

ZEBRA TECHNOLOGIES CORP
 Form 4
 May 07, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
TERZICH MICHAEL H

(Last) (First) (Middle)

C/O ZEBRA TECHNOLOGIES CORPORATION, 333 CORPORATE WOODS PARKWAY

(Street)

VERNON HILLS, IL 60061

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ZEBRA TECHNOLOGIES CORP [ZBRA]

3. Date of Earliest Transaction (Month/Day/Year)
05/03/2013

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
SVP, Global Sales & Marketing

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V	Amount	(D) Price
Class A Common Stock						30,901	D
Class A Common Stock	05/03/2013		A		5,210 (11)	A \$ 0 36,111	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 43.35					(1)	02/06/2016	Class A Common Stock	5,767
Employee Stock Option	\$ 47.12					(2)	02/11/2014	Class A Common Stock	10,500
Employee Stock Option	\$ 51.62					(3)	02/07/2015	Class A Common Stock	9,686
Employee Stock Option	\$ 41.25					(4)	04/25/2017	Class A Common Stock	10,667
Employee Stock Option	\$ 36.49					(5)	04/24/2018	Class A Common Stock	14,480
Stock Appreciation Right	\$ 19.56					(6)	05/07/2019	Class A Common Stock	6,371
Stock Appreciation Right	\$ 27.82					(7)	05/06/2020	Class A Common Stock	13,800
Stock Appreciation Right	\$ 41.57					(8)	05/05/2021	Class A Common Stock	11,563
Stock Appreciation Right	\$ 38.79					(9)	04/30/2022	Class A Common Stock	14,326

Stock								Class A	
Appreciation	\$ 46.07	05/03/2013		A	8,689	<u>(10)</u>	05/03/2023	Common	8,689
Right								Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TERZICH MICHAEL H C/O ZEBRA TECHNOLOGIES CORPORATION 333 CORPORATE WOODS PARKWAY VERNON HILLS, IL 60061			SVP, Global Sales & Marketing	

Signatures

/s/ Jim L. Kaput,
attorney-in-fact

05/07/2013

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Of the shares subject to such option, 865 vested on February 6, 2007, 1,009 vested on February 6, 2008, 1,153 vested on February 6, 2009, 1,298 vested on February 6, 2010 and 1,442 vested on February 6, 2011.
- (2) Of the shares subject to such option, 1,575 vested on February 11, 2005, 1,837 vested on February 11, 2006, 2,100 vested on February 11, 2007, 2,362 vested on February 11, 2008 and 2,626 vested on February 11, 2009.
- (3) Of the shares subject to such option, 1,452 vested on February 7, 2006, 1,695 vested on February 7, 2007, 1,937 vested on February 7, 2008, 2,180 vested on February 7, 2009 and 2,422 vested on February 7, 2010.
- (4) Of the shares subject to such option, 2,666 vested on April 25, 2008, 2,667 vested on April 25, 2009, 2,667 vested on April 25, 2010 and 2,667 vested on April 25, 2011.
- (5) Of the shares subject to such option, 3,620 vested on April 24, 2009, 3,620 vested on April 24, 2010, 3,620 vested on April 24, 2011 and 3,620 vested on April 24, 2012.
- (6) Of the stock appreciation right shares subject to this SAR 6,371 shares vested on May 7, 2013.
- (7) Of the stock appreciation right shares subject to this SAR, 3,450 shares vested on May 6, 2011, 3,450 shares vested on May 6, 2012, 3,450 shares vested on May 6, 2013 and 3,450 shares vest on May 6, 2014.
- (8) Of the stock appreciation right shares subject to this SAR, 2,890 shares vested on May 5, 2012, 2,891 shares vested on May 5, 2013, 2,891 shares vest on May 5, 2014 and 2,891 shares vest on May 5, 2015.
- (9) Of the stock appreciation right shares subject to this SAR, 3,581 shares vested on April 30, 2013, 3,581 shares vest on April 30, 2014, 3,582 shares vest on April 30, 2015 and 3,582 shares vest on April 30, 2016
- (10) Of the stock appreciation right shares subject to this SAR, 2,172 shares vest on 5/3/2014, 2,172 shares vest on 5/3/2015, 2,172 shares vest on 5/3/2016 and 2,173 shares vest on 5/3/2017.
- (11) Restricted shares that vest on 5/3/2016.

