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BLUEGREEN CORP  
Form 10-K/A  
April 06, 2006

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

FORM 10-K/A  
Amendment No. 1

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

For the fiscal year ended December 31, 2005

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-19292

BLUEGREEN CORPORATION  
(Exact name of registrant as specified in its charter)

Massachusetts  
(State or other jurisdiction of  
incorporation or organization)

03-0300793  
(I.R.S. Employer  
Identification No.)

4960 Conference Way North, Suite 100, Boca Raton, Florida 33431  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (561) 912-8000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$.01 par value	New York Stock Exchange, Archipelago Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer,  
as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports  
pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days.

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item

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405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy statement incorporated by reference into Part III of this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large Accelerated filer  Accelerated filer  Non-Accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant: \$360,956,342 based upon the closing sale price of the Company's Common Stock on the New York Stock Exchange on June 30, 2005 (\$17.41 per share). For this purpose, "affiliates" include members of the Board of Directors of the Company, members of executive management and all persons known to be the beneficial owners of more than 5% of the Company's outstanding common stock.

As of March 14, 2006, there were 30,512,651 shares of the registrant's common stock, \$.01 par value, outstanding.

### DOCUMENTS INCORPORATED BY REFERENCE

Specifically identified portions of the Company's definitive proxy statement to be filed for its 2006 Annual Meeting of Shareholders (the "Proxy Statement") are incorporated by reference into Part III hereof.

### EXPLANATORY NOTE

We are filing this Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, as filed with the U.S. Securities and Exchange Commission (SEC) on March 16, 2006 to amend the disclosure in Item 9A related to "Changes in Internal Control Over Financial Reporting" for fiscal year ending December 31, 2005.

Other than the amendment of Item 9A, all other information included in the above described Form 10-K as previously filed, remains unchanged. In connection with the filing of this Form 10-K/A and pursuant to Rules 12b-15, 13a-14(a) and 13a-14(b) under the Exchange Act, we are including currently dated certifications.

This Form 10-K/A does not reflect events occurring after the filing of our Annual Report on Form 10-K on March 16, 2006 or include, or otherwise modify or update the disclosure contained therein in any way other than to reflect the amendment of Item 9A.

### Item 9A. CONTROLS AND PROCEDURES.

Management, including the Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures and internal controls will prevent all errors and all improper conduct. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that we have detected all control

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issues and instances of improper conduct, if any. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

Further, the design of any system of controls also is based in part upon assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the design and operation of our "disclosure controls and procedures", as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act as of December 31, 2005. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2005.

### Changes in Internal Control Over Financial Reporting

During the fourth quarter of 2005, in anticipation of the sale of certain of our vacation ownership notes receivable, we implemented additional internal controls relating to (1) the review and evaluation of sales of vacation ownership notes receivable to determine if the proposed structures would allow for off-balance sheet treatment under SFAS No. 140 and (2) the evaluation of the appropriate initial and continuing accounting for such transactions. As the fourth quarter securitization included a component of a previous purchase facility, a review was performed to determine if the purchase facility was appropriately treated as a sale as originally reported. Based on our review, we determined that, among other things, the relevant provisions of the previous purchase facility were arguably ambiguous and could be construed to allow the Company to substitute new notes receivable for previously sold receivables for any reason. As such, we concluded that the existence of the ambiguous provisions should have precluded notes receivable sales under the purchase facility from being accounted for as off-balance sheet sales transactions. As a result, the Company felt it was prudent to reassess all prior securitizations and vacation ownership receivables purchase facilities to determine if GAAP was applied appropriately. As a result of this review, we identified that we had originally misapplied GAAP in various purchase facilities during certain periods prior to the fourth quarter of 2005 and that there were material weaknesses in internal control over these types of transactions. As a result, we determined that we would restate our consolidated financial statements for the first three quarters of fiscal 2005 and the fiscal years ended December 31, 2003 and 2004 (see Note 2 to the Consolidated Financial Statements) to reflect the impact of treating such transactions as on-balance sheet financings and to correct the initial gain computations and continuing accounting on those transactions that were properly treated as off-balance sheet transactions. We believe that, as of December 31, 2005, we had fully remediated the control deficiencies relating to the sale of vacation ownership notes receivable that led to the restatement of the periods prior to fourth quarter of 2005.