

LEVITT CORP
Form DEF 14A
April 17, 2006

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**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
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Levitt Corporation

(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.

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- (1) Amount Previously Paid:

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**LEVITT CORPORATION
2100 West Cypress Creek Road
Fort Lauderdale, Florida 33309**

April 17, 2006

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Levitt Corporation, which will be held on May 16, 2006 at 11:00 a.m. local time, at The Westin Fort Lauderdale, 400 Corporate Drive, Fort Lauderdale, Florida 33334.

Please read these materials so that you will know what we plan to do at the meeting. Also, please sign and return the accompanying proxy card in the postage-paid envelope. This way, your shares will be voted as you direct even if you cannot attend the meeting.

On behalf of your Board of Directors and our employees, I would like to express our appreciation for your continued support.

Sincerely,

Alan B. Levan
Chairman of the Board

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LEVITT CORPORATION
2100 West Cypress Creek Road
Fort Lauderdale, Florida 33309

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 16, 2006

Notice is hereby given that the Annual Meeting of Shareholders of Levitt Corporation (the Company) will be held at The Westin Fort Lauderdale, 400 Corporate Drive, Fort Lauderdale, Florida 33334 on May 16, 2006 commencing at 11:00 a.m. local time, for the following purposes:

1. To elect three directors to the Company's Board of Directors to serve until the Annual Meeting in 2009.
2. To approve the Company's Amended and Restated 2003 Stock Incentive Plan solely to increase the number of shares of common stock available for grant under the Company's 2003 Stock Incentive Plan.
3. To transact such other business as may properly be brought before the Annual Meeting or any adjournment thereof.

The matters listed above are more fully described in the Proxy Statement that forms a part of this Notice.

Only shareholders of record at the close of business on March 20, 2006 are entitled to notice of and to vote at the Annual Meeting.

Sincerely yours,

Alan B. Levan
Chairman of the Board

Fort Lauderdale, Florida
April 17, 2006

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES; THEREFORE EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

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**LEVITT CORPORATION
2100 West Cypress Creek Road
Fort Lauderdale, Florida 33309**

PROXY STATEMENT

The Board of Directors of Levitt Corporation (the Company) is soliciting proxies to be used at the Annual Meeting of Shareholders of the Company (the Annual Meeting) to be held at The Westin Fort Lauderdale, 400 Corporate Drive, Fort Lauderdale, Florida 33334 on May 16, 2006 at 11:00 a.m. and at any and all postponements or adjournments of the Annual Meeting, for the purposes set forth in the accompanying Notice of Meeting.

This Proxy Statement, Notice of Meeting and accompanying proxy card are being mailed to shareholders on or about April 17, 2006.

**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS
AND THE ANNUAL MEETING**

What is the purpose of the meeting?

At our Annual Meeting, shareholders will act upon the matters outlined in the notice of meeting on the cover page of this Proxy Statement, including the election of directors and the approval of the Company's Amended and Restated 2003 Stock Incentive Plan as well as any other matters which may properly be brought before the meeting.

Who is entitled to vote at the meeting?

Record holders of the Company's Class A Common Stock (Class A Stock) and record holders of the Company's Class B Common Stock (Class B Stock) at the close of business on March 20, 2006 may vote at the meeting.

On March 20, 2006, 18,604,053 shares of Class A Stock and 1,219,031 shares of Class B Stock were outstanding and, thus, are eligible to vote at the meeting.

What are the voting rights of the holders of Class A Stock and Class B Stock?

Holders of Class A Stock and the holder of Class B Stock will vote as one class of common stock on the matters to be voted upon at the Annual Meeting. Holders of Class A Stock are entitled to one vote per share, with all holders of Class A Stock having in the aggregate 53% of the general voting power. The number of votes represented by each share of Class B Stock, which represent in the aggregate 47% of the general voting power, is calculated each year in accordance with the Company's Amended and Restated Articles of Incorporation. At this year's Annual Meeting, each outstanding share of Class B Stock will be entitled to 13.5336 votes on each matter.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of shares representing a majority of the aggregate voting power (as described above) of the Company's common stock outstanding on the record date will constitute a quorum, permitting the conduct of business at the meeting.

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What is the difference between a shareholder of record and a street name holder?