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And just to follow up, I guess, on that thought, certainly you've managed some of your longer positions in areas like Phoenix and Florida, opportunistically have been able to adjust. At the same time, given some of the longer positions

of AV that you just mentioned, is there any thought around just kind of from the perspective of the sun's out, make some hay a little bit over the next 2 or 3 years to bring in other partners or to monetize some of those assets from a cash flow perspective? Or kind of accelerating any type of monetizing those assets through any type of strategic actions? Or is this going to be more of steady-as-she-goes type of playing it out as some of those lot positions may have originally been intended?

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

I think everything is on the table, Michael. Once again, when you dig into the detail and you look at the 3 or 4 communities that have the longest kind of land pipeline on the active adult side, I think we have to go in and do a full review and see are there additional penetrations, would be the

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first place I'd start and after penetration. I think, for example, I could see in one of their long-supplied communities in Florida, you might take a future fade and look at family as well as active adult. So I think we're going to look at the penetrations first. That could be through us, that could be through selling lots and more to come on that.

Operator

And our next question will come from the line of Carl Reichardt with BTIG.

Carl Reichardt - *BTIG, LLC, Research Division - MD*

I'm curious about the active adult business, I mean, there has been a bit of a debate in the industry regarding the old sort of cruise ship large community, lots of amenities versus the smaller, closer-in active adult communities, more targeted, more suburban. I'm interested in how AV strategy has evolved over time? How yours has and how you see that strategy changing if at all going forward?

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Yes. It's a really good question. I would, I guess, share a couple of things with you. As far as the old cruise ship strategy, I think a lot of the old cruise ship strategy, the flaws weren't necessarily in the size of the community. The flaw in that strategy was the upfront capital required because of the locations of those communities to bring them to market. And so when you're asking people to drive 45 miles out and kind of creating the market, you have to create a city. That certainly would have been the Solivita strategy, which is the largest position within the AV portfolio, but that work's been done for the last 20 years. So we're the beneficiary of that great strategy. I think there is actually, as we see in our active adult business, and as I have said a couple of times, it's 1/3 of our portfolio and a very successful 1/3, both still survive. Location matters, but we have everything from large, what you might have called cruise ship, but I would tell you structure very different than the old cruise ships, luxury country club community, to a much affordable to a very small suburban, where we're really relying on the local amenities. And with the 80-plus million boomers out there, there is plenty to go around. And so I think it really comes down to a market penetration, and I won't default to one strategy as better than the other. It's very market-driven where those consumers are coming from and what they're looking for. But that's why we're enjoying this 50-plus space so well because it's such a diversified space.

Carl Reichardt - *BTIG, LLC, Research Division - MD*

That makes a lot of sense. And then on the other side of the coin, can we talk a little bit about AV's spec strategy? What their focus has been there? And whether or not that alters how you might think about approaching the entry-level business?

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Yes. No, it's another great question. Given that price point and not as much - not as many included features, that tends to be a higher spec business. Very similar, I would tell you from something like our Atlanta business, where you're taking people potentially out of apartment and so you need to have that inventory on the ground. I think the key to any good spec strategy is making sure it's the right house on the right lot and it's appropriately amenitized or spec'd to the consumers so they can come right in and you don't overdo it. They've done a really nice job there. We'll continue to revisit that, but I think that is part of the game plan when you're dealing with that first-time buyer. A little different on the active adult, but still a much higher spec business.

