PULTEGROUP INC/MI/
Form PRE 14A
March 08, 2019
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**PulteGroup, Inc.**

**(Name of Registrant as Specified in its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11

(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY STATEMENT DATED MARCH 8, 2019

SUBJECT TO COMPLETION

**PULTEGROUP, INC.**

**3350 Peachtree Road NE, Suite 150**

**Atlanta, Georgia 30326**

**NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS**

| | |
|---|---|
| **When:** | Wednesday, May 8, 2019 at 5:00 P.M., Eastern Time |
| **Where:** | 3350 Peachtree Road NE<br>Atlanta, Georgia 30326 |
| **Items of Business:** | Proposal 1 Election of eleven nominees for director named in this Proxy Statement<br>Proposal 2 Ratification of appointment of Ernst & Young LLP as our independent registered public accounting firm for 2019<br>Proposal 3 Say-on-pay: Advisory vote to approve executive compensation<br>Proposal 4 Approval of an amendment to extend the term of our Amended and Restated Section 382 Rights Agreement<br>In addition, any other business as may properly come before the meeting |
| **Who Can Vote:** | Shareholders of record at the close of business on Friday, March 15, 2019 |
| **Who Can Attend:** | Shareholders who wish to attend the meeting in person should review pages 62-64 |
| **Date of** | On or about Monday, March 25, 2019, a Notice of Internet Availability of Proxy |

**Mailing:** Materials and Notice of Annual Meeting are being mailed or made available to our shareholders containing instructions on how to access this Proxy Statement and our 2018 Annual Report on Form 10-K and vote online, as well as instructions on how to receive paper copies of these documents for shareholders who so elect

By Order of the Board of Directors

TODD N. SHELDON
*Executive Vice President, General Counsel and Corporate Secretary*

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## PROXY SUMMARY

*This summary highlights selected information about the items to be voted on at the 2019 annual meeting of shareholders ( annual meeting ) of PulteGroup, Inc. ( PulteGroup, the Company, we or our ). This summary do contain all of the information that you should consider in deciding how to vote. You should read the entire Proxy Statement before voting.*

**Meeting Agenda and Voting Recommendations**

**Proposal Election of Directors**

**The Board recommends a vote FOR each of the director nominees named in this Proxy Statement.**

Slate of directors with broad and diverse leadership experience

Significant experience in relevant industries (including real estate and consumer markets) and public company leadership experience, among other key competencies

Ongoing refreshment and succession process of Board composition

Proactive shareholder engagement

**See pages 3-13 for further information**

**DIRECTOR NOMINEES**

| Name | Principal Professional Experience | Years of Tenure | Gender or Ethnic Diversity | Independence | Current Committee Memberships[1] Audit | Comp | Finance | Nom /Gov |
|---|---|---|---|---|---|---|---|---|
| **Brian P. Anderson** | Former Chief Financial Officer, Baxter International Inc. | 14 | | | | | | |
| **Bryce Blair** Non-Executive Chairman | Former Chairman of the Board and Chief Executive Officer, AvalonBay Communities, Inc. | 8 | | | | | | |
| **Richard W. Dreiling** | Former Chairman of the Board and Chief | 4 | | | | | | |

| | | |
|---|---|---|
| | Executive Officer, Dollar General Corporation | |
| **Thomas J. Folliard** | Non-Executive Chairman of the Board and Former President and Chief Executive Officer, CarMax, Inc. | 7 |
| **Cheryl W. Grisé** | Former Executive Vice President, Northeast Utilities (now known as Eversource Energy) | 11 |
| **André J. Hawaux** | Former Executive Vice President, Chief Financial Officer and Chief Operating Officer, Dick s Sporting Goods, Inc. | 6 |
| **Ryan R. Marshall** | President and Chief Executive Officer, PulteGroup, Inc. | 3 |
| **John R. Peshkin** | Founder and Managing Partner, Vanguard Land, LLC | 3 |
| **Scott F. Powers** | Former President and Chief Executive Officer, State Street Global Advisors | 3 |
| **William J. Pulte** | Chief Executive Officer, Pulte Capital Partners LLC | 3 |
| **Lila Snyder** | Executive Vice President and President, Commerce Services, Pitney Bowes, Inc. | 1 |

(1) These columns show the current committee memberships of the director nominees.