If your shares are registered directly in your name with American Stock Transfer & Trust Company, the Company's stock transfer agent, you are considered the shareholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of these shares but not the shareholder of record, and your shares are held in street name.

How do I vote my shares?

If you are a shareholder of record, you can give a proxy to be voted at the meeting by mailing in the enclosed proxy card.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker or nominee. Your broker or nominee has enclosed or provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

Can I vote my shares in person at the meeting?

Yes. If you are a shareholder of record, you may vote your shares at the Annual Meeting by completing a ballot at the meeting.

However, if you are a street name holder, you may vote your shares in person only if you obtain a signed proxy from your broker or nominee giving you the right to vote the shares.

Even if you currently plan to attend the Annual Meeting, we recommend that you also submit your vote by proxy or by giving instructions to your broker or nominee as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

What are my choices when voting?

In the election of directors, you may vote for all nominees, or your vote may be withheld with respect to one or more nominees. The proposal related to the election of directors is described in this Proxy Statement beginning at page 8.

With respect to the proposal to approve the Company's Amended and Restated 2003 Stock Incentive Plan, you may vote for the proposal, against the proposal or abstain from voting on the proposal. This proposal is described in this Proxy Statement beginning at page 22.

What is the Board's recommendation?

The Board of Directors recommends a vote FOR all of the nominees for director and FOR the approval of the Company's Amended and Restated 2003 Stock Incentive Plan.

What if I do not specify how I want my shares voted?

If you do not specify on your proxy card how you want to vote your shares, we will vote them FOR all of the nominees for director and FOR the approval of the Company's Amended and Restated 2003 Stock Incentive Plan.

Can I change my vote?

Yes. You can revoke your proxy at any time before it is exercised in any of three ways:

by submitting written notice of revocation to the Company's Secretary;

by submitting another proxy by mail that is dated later and is properly signed; or

by voting in person at the Annual Meeting.

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What vote is required for a proposal to be approved?

For the election of directors, the affirmative vote of a plurality of the votes cast at the Annual Meeting is required. A properly executed proxy marked **WITHHOLD AUTHORITY** with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

For the approval of the Company's Amended and Restated 2003 Stock Incentive Plan, the affirmative vote of the holders of a majority of the votes cast on the proposal will be required for approval. Since abstentions are treated for these purposes as votes cast on the proposal, abstentions will effectively count as votes against the adoption of the Company's Amended and Restated 2003 Stock Incentive Plan.

If you hold your shares in street name through a broker or other nominee, your broker or nominee may or may not vote your shares in its discretion if you have not provided voting instructions to the broker. Whether the broker may vote your shares in its discretion depends on the proposals before the Annual Meeting. Under the rules of the New York Stock Exchange, your broker may vote your shares in its discretion on routine matters. The election of directors is a routine matter on which brokers will be permitted to vote your shares if no voting instructions are furnished. The rules of the New York Stock Exchange, however, do not permit your broker to vote your shares in its discretion on proposals that are not considered routine. The approval of the Company's Amended and Restated 2003 Stock Incentive Plan is a non-routine matter. Accordingly, if your broker has not received your voting instructions with respect to that proposal, your broker cannot vote your shares on that proposal. This is called a broker non-vote. However, because shares that constitute broker non-votes (which include shares as to which brokers withhold authority) will not be considered entitled to vote on such matters, broker non-votes will have no effect on the outcome of the proposal.

Are there any other matters to be acted upon at the Annual Meeting?

We do not know of any other matters to be presented or acted upon at the Annual Meeting. If any other matter is presented at the Annual Meeting on which a vote may properly be taken, the shares represented by proxies will be voted in accordance with the judgment of the person or persons voting those shares.

CORPORATE GOVERNANCE

Pursuant to the Company's bylaws and the Florida Business Corporation Act, the Company's business and affairs are managed under the direction of the Board of Directors. Directors are kept informed of the Company's business through discussions with management, including the Chief Executive Officer and other senior officers, by reviewing materials provided to them and by participating in meetings of the Board of Directors and its committees.