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

I think you will see us follow our similar playbook, but every community might have a slightly different strategy to the Sheryl's point depending on the customer segmentation, price point, the anticipated volume. We target 4 to 5 per community, but in reality, it's not 4 to 5 in every community.

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So some could be more, some can be less. So for us, moving forward, it's going to be on an asset-by-asset view, but it's like Sheryl said around our playbook, what we need to put into the spec is critical, but our primary focus is making sure we sell them before construction is complete or shortly thereafter.

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

And then we're really smart, especially given they are active adult on the timing of those specs entering into a real season.

Operator

And our next question will come from the line of Matt Bouley with Barclays.

Matthew Bouley - *Barclays Bank PLC, Research Division - VP*

I wanted to ask a question about the sales pace strategy. Obviously, AV was up close to around 3.5 and clearly operating at a different price point. So could you elaborate a little bit on what if anything you would plan to change around the sales pace versus price strategy on AV's product and, I guess, land going forward, particularly as you rebrand?

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Yes. I think you should expect that we will accelerate their sales pace. And as I said a couple of questions ago, I think the whole pace and price is really going to come down to an asset-by-asset review, an opportunity to bring new penetrations within their communities. I don't think that it will change our strategy. We have different cases. We have communities across the portfolio that do 5 and 6 months and we have communities that do 1 to 2. That actually exist in theirs, but given their lower price point, they tend to have a much higher pace, which is great. If anything, I would hope that we can exploit that with additional marketing kind of synergies in the portfolio.

Matthew Bouley - *Barclays Bank PLC, Research Division - VP*

Okay. That's helpful. Second question, just on the integration to the extent you can comment on it at this point, how are you thinking about integration at a management level and then even down to kind of a local division president type of level, particularly in the markets where you have significant overlap?

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Very important question. This is our fifth deal since going public. So the plan will be consistent with our M&A playbook, and we'll actually rely on this one with some outside resources to share that we contemplated all the possibilities. But these are important markets and since we know them so well, we have a good team within Taylor Morrison, and they have a really good team. And so that's a great starting place. We're going to actually stand up an IMO with a dedicated team. We're not going to be penny wise, pound foolish. And I have great confidence in both our teams. And as you know, any integration is made or broken on the success of how you handle the people part of it. When I look back to all of our integrations, that's where we put a great deal of care and that's where I have the greatest confidence because I think as an organization, we do people really, really well. So we'll start with the division presidents in our overlapping markets. We'll have very open, transparent conversations in vetting of the talent. And then once we have those in place, we'll continue through the management team. Obviously, from a field standpoint, we're very excited about bringing all of those members into the Taylor Morrison family. But we will spend the next many weeks very, very closely aligned with AV, working on the people plan, because at the end of the day, that's the part we have to get right and that's the part I'm most confident in.

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Operator

And our next question will come from the line of Jack Micenko with SIG.

Jack Micenko - *Susquehanna Financial Group, LLLP, Research Division - Deputy Director of Research*

Sheryl, I wanted to get your thoughts on brand. You're moving into what looks like a lower price point entry and maybe a little bit of a lower price point active adult. Are you thinking about preserving some of that brand and keeping Taylor at some of the higher price points? And I guess, conversely some of their assets are pretty long-dated and so there is embedded brand there in the established businesses. Just curious how you're thinking about it for brand perspective.

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Yes, of course. So as I said in my comments, we will make a decision very, very quickly between now and closing. So we'll be ready to go at closing on every community. I would tell you that we'll handle it the same way we've done the other acquisitions. If we've got communities that are just about to close out, probably in the next 6 months, we won't touch them. We'll let those burn off. We won't spend the dollars or the resources changing those over. Everything else on the family side, you should expect to very quickly. On day 1, the website will change to Taylor Morrison and everything else will very quickly be moved to the Taylor Morrison branding. The exception to that will be how we handle something like a Solivita and we'll spend time with that management team before that decision is made. But I would say, couple of the long-dated active adult, to your point, will decide if those become part of the Taylor Morrison's branded family, but that's the only thing that's still left for debate.

