PULTE HOMES INC/MI/
Form 424B5
January 31, 2003

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-86806

PROSPECTUS SUPPLEMENT

(To Prospectus dated June 7, 2002)

$300,000,000

Pulte Homes, Inc.

6.250% Senior Notes due 2013

The senior notes will bear interest at a rate of 6.250% per year. Interest on the senior notes of Pulte Homes, Inc. is payable semi-annually on February 15 and August 15 of each year, beginning on August 15, 2003. The senior notes will mature on February 15, 2013. We may redeem some or all of the senior notes at any time at the prices described under the heading Description of Senior Notes Optional Redemption. The senior notes will not have the benefit of any sinking fund.

The senior notes will be our unsecured obligations and will rank equally with all our other unsecured and unsubordinated indebtedness.

The senior notes will be guaranteed on a senior basis by guarantees of our direct or indirect wholly-owned homebuilding subsidiaries in the United States, including Pulte Home Corporation and Del Webb Corporation.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these senior notes or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Senior Note	Total
Public offering price	99.051%	$ 297,153,000
Underwriters discount and commissions	0.650%	$ 1,950,000
Proceeds, before expenses, to Pulte	98.401%	$ 295,203,000

Interest on the senior notes will accrue from February 3, 2003 to date of delivery.

The underwriters expect to deliver the senior notes to the purchasers on or about February 3, 2003.

Sole Book Running Manager

Salomon Smith Barney

Joint-Lead Managers

Banc of America Securities LLC **Banc One Capital Markets, Inc.**

Comerica Securities, Inc.

Credit Lyonnais Securities USA Inc.

SunTrust Robinson Humphrey

PNC Capital Markets, Inc.

ABN AMRO Incorporated

January 29, 2003

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making any offer of these securities in any state where the offer is not permitted. You should not assume the information provided by this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in the prospectus is accurate as of any date other than the date on the front of this prospectus supplement, the date on the front of the accompanying prospectus or the date of the applicable incorporated document, as the case may be.

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When this prospectus supplement uses the words Pulte, we, us, and our, they refer to Pulte Homes, Inc. and its respective consolidated subsidiaries, unless otherwise expressly stated or the context otherwise requires.

The information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in the accompanying prospectus concerning the homebuilding industry, our market share, our size relative to other homebuilders and similar matters is derived principally from publicly available information and from industry sources. Although we believe that this publicly available information and the information provided by these industry sources is reliable, we have not independently verified any of this information and we cannot assure you of its accuracy.

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THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the senior notes, see Description of Senior Notes in this prospectus supplement.

Terms of The Senior Notes:

Issuer	Pulte Homes, Inc., a Michigan corporation.
Aggregate Principal Amount	$300,000,000.
Interest Rate	6.250% per year.
Maturity Date	February 15, 2013.
Interest Payment Dates	February 15 and August 15 of each year, beginning August 15, 2003, to holders of record on the February 1 or August 1 preceding the relevant interest payment date.
Interest Calculations	Based on a 360-day year of twelve 30-day months.
Ranking	The senior notes will rank equally with all of our unsecured and unsubordinated indebtedness.
Guarantees	Payment of principal of and interest on the senior notes will be guaranteed, jointly and severally (the Guarantees), by our direct or indirect wholly-owned homebuilding subsidiaries in the United States, including Pulte Home Corporation and Del Webb Corporation (the Guarantors). The Guarantees will rank equally with all other unsecured and unsubordinated indebtedness of such subsidiaries.
Repurchase at Option of Holder	Upon a Change in Control Triggering Event, each holder of senior notes will have the right, at the holder s option, subject to the terms and conditions of the indenture governing the senior notes, to require us to purchase all or any part of such holder s senior notes at a cash price equal to 100% of their face amount, plus accrued interest to the date of repurchase. See Description of Senior Notes Repurchase of the Senior Notes at the Option of the Holder in this prospectus supplement.
Optional Redemption	We may redeem any or all of the senior notes at any time at a redemption price equal to the greater of (1) 100% of the principal amount of the senior notes being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the senior notes being redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 35 basis points, plus, in each case, accrued and unpaid interest on the senior notes to the redemption date.
Sinking Fund	None.
Form and Denominations	The senior notes will be issued in book-entry form in denominations of $1,000 and integral multiples thereof and represented by one or more global notes deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company.