**Audit** = Audit Committee
**Comp** = Compensation and Management Development Committee
= Chair of Committee

**Finance** = Finance and Investment Committee

**Nom/Gov** = Nominating and Governance Committee

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**Board Nominee Highlights**

**Governance Highlights**

PulteGroup has a long-standing commitment to strong corporate governance and throughout the years has evolved its governance framework to align with best practices. In particular, we believe that the following corporate governance features help us best serve the interests of our shareholders:

| | |
|---|---|
| **Shareholder Rights** | **Annual election of all directors** |
| | **Majority vote standard in uncontested director elections** |
| | **Proxy access rights** |
| | **Right to call a special meeting for shareholders with 20% or more of outstanding shares** |
| | **Right to take action by written consent for shareholders** |
| | **Active engagement with the Company s top 20 largest shareholders** |
| **Independent Oversight** | **Strong Non-Executive Chairman role** |
| | **Independent Audit Committee, Compensation and Management Development Committee and Nominating and Governance Committee** |
| | **All directors are independent except the Chief Executive Officer** |

| | |
|---|---|
| | **Committee authority to retain independent advisors** |
| **Good Governance** | **Frequent cross-committee and Board communications** |
| | **Efficient Board, committee and director evaluation processes** |
| | **Code of ethical business conduct and code of ethics** |
| | **Director orientation and continuing education programs** |
| | **Meaningful share ownership guidelines for executive officers and directors** |
| | **Prohibition against hedging and pledging Company securities** |
| | **Charter of Nominating and Governance Committee expresses strong commitment to inclusion of diverse groups, knowledge and viewpoints in selection of Board nominees** |

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**Proposal** **Ratification of Appointment of Ernst & Young LLP as the Independent Registered Public Accountant for 2019**

**The Board recommends a vote FOR the ratification of the appointment of Ernst & Young LLP as the independent registered public accountant for 2019.**

Independent firm with a reputation for integrity and competence

Provides significant financial reporting expertise

Few ancillary services and reasonable fees

**See page 52 for further information**

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**Proposal** **Say-on-Pay: Advisory Vote to Approve Executive Compensation**
**The Board recommends a vote FOR this proposal.**

Ongoing review of compensation practices by Compensation and Management Development Committee with assistance from an independent compensation consultant

Compensation programs designed to reward executives for performance against established performance objectives and improving shareholder returns

Adherence to commonly viewed executive compensation best practices

**See pages 53-55 for further information**

**Executive Compensation Highlights**

Our executive compensation program is designed to reward executives for producing sustainable growth and improving shareholder returns consistent with our strategic plan and to align compensation with the long-term interests of our shareholders. In accordance with this pay for performance philosophy, PulteGroup compensates its named executive officers using a mix of cash and equity compensation elements with an emphasis on short-term and long-term performance:

| **Element** | **Description** | **Further Information (pages)** |
|---|---|---|
| **Base Salary** | Provides base pay levels that are competitive with market practices to attract and retain top executive talent. | 32 |
| **Annual Cash Incentive** | Provides annual incentive opportunities competitive with market practices to attract, motivate and retain top executive talent.<br><br>Rewards executives for annual performance results relative to pre-established goals deemed critical to the success of the Company and its strategy.<br><br>Aligns interests of executives with those of our shareholders. | 32-33 |

| | | |
|---|---|---|
| **Long-Term Incentive Program** | Provides equity incentives competitive with market practices in order to attract, motivate and retain top executive talent.<br>Focuses executives on long-term performance of the Company.<br>Directly aligns interests of executives with those of our shareholders.<br>Encourages retention of talent over 3-year performance period. | 34-35 |
| **Restricted Share Units** | Provides equity incentives competitive with market practices in order to attract, motivate and retain top executive talent.<br>Focuses executives on long-term performance of the Company.<br>Directly aligns interests of executives with those of our shareholders.<br>Encourages retention of talent over 3-year cliff-vesting period. | 35-36 |

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PulteGroup is also committed to having strong governance standards with respect to our executive compensation program, policies and practices. Consistent with this focus, we maintain the following policies and practices that we believe demonstrate our commitment to executive compensation best practices.