Jack Micenko - *Susquehanna Financial Group, LLLP, Research Division - Deputy Director of Research*

Okay. And then Dave, how are you thinking about deal cost? I think you in the prior question spoke to maybe some outside consulting fees. And should we expect - how do we think about the breakdown of those costs in '18 versus '19?

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

So I mean, first, we're going to have the transaction costs, Jack, which I would characterize as kind of normal and customary. Beyond that in underwriting, we put some estimates around some ongoing costs. They will be sizable, but I wouldn't say overall material on a go-forward basis. The leverage that we think we're going to be able to drive on the combined business will go towards paying some of that in the short term.

Jack Micenko - *Susquehanna Financial Group, LLLP, Research Division - Deputy Director of Research* So maybe thinking about you I'll have some more clarity on that in like a 2Q or 3Q call?

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO* Yes. More than likely, once we get to the point of close.

Operator

And our next question will come from the line of Jay McCanless with Wedbush.

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James C McCanless - *Wedbush Securities Inc., Research Division - SVP*

Just quickly on the \$963 million, can you walk me through the pieces that gets you to there, because just thinking where their debt was at the end of 1Q (inaudible) that you get cash? It looks like it will be a smaller number.

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

Look, we're - gets down to what you're using as their share count, which we have somewhere in the 22.8 multiplied against the \$21.50. And then it's the assumption of debt, which is on their books slightly less than \$400 million for the 6 5/8% plus the \$80 million in the convert (inaudible) in the high 60s.

James C McCanless - *Wedbush Securities Inc., Research Division - SVP* Okay. But that's not netting that cash against...

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO* No. Not netting the cash.

James C McCanless - *Wedbush Securities Inc., Research Division - SVP*

Okay. All right. Just want to make sure on that. The second question I had the DTA, they had roughly \$71 million DTA. Are you going to be able to get any benefit from that?

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

It's a great question. And the answer is, yes. I mean, we'll have - we'll be subject to some of the 382 limitation, but we work through the DTA in great detail and believe we're going to get the vast majority of that. We'll lose very little.

Explanation of Responses:

James C McCanless - *Wedbush Securities Inc., Research Division - SVP*

Okay. And then the third question I have, is TPG, are they going to take all stock in this? Or are they going to take the ratio like the rest of the shareholders, if necessary?

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

Yes. They've elected, obviously, to be supportive of the transaction, and will take all stock.

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Yes. And they could be prorated down based on the converts, but at this point, they will take all stock.

James C McCanless - *Wedbush Securities Inc., Research Division - SVP*

Okay. And the last question I have is, there are longer-dated assets. I think there is almost 5,000 acres in Florida in and around Solivita. Can you talk about these have to take any step up in basis of that, I know that's a long-dated asset? And then also maybe just give us any color about what type of purchase accounting impact we might expect on a post deal basis?

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C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

I'll take you back to the acquisition at a 1.1 book. So there'll be some step up overall. I mean, the reality of it there's going to be some assets that might be stepped up, might take some down. But that's a lot of the work that we'll do here over the next several months as we do fair valuation on all the assets. We've done some preliminary work there, and we will have some purchase accounting impact that we'll see that will roll through in the fourth quarter of this year and into 2019.

Operator

And our next question will come from the line of Alex Rygiel with B. Riley FBR.

Alexander Rygiel - *B. Riley FBR, Inc., Research Division - Analyst*

Two quick questions. First, with regards to the synergies, can you help us better understand the time line? And then secondly, what is this telling us more about the broad view of land cost today to acquire versus possibly public market valuations of companies and how Wall Street is feeling land value?

C. David Cone - *Taylor Morrison Home Corporation - Executive VP & CFO*

Yes. I'll start with the synergy. It'll probably - we'll see that on an annualized basis in 2020, but we will start getting the vast majority of that through 2019.