Settlement	Same-day immediately available funds.
Use of Proceeds	We estimate that we will receive net proceeds from the offering, after deducting the underwriters discount and commissions and before offering expenses, of approximately $295,203,000. We intend to use the proceeds, with other available funds, to repay certain outstanding indebtedness that matures or is callable in 2003 and for general corporate purposes. Prior to application for the foregoing purposes, we may invest a portion of the proceeds in short-term investments.

General Indenture Provisions Applicable to the Senior Notes:

No Limit on Debt	The indenture governing the senior notes does not limit the amount of debt that we may issue or provide holders any protection should we be involved in a highly leveraged transaction.
Certain Covenants	The indenture governing the senior notes contains covenants that, among other things, will limit our ability and the ability of some of our subsidiaries to: issue assume or guarantee certain additional secured indebtedness; and engage in sale and lease-back transactions. These covenants are subject to important exceptions and qualifications, which are described under the heading Description of Senior Notes in this prospectus supplement and under the heading Description of Debt Securities in the accompanying prospectus.
Events of Default	Each of the following is an event of default under the indenture governing the senior notes: our failure to pay principal of or premium, if any, on the senior notes when due; our failure for 30 days to pay interest when due on the senior notes; the occurrence of a default in respect of our debt or the debt of our subsidiaries (except certain non-recourse land financing) totaling $10 million or more in aggregate principal amount, resulting in the acceleration of such debt or due to the failure to pay such debt at maturity; any guarantee in respect of the senior notes by certain of our guarantors ceases to be in full force and effect and enforceable in accordance with its terms; our failure to perform other covenants with respect to the senior notes for 60 days after receipt of notice of failure; and certain events of bankruptcy, insolvency or reorganization. If any event of default occurs and is continuing, the trustee under the indenture or holders of at least 25% in aggregate

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	principal amount of outstanding debt securities issued under the indenture may declare the principal thereof immediately due and payable.
Other	The senior notes will constitute a single series of debt securities under the indenture and will therefore vote together as a single series for purposes of determining whether the holders of the requisite percentage in outstanding principal amount have taken certain actions or exercised certain rights under the indenture.

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PULTE HOMES

We are a publicly held holding company whose subsidiaries engage in the homebuilding and financial services businesses. We have three reportable business segments: homebuilding, financial services and corporate.

The homebuilding segment of our operations consists of two business units: domestic homebuilding and international homebuilding. Through Pulte Home Corporation, Del Webb Corporation and our other homebuilding subsidiaries in the United States, we acquire land, develop communities and build and sell a wide variety of homes, including detached units, townhouses, condominium apartments and duplexes, all primarily sold for use as principal residences. Our homes are targeted to first-time, move-up, semi-custom and active adult home buyers (a growing demographic group in their pre-retirement and retirement years). Our international homebuilding subsidiaries engage in residential land development and homebuilding in Mexico, Puerto Rico and Argentina, primarily through subsidiaries of Pulte International Corporation.

Through Pulte Mortgage Corporation, we also provide mortgage financing services, primarily to buyers of our homes.

Our homebuilding strategy in the United States is focused on the continued development of the Pulte consumer and value-based brand. Our goal is to create a wide array of well-located, quality-built residential housing communities for homebuyers to provide repeat sales opportunities as they transition from first-time, move-up, semi-custom and ultimately to active adult buyers. We believe our July 31, 2001 merger with Del Webb Corporation strengthens our position in the high growth, active adult market. Our extensive pre-construction market research and analysis enables us to understand what our homebuyers desire. We then specifically develop our communities and products to that well-defined homebuyer profile. Our commitment to research and development is focused on the continuous improvement of construction and land development techniques, which allows us to provide high levels of quality and value in our homes and communities. Our Pulte Preferred Partnership (P^3) program was initiated with a goal toward developing long-term relationships with premier contractors and suppliers to maximize execution of our development and building plans. In addition, we believe that our well-capitalized financial structure combined with our high level of production volume allow us to negotiate favorable material and supply purchasing agreements on a national and/or regional basis to minimize our costs of production. Finally, our mortgage financing subsidiaries have continued to automate operations to (a) enhance customer service, (b) facilitate the sales process and (c) reduce mortgage origination production costs to maximize profitability. We believe the Del Webb merger has facilitated implementation of these goals and we will continue to evaluate available strategic acquisition opportunities that coincide with our long range goals.

