

ST JOE CO  
Form SC 13D  
October 14, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13D  
Under The Securities Exchange Act of 1934  
(Amendment No.)\*

The St. Joe Company  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

790148100  
(CUSIP Number)

Bruce R. Berkowitz  
c/o Fairholme Capital Management, L.L.C.  
4400 Biscayne Boulevard, 9th Floor  
Miami, FL 33137  
(305) 358-3000

(Name, Address and Telephone Number of Person Authorized to Receive  
Notices and Communications)

October 13, 2010  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.240.13D-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [X].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 790148100

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Fairholme Capital Management, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)   
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS\*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

24,692,602

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

26,891,820

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON

26,891,820

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

29.0%

14. TYPE OF REPORTING PERSON\*

IA

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CUSIP No. 790148100

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Bruce R. Berkowitz

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)   
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS\*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

24,692,602

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

26,891,820

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON

26,891,820

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

29.0%

14. TYPE OF REPORTING PERSON\*

IN, HC

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CUSIP No. 790148100

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Fairholme Funds, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)   
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS\*

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Maryland

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

23,136,502

9. SOLE DISPOSITIVE POWER

0

10. SHARES DISPOSITIVE POWER

23,136,502

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON

23,136,502

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

24.9%

14. TYPE OF REPORTING PERSON\*

IV

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CUSIP No. 790148100

Item 1. Security and Issuer.

The name of the issuer is The St. Joe Company (the "Issuer"). The address of the Issuer's offices is 133 South WaterSound Parkway WaterSound, Florida 32413. This Schedule 13D relates to the Issuer's Common Stock (the "Shares").

Item 2. Identity and Background.

(a-c, f) This Schedule 13D is being filed jointly by Fairholme Capital Management, L.L.C., a Delaware limited liability company ("Fairholme"), The Fairholme Fund, a series of Fairholme Funds, Inc., a Maryland investment company (the "Fund") and Bruce R. Berkowitz, a United States citizen (collectively with Fairholme and the Fund, the "Reporting Persons").

The principal business address of the Reporting Persons is 4400 Biscayne Boulevard, 9th Floor, Miami, FL 33137.

Bruce R. Berkowitz is the managing member of Fairholme, an investment management firm that serves as the investment adviser to the Fund and other advisory accounts.

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The funds for the purchase of the Shares came from the working capital of the Fund and the advisory accounts over which Bruce Berkowitz, through his role at Fairholme, exercises investment discretion.

No borrowed funds were used to purchase the Shares.

Item 4. Purpose of Transaction.

The Reporting Persons have acquired their Shares of the Issuer for investment. The Reporting Persons evaluate their investment in the Shares on a continual basis. The Reporting Persons have no plans or proposals as of the date of this filing which, relate to, or would result in, any of the actions enumerated in Item 4 of the instructions to Schedule 13D.

Subject to the Standstill Agreement described in Item 6, the Reporting Persons reserve the right to be in contact with members of the Issuer's management, the members of the Issuer's Board of Directors (the "Board"), other significant shareholders and others regarding alternatives that the Issuer could employ to increase shareholder value.

Subject to the Standstill Agreement described in Item 6, the Reporting Persons reserve the right to effect transactions that would change the number of shares they may be deemed to beneficially own.

Subject to the Standstill Agreement described in Item 6, the Reporting Persons further reserve the right to pursue a strategic alliance with any other shareholders of the Issuer, or other persons, for a common purpose should it determine to do so, and/or to recommend courses of action to the Issuer's management, the Issuer's Board of Directors, the Issuer's shareholders and others.

Item 5. Interest in Securities of the Issuer.

(a-e) As of the date hereof, Fairholme may be deemed to be the beneficial owner of 26,891,820 Shares (29.0%) of the Issuer, the Fund may be deemed to be the beneficial owner of 23,136,502 Shares (24.9%) of the Issuer and Bruce R. Berkowitz may be deemed to be the beneficial owner of 26,891,820 Shares (29.0%) of the Issuer, based upon the 92,701,304 Shares outstanding as of July 28, 2010, according to the Issuer.

Fairholme has the sole power to vote or direct the vote of 0 Shares, the Fund has the sole power to vote or direct the vote of 0 Shares and Bruce R. Berkowitz has the sole power to vote or direct the vote of 0 Shares to which this filing relates. Fairholme has the shared power to vote or direct the vote of 24,692,602 Shares, the Fund has the shared power to vote or direct the vote of 23,136,502 Shares and Bruce R. Berkowitz has the shared power to vote or direct the vote of 24,692,602 Shares to which this filing relates.

Fairholme has the sole power to dispose or direct the disposition of 0 Shares, the Fund has the sole power to dispose or direct the disposition of 0 Shares and Bruce R. Berkowitz has the sole power to dispose or direct the disposition of 0 Shares to which this filing relates. Fairholme has the shared power to dispose or direct the disposition of 26,891,820 Shares, the Fund has the shared power to dispose or direct the disposition of 23,136,502 Shares and Bruce R. Berkowitz has the shared power to dispose or direct the disposition of 26,891,820 Shares to which this filing relates.

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The trading dates, number of Shares purchased or sold and the price per share for all transactions in the Shares during the 60 days prior to the date of this filing by the Reporting Persons are set forth in Exhibit B and were effected in the open market.

The Reporting Persons specifically disclaim beneficial ownership in the Shares reported herein except to the extent of their pecuniary interest therein.

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Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

On April 6, 2009, the Fund and Fairholme (collectively, the "Fairholme Parties") entered into an agreement with the Issuer (the "Standstill Agreement") permitting the Fairholme Parties to acquire beneficial ownership of up to 30% of the Issuer's outstanding common stock if the Fairholme Parties acquire 20% or more within two years.

A copy of the Standstill Agreement is attached as Exhibit C.

Item 7. Material to be Filed as Exhibits.

Exhibit A Joint Filing Statement

Exhibit B A description of the transactions in the Shares that were effected by the Reporting Persons during the 60 days prior to the date of this filing is filed herewith as Exhibit B.

Exhibit C The Standstill Agreement dated as of April 6, 2009 is filed herewith as Exhibit C.