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

On the land side, I go back to the comments I already made, to be honest. We're very excited to being able to acquire this at a 1.1 book and to be able to get this greater depth within our underserved segments. I think we heard for a couple of years it's difficult out there and to get this sort of concentrated portfolio in the markets we are in feels really good. I mean, land costs are not going backwards and to be able to put this kind of land at this basis in front of the

Explanation of Responses:

business is exactly what we need to do.

Operator

And I'm showing no further questions in the queue. So now it'd be my pleasure to hand the conference back over to Ms. Sheryl Palmer, Chairman, President and Chief Executive Officer, for some closing comments and remarks.

Sheryl D. Palmer - *Taylor Morrison Home Corporation - Chairman, President & CEO*

Well, thank you very much for joining us on the short notice this morning, and we look forward to keeping you updated as the deal progresses. Have a wonderful day.

Operator

Ladies and gentlemen, thank you for your participation on today's conference. This does conclude our program, and we may all disconnect. Everybody, have a wonderful day.

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that the conditions to the transaction are not satisfied on a timely basis or at all and the failure of the transaction to close for any other reason; the outcome of any legal proceedings that may be instituted against the parties and others related to the merger agreement; unanticipated difficulties or expenditures relating to the transaction, the response of business partners and retention as a result of the announcement and pendency of the transaction; risks relating to the value of the Taylor Morrison common stock to be issued in connection with the transaction; the anticipated size of the markets and continued demand for Taylor Morrison's and AV Homes' homes and the impact of competitive responses to the announcement of the transaction; access to available financing on a timely basis and on reasonable terms, including the refinancing of Taylor Morrison and AV Homes debt to fund the cash portion of the consideration in connection with the transaction. Additional risks are described under the heading "Risk Factors" in Taylor Morrison's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission (the "SEC") on February 21, 2018 and in AV Homes' Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on February 23, 2018. Forward-looking statements speak only as of the date they are made. Except as required by law, neither Taylor Morrison nor AV Homes has any intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

Important Additional Information and Where to Find it

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In connection with the proposed transaction between Taylor Morrison and AV Homes, Taylor Morrison will file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 that will include a Proxy Statement of AV Homes that also constitutes a Prospectus of Taylor Morrison (the "Proxy Statement/Prospectus"). AV Homes plans to mail to its shareholders the definitive Proxy Statement/Prospectus in connection with the transaction. INVESTORS AND SECURITY HOLDERS OF AV HOMES ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT TAYLOR MORRISON, AV HOMES, THE TRANSACTION AND RELATED MATTERS.

Investors and security holders will be able to obtain free copies of the Proxy Statement/Prospectus (when available) and other documents filed with the SEC by Taylor Morrison and AV Homes through the website maintained by the SEC at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of the documents filed with the SEC by Taylor Morrison in the Investor Relations section of Taylor Morrison's website at <http://investors.taylormorrison.com> or by contacting Taylor Morrison's Investor Relations at investor@taylormorrison.com or by calling (480) 734-2060, and will be able to obtain free copies of the documents filed with the SEC by AV Homes in the Investor Relations section of AV Homes' website at <http://investors.avhomesinc.com> or by contacting AV Homes' Investor Relations at m.burnett@avhomesinc.com or by calling (480) 214-7408.

Participants in the Merger Solicitation

Taylor Morrison, AV Homes and certain of their respective directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of AV Homes in connection with the transaction, including a description of their respective direct or indirect interests, by security holdings or otherwise, will be included in the Proxy Statement/Prospectus described above when it is filed with the SEC. Additional information regarding Taylor Morrison's directors and executive officers is also included in Taylor Morrison's proxy statement for its 2018 Annual Meeting of Shareholders, which was filed with the SEC on April 17, 2018, or its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 21, 2018, and information regarding AV Homes' directors and executive officers is also included in AV Homes' proxy statement for its 2018 Annual Meeting of Stockholders, which was filed with the SEC on April 18, 2018, or its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 23, 2018. These documents are available free of charge as described above.