| WHAT WE DO | WHAT WE DO NOT DO |
|---|---|
| **Meaningful share ownership guidelines** | **No excessive perquisites** |
| **Committee comprised entirely of independent directors** | **Plan prohibits granting discounted stock options** |
| **Clawback policy** since 2009, applicable to annual incentive awards, long-term incentive awards and equity grants | **No service-based defined benefit pension plan** |
| **Pay for performance** CEO pay approximately 89% at-risk | **No automatic single-trigger vesting of equity awards upon a change-in-control** |
| **Independent, 3rd party compensation consultant** | **No dividends or dividend equivalents paid on unearned performance-based equity awards** |
| **Annual say-on-pay vote** | **Plan prohibits re-pricing of underwater stock options** |
| **Market comparison of executive compensation against a relevant peer group** | **Prohibition on hedging and pledging Company securities** |
| **Multi-year vesting schedule for equity awards** | **No change-in-control tax gross-ups for named executive officers** |
| **Shareholder engagement** | |

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**Proposal** **Approval of an amendment to extend the term of the Company s Amended and Restated Section 382 Rights Agreement**

**The Board recommends a vote FOR the approval of an amendment to extend the term of the Company s Amended and Restated Section 382 Rights Agreement.**

Retain value of deferred tax assets

**See pages 56-60 for further information**

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PRELIMINARY PROXY STATEMENT DATED MARCH 8, 2019

SUBJECT TO COMPLETION

## PROXY STATEMENT

The board of directors of PulteGroup, Inc. ( PulteGroup, the Company, we or our ) is soliciting proxies on behalf of Company to be used at the annual meeting of shareholders (the annual meeting ) to be held on May 8, 2019, at 5:00 P.M., Eastern Time, at 3350 Peachtree Road Northeast, Atlanta, Georgia 30326. In accordance with rules adopted by the Securities and Exchange Commission (the SEC ), the Company is making this Proxy Statement and the Company s Annual Report on Form 10-K ( Annual Report ) available to our shareholders electronically via the internet. In addition, the Company is using the SEC s Notice and Access Rules to provide shareholders with more options for receipt of these materials. Accordingly, on or about March 25, 2019, the Company will be mailing a Notice of Internet Availability of Proxy Materials and Notice of Annual Meeting (the Notice ) to our shareholders containing instructions on how to access this Proxy Statement and the Company s Annual Report on the internet, how to vote online or by telephone, and how to receive paper copies of the documents and a proxy card.

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## BOARD OF DIRECTORS INFORMATION

### *Board of Directors Qualifications and Attributes*

PulteGroup s board of directors (the Board or board of directors ) annually reviews the skills and experiences which should be represented on the Board. As a result of the review conducted in 2017, the Board developed the following matrix which sets forth the collective experiences and qualifications of the directors that will continue to drive effective oversight of the Company. The Board reaffirmed this set of experiences and qualifications in assessing nominees for 2019.

| Competency | Definition |
|---|---|
| **Real Estate Experience** | Deep experience in the single-family homebuilding sector<br><br>Experience in a large organization where the purchase, entitlement and/or development of real estate is integral to the business |
| **Public Company Leadership Experience** | C Suite experience (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or similar) with a public company<br><br>Sub C Suite experience as division president or functional leader within a large public company (e.g., subsidiary president/functional leader)<br><br>Prominence and excellent reputation in the director s industry |
| **High Level of Financial Literacy** | |

| | | |
|---|---|---|
| (used in) operating activities | | |
| Increase in accrued expenses | 15,975 | - |
| Net cash provided by (used in) operating activities | (5,000) | 1,612,976 |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loan from principal shareholder | 5,000 | - |
| Net cash provided by financing activities | 5,000 | - |
| | | |
| EFFECT OF EXCHANGE RATE ON CASH | - | (1,612,976) |
| | | |
| INCREASE (DECREASE) IN CASH | - | - |
| | | |
| CASH BALANCE AT BEGINNING OF | - | - |

| | | | | |
|---|---|---|---|---|
| PERIOD | | | | |
| CASH BALANCE AT END OF PERIOD | $ | - | $ | - |
| | | | | |
| SUPPEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | | |
| None | | | | |
| NON CASH INVESTING AND FINANCIAL ACTIVITIES | | | | |
| Payment of Accrued expenses at December 31, 2008 by | | | | |
| principal shareholder, considered a capital contribution. | $ | 87,534 | $ | - |
| | | | | |

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LONE PINE HOLDINGS, INC.

