

HOVNANIAN ENTERPRISES INC  
 Form 4  
 March 09, 2006

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MCDONALD DESMOND P

2. Issuer Name and Ticker or Trading Symbol  
 HOVNANIAN ENTERPRISES INC  
 [HOV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/08/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

10 HIGHWAY 35

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

RED BANK, NJ 07701

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|--|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|--|

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| (Instr. 3)                  | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Code  | (A) or Disposed of (D) (Instr. 3, 4, and 5) |        | Date Exercisable | Expiration Date | Title                | Amount or Number of Shares |
|-----------------------------|------------------------------|------------------|------------------|---|--------|------------------|-----------------|----------------------|----------------------------|
|                             |                              |                  |                  | (A)   | (D)    |                  |                 |                      |                            |
| Stock Option (right to buy) | \$ 5.575                     | 03/08/2006       | D <sup>(1)</sup> |   | 15,000 | <sup>(2)</sup>   | 11/05/2011      | Class A Common Stock | 15,000                     |
| Stock Option (right to buy) | \$ 5.575                     | 03/08/2006       | A <sup>(1)</sup> | 15,000                                      |        | <sup>(4)</sup>   | 12/31/2006      | Class A Common Stock | 15,000                     |
| Stock Option (right to buy) | \$ 36.93                     | 03/08/2006       | D <sup>(1)</sup> |   | 15,000 | <sup>(5)</sup>   | 01/12/2014      | Class A Common Stock | 15,000                     |
| Stock Option (right to buy) | \$ 36.93                     | 03/08/2006       | A <sup>(1)</sup> | 15,000                                      |        | <sup>(4)</sup>   | 12/31/2006      | Class A Common Stock | 15,000                     |
| Stock Option (right to buy) | \$ 51.68                     | 03/08/2006       | D <sup>(1)</sup> |   | 7,000  | <sup>(6)</sup>   | 01/17/2015      | Class A Common Stock | 7,000                      |
| Stock Option (right to buy) | \$ 51.68                     | 03/08/2006       | A <sup>(1)</sup> | 7,000                                       |        | <sup>(4)</sup>   | 12/31/2006      | Class A Common Stock | 7,000                      |
| Stock Option (right to buy) | \$ 56.82                     | 03/08/2006       | D <sup>(1)</sup> |   | 3,500  | <sup>(7)</sup>   | 05/19/2015      | Class A Common Stock | 3,500                      |
| Stock Option (right to buy) | \$ 56.82                     | 03/08/2006       | A <sup>(1)</sup> | 3,500                                       |        | <sup>(4)</sup>   | 12/31/2006      | Class A Common Stock | 3,500                      |

## Reporting Owners

| Reporting Owner Name / Address      | Relationships |           |         |       |
|-------------------------------------|---------------|-----------|---------|-------|
|                                     | Director      | 10% Owner | Officer | Other |
| MCDONALD DESMOND P<br>10 HIGHWAY 35 | X             |           |         |       |

RED BANK, NJ 07701

## Signatures

Nancy A. Marrazzo  
Attorney-in-Fact

03/09/2006

Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).  
  
In connection with the end of the Reporting Person's term as Director of the Issuer on March 8, 2006 following his decision not to stand for reelection to the Board of Directors, prior to the expiration of his term the Compensation Committee of the Board of Directors (i) accelerated the vesting of the Reporting Person's outstanding stock options so that they became fully vested on March 8, 2006 and (ii) extended the period during which his outstanding stock options may be exercised from a 60-day period following the end of his term to until December 31, 2006. The extension of the exercise period is reflected in this Statement as the deemed cancellation of "old" options and the deemed regrant of "new" options.
- (1) The option vests in three equal annual installments beginning on November 6, 2002.
  - (2) N/A
  - (3) Immediate
  - (4) The option vests in three equal annual installments beginning on January 13, 2005.
  - (5) The option vests in three equal annual installments beginning on January 18, 2006.
  - (6) The option vests in three equal annual installments beginning on May 20, 2006.
  - (7)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.