Our executive offices are located at 100 Bloomfield Hills Parkway, Suite 300, Bloomfield Hills, Michigan 48304, and our telephone number is (248) 647-2750.

RECENT DEVELOPMENTS

On January 28, 2003, we announced financial results for our fourth quarter and year ended December 31, 2002. Fourth quarter revenues from home sales increased 23% to $2.4 billion generated from 11,680 unit settlements, compared with $2.0 billion generated from 10,786 unit settlements in the fourth quarter of the prior year. Fourth quarter income from continuing operations was $172 million, an increase of 44% over prior year fourth quarter income of $120 million. Domestic net new home orders for the quarter were 6,458, up 23% from the prior year fourth quarter orders of 5,249 homes.

For the year, revenues from home sales increased 35% to $7.24 billion generated from 36,450 unit settlements, compared with $5.4 billion generated from 30,394 unit settlements in the prior year. Fiscal year 2002 income from continuing operations was $444.6 million, up 47% over prior year income of $302.4 million. For the year, domestic net new home orders for the quarter were 30,830, up 18% from the prior year orders of 26,116 homes. Our ending backlog for our domestic operations was valued at $2.9 billion (10,605 homes) up from $2.1 billion (8,678 homes) at December 31, 2001.

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table contains selected consolidated financial data and is qualified by the more detailed consolidated financial statements and related notes of Pulte incorporated by reference into the accompanying prospectus. The balance sheet data as of December 31, 1997, 1998, 1999, 2000 and 2001 and the income statement data for each of the fiscal years ended December 31, 1997, 1998, 1999, 2000 and 2001 are derived from the audited consolidated financial statements of Pulte. The balance sheet data as of September 30, 2001 and 2002 and the income statement data for the nine months ended September 30, 2001 and 2002 are not audited and are preliminary data prepared by management, and in the opinion of management, include all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the results for such periods. The following selected historical financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes thereto contained in our annual report on Form 10-K for the fiscal year ended December 31, 2001 and our quarterly report on Form 10-Q for the nine months ended September 30, 2002 which are incorporated into this offering.

	Year Ended December 31,					Nine Months ended September 30,	
	1997	1998	1999	2000	2001	2001	2002
						(unaudited)	(unaudited)
				(Dollars in thousands)			
Income Statement Data (1):							
Revenues:							
Homebuilding	$ 2,508,507	$ 2,837,710	$ 3,711,196	$ 4,195,675	$ 5,309,829	$ 3,329,159	$ 4,848,592
Financial Services	34,962	46,383	54,279	50,669	77,222	52,741	74,702
Corporate	10,782	12,692	2,748	633	2,210	2,116	516
Total revenues	2,554,251	2,896,785	3,768,223	4,246,977	5,389,261	3,384,016	4,923,810
Pre-tax income (loss):							
Homebuilding	104,364	170,311	311,668	386,604	512,291	313,195	442,036
Financial Services	6,828	18,229	25,721	24,788	36,948	23,458	47,584
Corporate	(30,217)	(22,726)	(50,984)	(56,296)	(57,452)	(39,255)	(42,770)
Total pre-tax income	80,975(2)	165,814	286,405	355,096	491,787	297,398	446,850
Income taxes	31,175	64,666	108,118	136,712	189,362	114,509	174,293
Income from continuing operations	49,800	101,148	178,287	218,384	302,425	182,889	272,557
Income (loss) from discontinued operations	2,961	1,035	(122)	(29,871)	(1,032)	(937)	9,204
Net income	$ 52,761	$ 102,183	$ 178,165	$ 188,513	$ 301,393	$ 181,952	281,761
Balance Sheet Data (1):							
Assets:							
Homebuilding	$ 1,446,340	$ 1,765,431	$ 2,157,395	$ 2,443,540	$ 5,060,583	$ 5,292,710	$ 5,770,653
Financial Services	224,624	274,488	237,318	283,265	485,297	333,137	373,321
Corporate	389,472	222,642	92,638	159,678	168,396	95,518	175,183
Total assets	$ 2,060,436	$ 2,262,561	$ 2,487,351	$ 2,886,483	$ 5,714,276	$ 5,721,365	$ 6,319,157
Indebtedness (including current maturities):(1)							
Homebuilding	$ 22,405	$ 22,405	$	$	$	$	$
Financial Services	200,120	245,135	206,959	242,603	413,675	276,295	301,695
Corporate	487,303	508,496	508,690	666,296	1,722,864	1,956,378	1,918,364