Determination of Director Independence

The full Board undertook a review of each of the directors' independence and the facts underlying those determinations on February 28, 2006. During this review, the Board considered transactions and relationships between each director or any member of his immediate family and the Company and its subsidiaries and affiliates, including those reported below under *Certain Relationships and Related Transactions*. It also examined transactions and relationships between directors or their affiliates and members of the Company's senior management or their affiliates. The purpose of this review was to determine whether any such relationship or transaction was inconsistent with a determination that the director is independent under applicable laws and regulations and the New York Stock Exchange listing standards. As permitted by the listing standards of the New York Stock Exchange, the Board has determined that the following categories of relationships will not constitute material relationships that impair a director's independence: (i) serving

on third party boards of directors with other members of the Board, (ii) payments or charitable gifts by the Company to entities with which a director is an executive officer or employee where such payments or gifts do not exceed the greater of \$1 million or 2% of such company's or charity's consolidated gross revenues, and (iii) investments by directors in common with each other or the Company, its affiliates or executive officers. As a result of its review of the relationships of each of the members of the Board, and considering these categorical standards, the Board has affirmatively determined that a majority of the Company's

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Board members, including James Blosser, S. Lawrence Kahn, III, Alan Levy, Joel Levy, and William Nicholson, are independent directors within the meaning of the listing standards of the New York Stock Exchange and applicable law.

Committees of the Board of Directors and Meeting Attendance

The Company's Board of Directors has established Audit, Compensation and Nominating and Corporate Governance Committees. The Board has adopted a written charter for each of these three committees and Corporate Governance Guidelines that address the make-up and functioning of the Board. The Board has also adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees. The committee charters, Corporate Governance Guidelines and Code of Business Conduct and Ethics are posted in the Investor Relations section of our website at www.levittcorporation.com/investor/governance/index.php, and each is available in print without charge to any shareholder.

The Board met ten times during 2005. Each of the members of the Board of Directors attended at least 75% of the meetings of the Board and Committees on which he or she served, except that Mr. Scherer attended 70% of such meetings. All of the then-serving members of the Board of Directors attended the Company's Annual Meeting in 2005, although the Company has no formal policy requiring them to do so.

The Audit Committee

The Audit Committee consists of Joel Levy, Chairman, William Nicholson and S. Lawrence Kahn, III. The Board has determined that all current members of the Audit Committee are financially literate and independent within the meaning of the listing standards of the New York Stock Exchange and applicable Securities and Exchange Commission (SEC) regulations. Mr. Levy, the chair of this committee, is qualified as an audit committee financial expert within the meaning of SEC regulations, and the Board has determined that he has accounting and related financial management expertise within the meaning of the listing standards of the New York Stock Exchange. The Audit Committee met 12 times during the 2005 fiscal year, and its members also held various informal conference calls as a committee. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent auditor. Additionally, the Audit Committee assists Board oversight of: (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualifications, performance and independence of the Company's independent auditor, and (iv) the performance of the Company's internal audit function. In connection with these oversight functions, the Audit Committee receives reports from the Company's outsourced internal audit group, periodically meets with management and the Company's independent auditors to receive information concerning internal controls over financial reporting and any deficiencies in such controls, and has adopted a complaint monitoring procedure that enables confidential and anonymous reporting to the Audit Committee of concerns regarding questionable accounting or auditing matters. A report from the Audit Committee is included at page 19.

The Compensation Committee

The Compensation Committee consists of S. Lawrence Kahn, III, Chairman, Alan Levy and William Nicholson. All of the members of the Committee are independent within the meaning of the listing standards of the New York Stock Exchange. In addition, each committee member is a Non-Employee Director as defined in Rule 16b-3 under the Securities Exchange Act of 1934 and an outside director as defined for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee met five times during 2005. The Compensation Committee provides assistance to the Board in fulfilling its responsibilities relating to the compensation of the Company's executive officers. It reviews and determines the compensation of the Chief Executive Officer and determines or makes recommendations with respect to the compensation of the Company's other executive officers. It

also administers the Company's equity-based and performance-based compensation plans. A report from the Compensation Committee is included at page 15.

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The Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of James Blosser, Chairman, Alan Levy and Joel Levy, each of whom has been determined by the Board of Directors to meet the New York Stock Exchange's standards for independence. The Nominating/Corporate Governance Committee met four times during 2005. The Nominating/Corporate Governance Committee is responsible for assisting the Board in identifying individuals qualified to become directors, making recommendations of candidates for directorships, developing and recommending to the Board a set of corporate governance principles for the Company, overseeing the evaluation of the Board and management, overseeing the selection, composition and evaluation of Board committees and overseeing the management continuity and succession planning process.

