

RADIAN GROUP INC
Form PRE 14A
March 21, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Radian Group Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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- (4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.
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- (1) Amount previously paid:

- (2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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Radian Group Inc.

1601 Market Street

Philadelphia, Pennsylvania

19103-2337

800.523.1988

215.231.1000

April [], 2016

Dear Stockholder:

You are cordially invited to attend the 2016 Annual Meeting of Stockholders of Radian Group Inc., which will be held at our headquarters, 1601 Market Street, 12th Floor, Philadelphia, Pennsylvania 19103, at 9:00 a.m. local time on May 11, 2016. The accompanying Notice of 2016 Annual Meeting of Stockholders and Proxy Statement describe the items to be considered and acted upon by the stockholders at the meeting.

Regardless of whether you plan to attend the annual meeting, please sign, date and return the enclosed proxy card as soon as possible so that your shares can be voted in accordance with your instructions. If you attend the meeting, you may revoke your proxy, if you wish, and vote personally. Because the representation of stockholders at the annual meeting is very important, we thank you in advance for your participation.

Sincerely,

Edward J. Hoffman

General Counsel and Corporate Secretary

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

Radian Group Inc. will hold its 2016 Annual Meeting of Stockholders as provided below:

Date and Time: Wednesday, May 11, 2016, 9:00 a.m. local time

Place: Radian Group Inc.

1601 Market Street, 12th Floor

Philadelphia, Pennsylvania 19103

- Items of Business:
- (1) Elect ten directors, each for a one-year term, to serve until their successors have been duly elected and qualified;
 - (2) Conduct an advisory vote to approve the overall compensation of our named executive officers;
 - (3) Approve an amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation to eliminate language providing that directors may be removed by the Company's stockholders only for cause, so that members of the board of directors may be removed with or without cause;
 - (4) Re-approve the amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation relating to Radian's tax benefit preservation strategy;
 - (5) Re-approve the Radian Group Inc. Tax Benefit Preservation Plan, as amended;
 - (6) Ratify the appointment of PricewaterhouseCoopers LLP as Radian's independent registered public accounting firm for the year ending December 31, 2016; and
 - (7) In addition to the items above, the Company may transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Record Date: Stockholders of record as of the close of business on March 16, 2016 will be entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the meeting.

Regardless of whether you plan to attend Radian's annual meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. For instructions about voting, please see How Shares May Be Voted on page 1.

By Order of the Board of Directors,

Edward J. Hoffman

General Counsel and Corporate Secretary

Philadelphia, Pennsylvania

April [], 2016

Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders to be held on May 11, 2016:

This proxy statement and our 2015 Annual Report to Stockholders are available at

www.radian.biz/StockholderReports.

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2016 Proxy Statement

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103-2337

www.radian.biz

**PROXY STATEMENT
FOR 2016 ANNUAL MEETING OF STOCKHOLDERS**

The board of directors of Radian Group Inc. (Radian or the Company) is furnishing this proxy statement to solicit proxies from the Company's stockholders for use at Radian's 2016 Annual Meeting of Stockholders (the Annual Meeting). A copy of the Notice of 2016 Annual Meeting of Stockholders accompanies this proxy statement. These materials are also available on the internet at www.radian.biz/StockholderReports. This proxy statement and the accompanying proxy card are being mailed to stockholders beginning on or about April [], 2016, in order to furnish information relating to the business to be transacted at the meeting.

INFORMATION ABOUT VOTING

Who Can Vote

Only stockholders of record on the close of business on March 16, 2016, the record date, may vote at the Annual Meeting. On the record date, 197,500,450 shares of our common stock were outstanding and entitled to vote at the Annual Meeting. For each share of common stock you held on the record date, you will be entitled to one vote on each matter submitted to a vote of stockholders. There is no cumulative voting.

What Shares Can Be Voted

You may vote all shares of our common stock owned by you as of the close of business on the record date.

These shares include:

Shares held directly in your name as the stockholder of record; and

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Shares of which you are the beneficial owner but not the stockholder of record. These are shares not registered in your name but registered in street name through an account you have with a bank, broker or other holder of record (a nominee), including shares owned by the Radian Group Inc. Savings Incentive Plan Stock Fund.

How Shares May Be Voted

Before the Annual Meeting, you can vote shares for which you are the stockholder of record by completing, signing and returning by mail the enclosed proxy card. Our stockholders of record may not vote by telephone or internet. You also may vote your shares at the Annual Meeting if you attend in person. If you are a stockholder of record, you may revoke your proxy at any time before it is voted by providing to our Corporate Secretary either a written instrument revoking it or a duly executed proxy bearing a later date. You also may revoke your proxy by attending the Annual Meeting and giving notice of revocation. Attendance at the Annual Meeting, by itself, will not constitute revocation of a proxy. **Your vote is important to Radian. We encourage you to complete, sign and return the proxy card accompanying this proxy statement even if you plan to attend the Annual Meeting. You can always change your vote before the meeting or at the meeting, as described above.**

Many of our stockholders who hold their shares in street name through a nominee have the option to submit their proxies or voting instructions to their nominee electronically by telephone or the internet. These stockholders should review and follow the voting instructions provided by their nominee, including any instructions relating to revoking your voting instructions. If you hold your shares in street name and wish to vote in person at the Annual Meeting, you must obtain a legal proxy from your nominee.

