------------- (Dollars in thousands) Fixed-maturity investments at June 30, 2001 (1)............. $21,220 100 bp increase $ 20,248 200 bp increase 19,147 50 bp decrease 21,558 100 bp decrease 21,895 Fixed-maturity investments at December 31, 2000 (1)......... $25,480 100 bp increase $ 24,635 200 bp increase 23,773 50 bp decrease 25,882 100 bp decrease 26,261 ------------------- (1) Excluding short-term investments with a fair value of $3.9 million at June 30, 2001 and December 31, 2000. The table above illustrates, for example, that an instantaneous 200 basis point increase in market interest rates at June 30, 2001 would reduce the estimated fair value of the Company's fixed-maturity investments by approximately $2.1 million at that date. At December 31, 2000, an instantaneous 200 basis point increase in market interest rates would have reduced the estimated fair value of the Company's fixed-maturity investments by approximately $1.7 million at that date. The definitive extent of the interest rate risk is not quantifiable or predictable due to the variability of future interest rates, but the Company does not believe such risk is material. The Company primarily manages its exposure to interest rate risk by purchasing investments that can be readily liquidated should the interest rate environment begin to significantly change. PART II. OTHER INFORMATION ITEM 1. LEGAL PROCEEDINGS ---------------- See Note 2 of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this report for information with respect to legal proceedings. ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. -- The 2001 Annual Meeting of Shareholders of the Company (the "Annual Meeting") was held on May 25, 2001. The following matters were submitted to a vote of the Company's shareholders at the Annual Meeting. Election of Three Directors. --------------------------- The results of the election for each of the Company's three directors whose terms expired as of the Annual Meeting were as follows: Abstentions and Votes For Votes Withheld ---------- -------------- Shirley A. Stonecipher 18,965,811 395,638 Peter K. Grunebaum 19,045,917 315,532 Randy Harp 18,720,980 640,469 The Board of Directors of the Company consists of ten members and is divided into three classes as nearly equal in size as possible, with the term of office of one class expiring each year. The new terms of service of Ms. Stonecipher and Messrs. Grunebaum and Harp will expire in 2004. The terms of the other seven directors of the Company did not expire at the Annual Meeting. The names of such other directors and the year of expiration of their respective terms are as follows: Harland C. Stonecipher - 2002; Wilburn L. Smith - 2002; Martin H. Belsky - 2002; Kathleen S. Pinson - 2003; David A. Savula - 2003; John W. Hail - 2003; and John A. Addison - 2003. ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K. -------------------------------- (a) Exhibits: The following exhibits are filed as part of this Form 10-Q: No. Description --- ----------- 11.1 Statement Regarding Computation of Per Share Earnings (b) Reports on Form 8-K: The Company filed Form 8-K dated August 3, 2001 providing under Item 4 - Changes in Registrant's Certifying Accountant describing the Company's mutual agreement with its independent auditor, Deloitte & Touche LLP, to cease their client-auditor relationship. SIGNATURES ---------- Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. PRE-PAID LEGAL SERVICES, INC. Date: August 15, 2001 /s/ Randy Harp --- Randy Harp Chief Operating Officer (Duly Authorized Officer) Date: August 15, 2001 /s/ Steve Williamson --- Steve Williamson Chief Financial Officer (Principal Accounting Officer) EXHIBIT INDEX No. Description ---- -- 11.1 Statement Regarding Computation of Per Share Earnings EXHIBIT 11.1 PRE-PAID LEGAL SERVICES, INC. Statement re Computation of Per Share Earnings (In 000's except per share amounts) Six months ended June 30, --------------------------------- 2001 2000 -------------- -------------- (Restated) BASIC EARNINGS PER SHARE: Computation for Statement of Income Earnings: Net income applicable to common stockholders (a)............................... $ 11,670 $ 7,810 -------------- -------------- Shares: Weighted average shares outstanding (net of 3,043 and 1,984 weighted average shares of treasury stock, respectively), disregarding exercise of options or conversion of preferred stock..................................... 21,704 22,533 -------------- -------------- Basic earnings per common share (a)... $ .54 $ .35 -------------- -------------- DILUTED EARNINGS PER SHARE: Computation for Statement of Income Earnings: Net income applicable to common stockholders (a)................................ $ 11,670 $ 7,810 Add: Dividends on preferred stock .... - 4 --------------- --------------- Net income applicable to common stockholders, as adjusted .... $ 11,670 $ 7,814 --------------- --------------- Shares: Weighted average shares outstanding (net of 3,043 and 1,984 weighted average shares of treasury stock, respectively), disregarding exercise of options or conversion of preferred stock.. 21,704 22,533 Assumed dilutive conversion of preferred stock .... - 69 Assumed exercise of options and warrants based on the treasury method using average market price... 30 133 --------------- --------------- Weighted average number of shares, as adjusted................................. 21,734 22,735 --------------- --------------- Diluted earnings per common share (a).. $ .54 $ .34 --------------- --------------- (a) These amounts agree with the related amounts in the consolidated statements of income. PRE-PAID LEGAL SERVICES, INC. Statement re Computation of Per Share Earnings (In 000's except per share amounts) Three months ended June 30, ---------------------------------- 2001 2000 --------------- --------------- (Restated) BASIC EARNINGS PER SHARE: Computation for Statement of Income Earnings: Net income applicable to common stockholders (a)................................ $ 4,751 $ 3,075 --------------- --------------- Shares: Weighted average shares outstanding (net of 3,344 and 2,008 weighted average shares of treasury stock, respectively), disregarding exercise of options or conversion of preferred stock...................................... 21,403 22,516 --------------- --------------- Basic earnings per common share (a).. $ .22 $ .14 --------------- --------------- DILUTED EARNINGS PER SHARE: Computation for Statement of Income Earnings: Net income applicable to common stockholders (a)................................ $ 4,751 $ 3,075 Add: Dividends on preferred stock .... - 2 --------------- --------------- Net income applicable to common stockholders, as adjusted .... $ 4,751 $ 3,077 --------------- --------------- Shares: Weighted average shares outstanding (net of 3,344 and 2,008 weighted average shares of treasury stock, respectively), disregarding exercise of options or conversion of preferred stock.. 21,403 22,516 Assumed dilutive conversion of preferred stock .... - 69 Assumed exercise of options and warrants based on the treasury method using average market price... 26 149 --------------- --------------- Weighted average number of shares, as adjusted................................. 21,429 22,734 --------------- --------------- Diluted earnings per common share (a).. $ .22 $ .14 --------------- --------------- (a) These amounts agree with the related amounts in the consolidated statements of income.