

MDC HOLDINGS INC
Form 8-K
July 28, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): July 25, 2016

M.D.C. Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware 1-8951 84-0622967
(State or other (Commission file number) (I.R.S. employer
jurisdiction of identification no.)
incorporation)

4350 South Monaco Street, Suite 500, Denver, Colorado 80237
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (303) 773-1100

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

(e) On July 25, 2016, the Compensation Committee (the "Committee") of M.D.C. Holdings, Inc. (the "Company") took the action described below with respect to compensation of executive officers.

Executive Long Term Performance Stock Unit Awards

The Committee granted long term performance stock unit (PSU) awards to Larry A. Mizel, Chief Executive Officer, David D. Mandarich, Chief Operating Officer, and Robert N. Martin, Chief Financial Officer, under the terms of the Company's 2011 Equity Incentive Plan. The awards will be earned based upon the Company's performance, over a three year period, measured by increasing home sale revenues over the corresponding period, while maintaining a minimum average gross margin from home sales percentage (excluding impairments). The "Performance Period" for the awards is a three year period commencing July 1, 2016 and ending June 30, 2019. The "Base Period" for the awards is July 1, 2015 to June 30, 2016. The awards are conditioned upon the Company achieving an average gross margin from home sales percentage (excluding impairments) of at least fifteen percent (15%) over the Performance Period (the "Precondition").

The Target Goal was established for each award based on the Company's three year average increase in home sale revenues ("Revenue") over the Base Period of at least 10% but less than 20%. The Threshold Goal was based on a three year average increase in Revenue over the Base Period of at least 5% but less than 10%. The Maximum Goal was based on a three year average increase in Revenue over the Base Period of 20% or more.

Upon the Company satisfying the Precondition, the following shares of Company stock would be awarded:

| | Target | Threshold | Maximum |
|---------------|----------------|---------------|----------------|
| Mr. Mizel | 100,000 shares | 50% of Target | 200% of Target |
| Mr. Mandarich | 100,000 shares | 50% of Target | 200% of Target |
| Mr. Martín | 25,000 shares | 50% of Target | 200% of Target |

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The awards are subject to the executive's continuous employment through June 30, 2019. A pro rata portion of the PSU will vest upon the executive's death, disability or termination of employment without cause prior to such date, conditioned upon the Company's performance during the Performance Period and satisfaction of the Precondition. The PSU will become 100% vested upon a "change in control" of the Company, as defined in the respective executive's employment or change in control agreement.

The awards are also subject to the Clawback Policy adopted by the Company's Corporate Governance/Nominating Committee on January 14, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

M.D.C. HOLDINGS, INC.

Dated: July 28, 2016

By: /s/ Joseph H. Fretz
Joseph H. Fretz
Secretary and Corporate Counsel