Generally, the Committee will identify candidates through the business and other organization networks of the directors and management. Candidates for director will be selected on the basis of the contributions the Committee believes that those candidates can make to the Board and to management and on such other qualifications and factors as the Committee considers appropriate. In assessing potential new directors, the Committee will seek individuals from diverse professional backgrounds who provide a broad range of experience and expertise. Board candidates should have a reputation for honesty and integrity, strength of character, mature judgment and experience in positions with a high degree of responsibility. In addition to reviewing a candidate's background and accomplishments, candidates for director nominees are reviewed in the context of the current composition of the Board and the evolving needs of the Company. The Company also requires that its Board members be able to dedicate the time and resources sufficient to ensure the diligent performance of their duties on the Company's behalf, including attending Board and applicable committee meetings. If the Committee believes a candidate would be a valuable addition to the Board, it will recommend the candidate's election to the full Board. Since the last Annual Meeting of Shareholders, the Committee has not nominated a new candidate for election as director.

Under the Company's bylaws, nominations for directors may be made only by or at the direction of the Board of Directors, or by a shareholder entitled to vote who delivers written notice (along with certain additional information specified in our bylaws) not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. For our 2007 Annual Meeting, we must receive this notice between January 16 and February 17, 2007.

Investment Committee

The Investment Committee was established by the Company's Board of Directors by resolution in September 2003 and consists of Alan B. Levan, Chairman, John E. Abdo, William Nicholson and two outside, non-voting advisory members. The Investment Committee met 24 times in 2005. The Investment Committee assists the Board in supervising and overseeing the management of the Company's investments in capital assets. Specifically, the Investment Committee (i) reviews and approves all real property transactions, (ii) authorizes new project and working capital debt subject to guidelines established by the Board, and (iii) authorizes refinancing and other modifications to existing project and other working capital debt subject to limits established by the Board.

Executive Sessions of Non-Management and Independent Directors

On January 24, and July 25, 2005 the non-management directors of the Company met in an executive session of the Board in which management directors and other members of management did not participate. Mr. Dornbush was the presiding director for these sessions. The non-management directors will meet at semi-annual scheduled meetings each year and may schedule additional meetings without management present as they determine to be necessary.

Compensation of Directors

The Company's Compensation Committee recommends director compensation to the Board based on factors it considers appropriate and based on the recommendations of management. In 2005, non-employee directors of the Company each received a prorated annual fee of \$36,000 for the six-month period ending June 30, 2005. On June 27, 2005, the Board of Directors of the Company, upon recommendation of the Compensation Committee, approved a non-employee director compensation plan which provides that for the period July 1, 2005 through June 30, 2006,

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each non-employee director will receive \$100,000 for service on the Board of Directors, payable in cash, restricted stock or non-qualified stock options, in such combinations as the directors may elect, provided that no more than \$50,000 is payable in cash. The restricted stock and stock options are granted in Class A Stock under the Company's 2003 Stock Incentive Plan. Restricted stock vests monthly over the 12-month service period and stock options are fully vested on the date of grant, have a ten-year term and have an exercise price equal to the closing market price of the Class A Stock on the date of grant. The number of stock options and restricted stock granted is determined by the Company based on assumptions and formulas typically used to value these types of securities. Based on their elections, non-employee directors will receive for their services during the annual period beginning July 1, 2005 an aggregate of \$330,000 in cash, 7,342 shares of restricted Class A Stock and stock options to acquire 10,185 shares of Class A Stock. No director receives additional compensation for attendance at Board of Directors meetings or meetings of committees on which he serves except as follows. In 2005, members of the Audit Committee, other than its Chairman, received an annual cash amount of \$8,000 pro rated for the six-month period ending June 30, 2005 and effective July 1, 2005 were entitled to an annual cash amount of \$10,000, which was prorated for the period July 1, 2005 through December 31, 2005. The Chairman of the Audit Committee received a pro rated annual cash amount of \$12,000 for the six-month period ending June 30, 2005, and effective July 1, 2005 was entitled to receive an annual cash amount of \$15,000 which was prorated for the period July 1, 2005 through December 31, 2005, for a total cash amount of \$13,500 during 2005. Members of the Nominating/Corporate Governance and Compensation Committees, including the Chairmen of those committees, received an additional \$3,000 in cash annually, pro rated for the six-month period ending June 30, 2005, for their service on those committees and effective July 1, 2005, except for the Chairmen, no longer receive additional compensation for service on those committees. Effective July 1, 2005, the Chairmen of the Nominating/Corporate Governance and Compensation Committees each were entitled to receive an annual cash amount of \$3,500, which was prorated for the six month period July 1, 2005 through December 31, 2005. Non-employee directors serving on the Company's Investment Committee receive \$15,000 per year for service on that committee. Directors who are also officers of the Company or its subsidiaries do not receive additional compensation for their service as directors or for attendance at Board of Directors meetings or committee meetings.