(FORMERLY AUSTRALIAN FOREST INDUSTRIES, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009
(Unaudited)

NOTE A - BASIS OF PRESENTATION AND NATURE OF BUSINESS

The accompanying condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary in order to make the financial statements not misleading have been included. Results for the three month periods ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. For further information, refer to the financial statements and footnotes thereto included in the Lone Pine Holdings, Inc. annual report on Form 10-K for the year ended December 31, 2008

Nature of Business

Lone Pine Holdings, Inc. ("the Company"), through its former wholly owned subsidiary Integrated Forest Products Pty Ltd ("Integrated"), previously operated a saw mill in Australia which cut pine timber into building products to supply the commercial and residential industry along the eastern coast of Australia. In July 2007, its wholly owned subsidiary in Australia was put into receivership and has formerly discontinued its operations. In connection with the receivership, the receiver formed a new Australian wholly owned subsidiary, Australian Forest Industries, LTD., and exchanged all of the shares of Integrated for Australian Forest Industries, LTD. shares. On October 15, 2008, the board of Directors of the Company approved the transfer of all the outstanding shares of Australian Forest Industries, LTD. to the principal shareholders and Directors, personally. Subsequent to the spin out, the Company became a non-operating shell company.

Going Concern

As shown in the accompanying financial statements, the Company incurred a loss from continuing operations of $20,975 in 2008 and had an accumulated deficit of $4,939,326 at March 31, 2009. Management in October 2008 dissolved the saw mill operations in Australia which was in receivership, spun out the bankrupt subsidiary and is currently looking for a merger candidate for the public shell. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

NOTE B – REVERSE STOCK SPLIT/ CHANGE OF NAME

Effective January 29, 2009, the Company amended its Articles of Incorporation to decrease the number of authorized shares of capital stock from 305,000,000 to 150,000,000. Prior to the amendment, the Company's Articles of Incorporation authorized 5,000,000 shares of preferred stock and 300,000,000 shares of common stock, and after the amendment, the Company's Articles of Incorporation authorize 5,000,000 shares of preferred stock and 145,000,000 shares of common stock.

On January 29, 2009 the Company also changed its name from “Australian Forest Industries” to “Lone Pine Holdings, Inc.” The Company’s management believes that the name change will disassociate the Company with its former business of operating a saw mill in Australia.

LONE PINE HOLDINGS, INC.

(FORMERLY AUSTRALIAN FOREST INDUSTRIES, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009
(Unaudited)

NOTE B – REVERSE STOCK SPLIT/ CHANGE OF NAME (CONTINUED)

On January 29, 2009, the Company enacted a reverse-stock split so that for every one hundred shares of our common stock outstanding on the record date, the Company's shareholders received one share of our common stock (the "Reverse Stock Split"). Any fractional share of the Company's common stock that would have existed as a result of the Reverse Stock Split was rounded up to a whole share. Every one hundred shares of common stock issued and outstanding immediately prior to the record date will be reclassified as, and changed into, one share of common stock.

The principal effect of the Reverse Stock Split was to decrease the number of outstanding shares of common stock. At the time of the record date, the Company had 257,600,680 shares outstanding, which number was reduced to 2,577,350 as a result of the Reverse Stock Split. All share and per share amounts have been retrospectively restated to give effect to the Reverse Stock Split in the accompanying financial statements.

NOTE C –CHANGE OF CONTROL

Baytree Capital Associates LLC ("Baytree") has obtained a controlling interest in the Company's common shares pursuant to a Stock Purchase Agreement that it entered into with each of the Company's recent directors (Michael Timms, Roger Timms, Colin Baird and Tony Esplin), their affiliate and their immediate family members. One of the selling shareholders under the Stock Purchase Agreement is Timbermans Group, which owned approximately 54.3% of the Company's share capital and is affiliated with each of the Company's aforementioned directors. Although Timbermans Group is owned by these directors, it has been placed into a form of receivership under Australian law, and the contractual decision to enter into the contract for the sale of shares was made by its Receiver, PricewaterhouseCoopers, rather than the shareholders.