Total indebtedness	$ 709,828	$ 776,036	$ 715,649	$ 908,899	$ 2,136,539	$ 2,232,673	2,220,059
Shareholders equity	$ 812,837	$ 921,442	$ 1,093,319	$ 1,247,931	$ 2,276,665	$ 2,169,883	$ 2,592,904

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	Year Ended December 31,					Nine Months ended September 30,	
	1997	1998	1999	2000	2001	2001	2002
						(unaudited)	(unaudited)
	(Dollars in thousands, except average sales prices)						
Summary of Operating and Other Financial Data:							
EBITDA (3)	$ 121,370	$ 205,291	$ 347,913	$ 426,332	$ 549,930	$ 364,986	$ 531,701
Ratio of earnings to fixed charges (4)	2.46x	3.69x	5.08x	5.29x	4.16x(5)	4.01x	3.81x
Homebuilding in the United States:							
Unit settlements	15,068	16,511	19,848	19,799	22,915	14,572	19,375
Average sales price	$ 162,000	$ 175,000	$ 187,000	$ 206,000	$ 225,000	$ 222,000	$ 239,000
Backlog of sales contracts units	3,507	5,585	5,432	5,477	8,678	11,772	13,675
Backlog of sales contracts dollar value	$ 636,000	$ 1,036,000	$ 1,180,000	$ 1,307,000	$ 2,118,000	$ 2,802,000	$ 3,536,000

(1) Certain amounts in the years 1997 through 2001 were re-classified to conform to the year 2002 presentation.

(2) 1997 pre-tax income includes a one-time restructuring charge of $20 million.

(3) Earnings from continuing operations before deductions for interest, taxes, depreciation and amortization, or EBITDA, is provided because it is a measure commonly used to evaluate a company s ability to service its indebtedness. EBITDA is presented to enhance the understanding of our operating results and is not intended to represent cash flows or results of operations in accordance with generally accepted accounting principles in the United States, or GAAP, for the periods indicated. EBITDA is not adjusted for interest income or expense of our financial services operations. EBITDA is not a measurement under GAAP and is not necessarily comparable with similarly titled measures of other companies.

(4) The ratios of earnings to fixed charges set forth above are computed on a total enterprise basis, except for our discontinued thrift operations, which are excluded. Fixed charges include interest incurred and a portion of rent expense, which represents the estimated interest factor and amortization of debt expense.

(5) Calculations for 2001 include the operations of Del Webb Corporation since July 31, 2001, the date on which our merger with Del Webb Corporation closed.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the offering, after deducting the underwriters discount and commissions and before offering expenses, of approximately $295.2 million. We intend to use the net proceeds from this offering, with other available funds, to repay outstanding indebtedness maturing or callable in 2003 and for general corporate purposes. Prior to application for the foregoing purposes, we may invest a portion of the proceeds from this offering in short-term investments.

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CAPITALIZATION

The following table sets forth our unaudited capitalization at September 30, 2002 on an actual basis and