Director and Management Indebtedness

The Company has not made any loans to its executive officers or directors.

Communications with the Board of Directors and Non-Management Directors

Interested parties who wish to communicate with the Board of Directors, any individual director or the non-management directors as a group, can write to the Corporate Secretary, Levitt Corporation, 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309. If the person submitting the letter is a shareholder of the Company, the letter should include a statement indicating such. Depending on the subject matter, an officer of the Company will:

forward the letter to the director or directors to whom it is addressed;

attempt to handle the inquiry directly if it relates to routine or ministerial matters, including requests for information; or

not forward the letter if it is primarily commercial in nature or if it is determined to relate to an improper or irrelevant topic.

A member of management will, at each meeting of the Board, present a summary of all letters received since the last meeting that were not forwarded to the Board and will make those letters available to the Board upon request.

Code of Ethics

The Company has a Code of Business Conduct and Ethics that applies to all directors, officers and employees of the Company, including its principal executive officer, principal financial officer and principal accounting officer. The Code of Ethics is available on the Company's website at www.levittcorporation.com. The Company will post amendments to or waivers from its Code of Ethics to the extent applicable to the Company's principal

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executive officer, principal financial officer or principal accounting officer on its website. The Company posted one such waiver on May 25, 2005.

Compensation Committee Interlocks and Insider Participation

The Board of Directors has designated Alan Levy, S. Lawrence Kahn, III and William R. Nicholson, none of whom are employees of the Company or any of its subsidiaries, to serve on the Compensation Committee. The Company's Chairman and Vice Chairman are also executive officers of BFC Financial Corporation, the Company's controlling shareholder. In addition, the Company's Chairman and Vice Chairman are also executive officers of BankAtlantic Bancorp, Inc. and of Bluegreen Corporation, each of which is an affiliate of the Company. Each of the Company's Chairman and Vice Chairman also receives compensation from BFC Financial Corporation and from BankAtlantic Bancorp, Inc. and each was granted stock options by Bluegreen Corporation.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of the copies of the forms furnished to the Company and written representations that no other reports were required, the Company believes that during the year ended December 31, 2005, all filing requirements under Section 16(a) of the Securities Exchange Act of 1934 applicable to its officers, directors and greater than 10% beneficial owners were complied with on a timely basis.

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PROPOSALS TO BE CONSIDERED AT THE ANNUAL MEETING

1) PROPOSAL FOR ELECTION OF DIRECTORS

Nominees for Election as Director

The Company's Board of Directors currently consists of nine directors divided into three classes, each of which has a three year term expiring in annual succession. The Company's bylaws provide that the Board of Directors shall consist of no less than three or more than twelve directors. The specific number of directors is set from time to time by resolution of the Board. A total of three directors will be elected at the Annual Meeting, all of whom will be elected for the term expiring in 2009.

Each of the nominees was recommended for nomination by the Nominating/Corporate Governance Committee and has consented to serve the term indicated. If any of them should become unavailable to serve as a director, the Board may designate a substitute nominee. In that case, the persons named as proxies will vote for the substitute nominee designated by the Board. Except as otherwise indicated, the nominees and directors listed below have had no change in principal occupation or employment during the past five years.

The Directors Standing For Election Are:

TERMS ENDING IN 2009:

JAMES BLOSSER

Director since 2001

Mr. Blosser, age 68, has been an attorney with the law firm of Blosser & Sayfie since 2001. Additionally, from 1999 to 2004 he was a partner with the governmental relations firm of Poole, McKinley & Blosser. Prior to 1999, he was an Executive Vice President for Huizenga Holdings, a sports, investment and entertainment conglomerate in Fort Lauderdale, Florida.