Under the Stock Purchase Agreement, Baytree purchased 2,385,000 shares of the Company's common stock (238,500,000 million shares of common stock prior to the reverse stock-split described above) in exchange for $448,125. As a condition to the sale under the Stock Purchase Agreement, the Company's directors and officers needed to resign, and Baytree arranged with those directors and officers to have William S. Rosenstadt appointed as sole director and executive officer.

NOTE D – STOCKHOLDERS' DEFICIT

During the three months ended March 31, 2009, $87,534 in accrued expenses were paid by a principal shareholder of the Company on behalf of the Company. These amounts were recorded as a capital contribution.

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

It should be noted that this Management's Discussion and Analysis of Financial Condition and Results of Operations may contain "forward-looking statements". The terms "believe", "anticipate", "intend", "goal", "expect" and similar expressions may identify forward-looking statements. These forward-looking statements represent our current expectations or beliefs concerning future events. The matters covered by these statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. The foregoing list should not be construed as exhaustive, and we disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation that the strategy, objectives or other of our plans will be achieved. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

Background

Our former subsidiaries Integrated and Timbermans went into administration in Australia (in the United States this is tantamount to a Chapter 11 Bankruptcy). On July 31, 2007, Price Waterhouse Coopers LLP was appointed Receivers and Managers of both Integrated and Timbermans. Also on this same date, Deloitte was appointed Liquidator of Timbermans. Romanis Cant was appointed Liquidator of Integrated on October 18, 2007. The business operations of Integrated were continued until November 30, 2007 when all of the assets of Integrated were offered for sale as a going concern.

In connection with the receivership, the receiver formed a new Australian wholly owned subsidiary, Australian Forest Industries, LTD., and exchanged all of the shares of Integrated for Australian Forest Industries, LTD. shares. On October 15, 2008, the board of Directors of the Company approved the transfer of all the outstanding shares of Australian Forest Industries, LTD. to the principal shareholders and Directors, personally. Subsequent to the spin out, the Company became a non-operating shell company.

As shown in the accompanying consolidated financial statements, the Company has incurred a net loss from continuing operations of $20,975 for the three months ended March 31, 2009 and had an accumulated deficit of $4,939,326 at March 31, 2009. Because of the dissolution of the business and the liquidation of all liabilities, our current business objective for the next 12 months is to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation. We will not restrict our potential candidate target companies to any specific business, industry or geographical location and, thus, may acquire any type of business.

We do not currently engage in any business activities that provide us with positive cash flows. As such, the costs of investigating and analyzing business combinations for the next approximately 12 months and beyond will be paid through funds from financing to be obtained.

During the next 12 months we anticipate incurring costs related to filing of Exchange Act reports and costs relating to consummating an acquisition.

We believe we will be able to meet these costs with amounts to be loaned to or invested in us by our stockholders or other investors.

We may consider a business which has recently commenced operations, is a developing company in need of additional funds for expansion into new products or markets, is seeking to develop a new product or service, or is an established business which may be experiencing financial or operating difficulties and is in need of additional capital. In the alternative, a business combination may involve the acquisition of, or merger with, a company which does not need substantial additional capital, but which desires to establish a public trading market for its shares, while avoiding, among other things, the time delays, significant expense, and loss of voting control which may occur in a public offering.

Any target business that is selected may be a financially unstable company or an entity in its early stages of development or growth, including entities without established records of sales or earnings. In that event, we will be subject to numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. In addition, we may effect a business combination with an entity in an industry characterized by a high level of risk, and, although our management will endeavor to evaluate the risks inherent in a particular target business, there can be no assurance that we will properly ascertain or assess all significant risks.