DARWIN DORNBUSH

Director since 2003

Mr. Dornbush, age 76, is a senior partner in the law firm of Dornbush Schaeffer Strongin & Weinstein, LLP. He has served as the Secretary of Benihana, Inc. and its predecessor since 1983, and he has been a director of Benihana, Inc. since 1995. Mr. Dornbush has served as Secretary and since 1980 he has been a director of Benihana of Tokyo, the parent company of Benihana, Inc. (Nasdaq: BNHN), a national restaurant chain. BFC Financial Corporation, the Company's controlling shareholder, is a minority shareholder in Benihana, Inc. Mr. Dornbush is also a director of Cantel Medical Corp., a healthcare company.

ALAN B. LEVAN

Director since 1987

Mr. Levan, age 61, is a director, Chairman of the Board and Chief Executive Officer. He was first elected as a director of the Company in 1987. He also serves as Chairman of the Board, President and Chief Executive Officer of BankAtlantic Bancorp, Inc., the holding company for BankAtlantic, and Chairman of the Board and Chief Executive Officer of BankAtlantic. He is also a director and Chairman of the Board of Bluegreen Corporation (NYSE: BXG). He formed the I.R.E. Group (predecessor to BFC Financial Corporation) in 1972. Since 1978, he has been the Chairman of the Board, President, and Chief Executive Officer of BFC Financial Corporation (or its predecessors), the Company's controlling shareholder.

THE BOARD OF DIRECTORS RECOMMENDS THAT ALL OF THE NOMINEES BE ELECTED AS DIRECTORS.

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The Directors Continuing in Office are:

TERMS ENDING IN 2007:

WILLIAM SCHERER Director since 2001

Mr. Scherer, age 58, has been an attorney in the law firm of Conrad & Scherer, P.A. since 1974.

S. LAWRENCE KAHN, III Director since 2003

Mr. Kahn, age 59, has been the President and Chief Executive Officer since 1986 of Lowell Homes, Inc., a Florida corporation engaged in the business of home building. Mr. Kahn also serves as a director of the Great Florida Bank.

JOEL LEVY Director since 2003

Mr. Levy, age 66, has been the Chief Operating Officer and Vice Chairman of the Board of The Adler Group, Inc., a commercial real estate company, since 1984.

TERMS ENDING IN 2008:

JOHN E. ABDO Director since 1985

Mr. Abdo, age 62, is the Vice Chairman of the Board and served as President of the Company from 2001 through July 2005. He was first elected as an officer of the Company in 1985. Mr. Abdo also serves as a director, Vice Chairman, and Chairman of the Executive Committee of BankAtlantic, director and Vice Chairman of BankAtlantic Bancorp, Inc., and serves as a director and Vice Chairman of BFC Financial Corporation. BFC Financial Corporation is the Company's controlling shareholder. He is also a director of Benihana, Inc., a national restaurant chain in which BFC Financial Corporation is a minority shareholder, and a director and Vice Chairman of the Board of Bluegreen. Mr. Abdo is also the President of the Broward Performing Arts Foundation.

WILLIAM NICHOLSON Director since 2003

Mr. Nicholson, age 60, has been a principal with Heritage Capital Group since 2003. Previously, Mr. Nicholson served as Managing Director of Bank of America Securities and Bank of America in the real estate advisory group.

ALAN J. LEVY Director since 2005

Mr. Levy, age 66, is the founder, President and Chief Executive Officer of Great American Farms, Inc., an agricultural company involved in the farming, marketing and distribution of a variety of fruits, vegetables and meat products, since 1980.

Identification of Executive Officers

The following individuals are executive officers of the Company:

Name	Age	Position
Alan B. Levan	61	Chairman of the Board and Chief Executive Officer

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John E. Abdo	62	Vice Chairman of the Company
Paul J. (Pete) Hegener	65	President of Core Communities, LLC
Jeffery Hoyos	50	Regional President, South Florida, Levitt and Sons, LLC
John Laguardia	67	Senior Vice President, Levitt Corporation
George P. Scanlon	48	Executive Vice President and Chief Financial Officer, Levitt Corporation
Elliott M. Wiener	71	President of Levitt and Sons, LLC
Seth M. Wise	36	President, Levitt Corporation and Chief Operating Officer of Levitt and Sons, LLC

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The following additional information is provided for the executive officers shown above that are not directors of the Company:

Paul J. (Pete) Hegener joined Core Communities in 1992 as its President.

Jeffery Hoyos joined Levitt and Sons in 1989 as its Corporate Controller. He became the Regional President, South Florida Region in January 2006 and previously served as Senior Vice President Finance and Chief Financial Officer of Levitt and Sons beginning in 1991.

John Laguardia is the Senior Vice President of the Company and was the Chairman and Chief Executive Officer of Bowden Building Corporation from 2004 through May 2005. From 1999 through April 2004, Mr. Laguardia was the President, Chief Executive Officer and Chief Operating Officer of ALH, II, Inc., the prior owner of Bowden Building Corporation. Mr. Laguardia is a director for Bluegreen Corporation.

George P. Scanlon joined the Company in August 2004 and was named Executive Vice President and Chief Financial Officer. Mr. Scanlon was the chief financial officer of Datacore Software Corporation from December 2001 to August 2004. Datacore is a privately-owned independent software vendor specializing in storage control, storage management and storage consolidation. Prior to joining Datacore, Mr. Scanlon was the chief financial officer at Seisint, Inc. from November 2000 to September 2001. Seisint was a privately-owned technology company specializing in providing data search and processing products. Prior to joining Seisint, Mr. Scanlon was employed at Ryder System, Inc. from August 1982 to June 2000, serving in a variety of financial positions, and most recently as Senior Vice President Planning and Controller. Ryder is a publicly-traded Fortune 500 provider of transportation, logistics and supply chain management services.

Elliott Wiener joined Levitt and Sons in 1975 as its Chief Financial Officer and became its President in 1982.

Seth M. Wise was named President of the Company in July 2005. He previously served as Executive Vice President beginning in September 2003. He became Chief Operating Officer of Levitt and Sons in 2006. Previously, Mr. Wise was a Vice President of Abdo Companies, Inc., a South-Florida-based private real estate development company controlled by John E. Abdo, the Company's Vice Chairman.

Executive Agreements

Levitt and Sons entered into an Employment Agreement with Elliott M. Wiener, Levitt and Sons President, on July 19, 2001 for an original term that expired December 31, 2005. Commencing on January 1, 2006, and each January 1 thereafter, the agreement automatically renews for successive one year terms; provided, however, Mr. Wiener or Levitt and Sons may terminate the agreement by notice given no later than six months prior to the end of any one-year term. Pursuant to the employment agreement, Mr. Wiener is entitled to incentive compensation provided Levitt and Sons achieves an after tax return on equity of at least 15%.

In December 1993, which was prior to the Company's acquisition of Levitt and Sons, Levitt and Sons entered into a Deferred Compensation Plan and Split Dollar Agreement for Elliott M. Wiener. Pursuant to this agreement, Levitt and Sons purchased a split dollar life insurance policy for an initial payment of \$220,000 with a death benefit of \$900,000. Levitt and Sons retains ownership of the policy, but Levitt and Sons may not change the terms of the policy nor encumber or transfer the benefits thereunder. Annual premiums are the responsibility of Mr. Wiener, except as may otherwise be agreed from time to time with Levitt and Sons. Levitt and Sons is the primary beneficiary of such portion of the death benefit as is represented by the cash value on the policy. Levitt and Sons is obligated to transfer the ownership of the policy to Mr. Wiener within thirty (30) days of the termination date of Mr. Wiener's employment with Levitt and Sons; provided, however, upon a termination of employment as a result of Mr. Wiener's death, Levitt

and Sons is obligated to make a lump sum payment in the amount of the cash surrender value of the policy to a trust designated by Mr. Wiener. Levitt and Sons' obligations under the agreement are unfunded.