RESULTS OF OPERATIONS

Net loss for the three months ended March 31, 2009 was $20,875 as compared to a net loss of $203,495 the three months ended March 31, 2008. All of the losses in the 2009 period were from continuing operations and related almost exclusively to accounting, legal and transfer agent fees. Apart from looking for a merger candidate, we have no current operations, and we have no employees. All of the losses in the 2008 period were from discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used by operations was $5,000 for the three months ended March 31, 2009 as compared to a net cash provided by operations of $1,612,976 for the three months ended March 31, 2008. In the 2009, period there was a loss of from continuing operations before income tax of $20,795 which was partially offset by an increase in accrued expenses of $15,975. In the 2008 period, net cash provided by operations consisted entirely of operating cash flows from discontinued operations. Net cash provided by financing activities was $5,000 for the three months ended March 31, 2009 as compared to none for the three months ended March 31, 2008. In 2009, there was a shareholder loan to pay for expenses. We realized no net cash provided by investing activities for the three-month periods ended March 31, 2008 or 2009.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's discussion and analysis of its financial condition and results of operations are based upon its financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to bad debts, income taxes and contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Recent Accounting Pronouncements Affecting the Company:

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 establishes a common definition for fair value to be applied to US GAAP guidance requiring the use of fair value, establishes a framework for measuring fair value, and expands the disclosure about such fair value measurements.

The application of SFAS No. 157 as it relates to financial assets and financial liabilities is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. On February 12, 2008, the FASB issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157," which delays the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The Company's adoption of SFAS No. 157 on February 3, 2008 for all financial assets and liabilities and any other assets and liabilities that are recognized or disclosed at fair value on a recurring basis did not impact the Company's consolidated financial statements. The provisions of SFAS No. 157 are to be applied prospectively as of the beginning of the fiscal year in which it is applied, with any transition adjustment recognized as a cumulative effect adjustment to the opening balance of retained earnings. The Company does not anticipate that the adoption of SFAS No. 157 for nonfinancial assets and liabilities measured at fair value on a non-recurring basis will have a material impact on its financial position and results of operations.

In February, 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("SFAS 159"). SFAS 159 allows entities to measure at fair value many financial instruments and certain other assets and liabilities that are not otherwise required to be measured at fair value. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 on January 1, 2008. Adoption of SFAS 157 did not have a material impact on the Company results of operations, cash flows or financial position.

In December 2007, the FASB issued SFAS No. 141R, Business Combinations. This standard establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and non-controlling interest in the acquiree and the goodwill acquired. This statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for acquisitions made after November 30, 2009. The Company is currently evaluating the potential impact, if any, that the adoption of SFAS No. 141R will have on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements. This standard outlines the accounting and reporting for ownership interest in a subsidiary held by parties other than the parent. SFAS No. 160 is effective for the first quarter of 2010. The Company is currently evaluating the potential impact, if any, the adoption of SFAS No. 160 will have on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles. SFAS No. 162 became effective in November 2008. Its adoption is not expected to have a material impact on the Company's consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable

Item 4/4T. – Controls and Procedures

(a) Disclosure Controls and Procedures.
As of the end of the period covering this Form 10-Q, we evaluated the effectiveness of the design and operation of our "disclosure controls and procedures". We conducted this evaluation under the supervision and with the participation of management, including our Chief Executive Officer and Acting Principal Accounting Officer.

(i) Definition of Disclosure Controls and Procedures.
Disclosure controls and procedures are controls and other procedures that are designed with the objective of ensuring that information required to be disclosed in our periodic reports filed under the Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. As defined by the SEC, such disclosure controls and procedures are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Chief Executive Officer and Acting Principal Accounting Officer, in such a manner as to allow timely disclosure decisions.

(ii) Conclusions with Respect to Our Evaluation of Disclosure Controls and Procedures.

Our Chief Executive Officer and Acting Principal Accounting Officer determined that, as of the end of the period covered by this report, these controls and procedures are adequate and effective in alerting them in a timely manner to material information relating to us required to be included in our periodic SEC filings.

(b) Changes in Internal Controls.
There have been no changes in our internal controls over financial reporting that could significantly affect these controls subsequent to the date of their evaluation.

PART II

Item 1. Legal Proceedings

No material changes.

Item 1A Risk Factors

Not applicable.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Index

Exhibit 31.1 Certification of Chief Executive Officer and Acting Principal Accounting Officer
Exhibit 32.1 Certification of Chief Executive Officer and Acting Principal Accounting Officer

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LONE PINE HOLDINGS, INC.

/s/ William S. Rosenstadt
Name: William S. Rosenstadt
Title: CEO, President and Principal Accounting Officer
Date: May 19, 2009