Certain Relationships and Related Transactions

The Company and BankAtlantic Bancorp, Inc. are under common control. The controlling shareholder of the Company and BankAtlantic Bancorp, Inc. is BFC Financial Corporation. BankAtlantic Bancorp, Inc. is the parent

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company of BankAtlantic. The majority of BFC Financial Corporation's capital stock is owned or controlled by the Company's Chairman and Chief Executive Officer, Alan B. Levan, and by the Company's Vice Chairman, John E. Abdo, both of whom are also directors of the Company, executive officers and directors of BFC Financial Corporation, of BankAtlantic Bancorp, Inc. and of BankAtlantic. Mr. Levan and Mr. Abdo are also the Chairman and Vice Chairman, respectively, of Bluegreen Corporation.

The Company occupies office space at BankAtlantic Bancorp's corporate headquarters. BankAtlantic Bancorp provides this office space to the Company and BFC Financial Corporation on a month-to-month basis and receives reimbursements for overhead.

Pursuant to the terms of a transitional services agreement between the Company and BankAtlantic Bancorp, BankAtlantic Bancorp or its subsidiary, BankAtlantic, provided certain administrative services, including human resources, investor and public relations on a percentage of cost basis. The total amount for occupancy and these services paid in 2005 was \$883,000. These amounts may not be representative of the amounts that would be paid in an arms-length transaction. Separately, the Company paid certain fees to BFC Financial Corporation and to Bluegreen in respect of services provided to the Company by those entities.

The following table sets forth fees paid to related parties during the year (in thousands):

BFC Financial Corporation	\$ 127
BankAtlantic Bancorp	883
Bluegreen Corporation	81
Total fees	\$ 1,091

Levitt and Sons, LLC utilizes the services of Conrad & Scherer, P.A., a law firm in which William R. Scherer, a member of the Company's Board of Directors, is a member. Levitt and Sons paid fees aggregating \$914,000 to this firm during 2005.

Certain of the Company's executive officers separately receive compensation from affiliates of the Company for services rendered to those affiliates. Members of the Company's Board of Directors and executive officers also have banking relationships with BankAtlantic in the ordinary course of BankAtlantic's business.

At December 31, 2005, \$5.1 million of cash and cash equivalents of the Company were held on deposit by BankAtlantic. Interest on deposits held at BankAtlantic for the year ended December 31, 2005 was approximately \$316,000.

During 2004 and 2005, actions were taken by the Company with respect to the development of certain property owned by BankAtlantic. The Company's efforts included the successful rezoning of the property and obtaining the permits necessary to develop the property for residential and commercial use. At December 31, 2005, BankAtlantic had agreed to reimburse the Company \$438,000 for the out-of-pocket costs incurred by it in connection with these efforts. The Company has also sought as additional compensation from BankAtlantic a percentage of the increase in the value of the underlying property attributable to the Company's efforts based upon the proceeds to be received from BankAtlantic on the sale of the property to a third party. The timing and amount of such additional compensation, if any, has not yet been agreed upon.

In connection with BankAtlantic Bancorp's spin-off of the Company as of December 31, 2003, BankAtlantic Bancorp converted a \$30.0 million demand note owed by the Company to BankAtlantic Bancorp to a five year term note. Prior to the spin-off, the Company declared an \$8.0 million dividend to BankAtlantic Bancorp payable in the form of a five-year term note with the same payment terms as the \$30.0 million note. There were no amounts outstanding under the notes to BankAtlantic Bancorp as of December 31, 2005. The Company paid approximately \$900,000 of interest to BankAtlantic Bancorp pursuant to the terms of the notes during 2005.

Table of Contents**Summary Compensation Table**

Officers of the company receive no additional compensation for their service for the Company, other than that paid by the Company or the Company's subsidiaries. Officers who serve as officers or directors of Company affiliates receive compensation from those affiliates for the services rendered by them to such affiliates. The following table sets forth certain summary information concerning compensation paid or accrued by the Company or the Company's subsidiaries to or on behalf of the Company's Chief Executive Officer (CEO) and each of the four other highest paid executive officers (determined as of December 31, 2005) for the fiscal years ended December 31, 2005, 2004 and 2003.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		All other Compensation(a)
		Salary	Bonus	Other	Awards	Payouts	
				Annual Compensation	Restricted Stock Awards	Securities Underlying Options/SARs	LTIP Payouts
Alan B. Levan, Chairman of the Board, Chief Executive Officer	2005	\$ 500,000	\$ 300,000	\$ 5,468(b)		40,000	\$
	2004	111,152	189,896			60,000	\$
	2003	103,231	62,400				\$
John E. Abdo,	2005						