Table of Contents**Information About Voting****Quorum and Votes Required for Approval**

A quorum is necessary for us to conduct the business of the Annual Meeting. This means that holders of at least a majority of the shares entitled to vote must be present at the meeting, either in person or represented by proxy. Your shares are counted as present at the Annual Meeting if you attend the Annual Meeting and vote in person or if you properly complete and return a proxy.

The following table summarizes the vote threshold required for approval of each proposal. In addition, the table shows the effect on the outcome of the vote of: (i) abstentions; (ii) uninstructed shares held by brokers (which result in broker non-votes when a beneficial owner of shares held in street name does not provide voting instructions and, as a result, the institution that holds the shares is prohibited from voting those shares on certain proposals); and (iii) signed but unmarked proxy cards.

Proposal		Votes Required for Approval	Effect of Abstentions (1)	Uninstructed Shares/ Effect of Broker	
				Non-votes (1)	Signed but Unmarked Proxy Cards (2)
<u>Proposal 1</u>	Election of directors	Majority of votes cast	No effect ⁽³⁾	Not voted/No effect	Voted For
<u>Proposal 2</u>	Advisory, non-binding vote to approve executive compensation	Majority of shares present in person or represented by proxy and entitled to vote	Same effect as a vote Against	Not voted/No effect	Voted For
<u>Proposal 3</u>	Approve an amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation to eliminate language providing that directors may be removed by the Company's stockholders only for cause, so that members of the board of directors may be removed with or without cause	Majority of shares outstanding entitled to vote	Same effect as a vote Against	Not voted/Same effect as a vote Against	Voted For
<u>Proposal 4</u>	Re-approval of the amendment to the Radian Group Inc. Amended and Restated Certificate of Incorporation relating to Radian's tax benefit preservation strategy	Majority of shares present in person or represented by proxy and entitled to vote	Same effect as a vote Against	Not voted/No effect	Voted For
<u>Proposal 5</u>	Re-approval of the Radian Group Inc. Tax Benefit Preservation Plan, as amended	Majority of shares present in person or represented by proxy and entitled to vote	Same effect as a vote Against	Not voted/No effect	Voted For
<u>Proposal 6</u>	Ratification of the appointment of PricewaterhouseCoopers LLP as Radian's	Majority of shares present in person or	Same effect as a vote Against	Discretionary vote by broker	Voted For

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independent registered public accounting firm represented by proxy and entitled to vote

- (1) Abstentions and broker non-votes are included for purposes of determining whether a quorum is present, however, abstentions are considered entitled to vote whereas broker non-votes are not.
- (2) If you complete your proxy card properly, but do not provide instructions on your proxy card as to how to vote your shares, your shares will be voted as shown in this column and in accordance with the judgment of the individuals named as proxies on the proxy card as to any other matter properly brought before the Annual Meeting.
- (3) Under Section 4.13(f) of our Amended and Restated By-Laws (the By-Laws), abstentions are not counted as votes For or Against a director s election.

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Information About Voting

As described in the table above, in an uncontested election, meaning the number of director nominees is equal to or less than the number of directors to be elected at the meeting, our directors are elected by majority voting (Proposal 1). For an uncontested election of directors, a director is elected only if the number of shares voted For that director exceeds the number of shares voted Against that director. In accordance with our By-Laws, each of our incumbent directors submits a conditional resignation in advance of the Annual Meeting that will become effective if the number of shares voted For that director does not exceed the number of shares voted Against that director and the board accepts the director's resignation. The director also may choose to retire from the board before the resignation is accepted by the board and becomes effective. If a sitting director fails to receive a majority of the votes cast, our board of directors will determine within 90 days of the Annual Meeting whether to accept the resignation of such director, unless the director retires during this 90 day period. If a nominee fails to receive a majority of the votes cast and the board accepts the director's resignation or the director retires, there would be a vacancy created on the board. Our board would then have the option under our By-Laws either to appoint someone to fill the vacancy or to reduce the size of the board.

This year's election of directors is an uncontested election of directors. If there were a contested election, then plurality voting, by which directors receiving the greatest number of votes cast would be elected, would apply.

Where to Find Voting Results

We will announce the preliminary voting results at the conclusion of the Annual Meeting, if practicable, and we will publish the voting results in a Current Report on Form 8-K that will be filed with the United States Securities and Exchange Commission (SEC) within four business days after the conclusion of the Annual Meeting.

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PROPOSAL 1 ELECTION OF DIRECTORS

Our Amended and Restated Certificate of Incorporation and our By-Laws provide for the annual election of directors. These organizational documents also provide that the number of directors, which shall not be less than nine or more than fourteen, shall be determined by our board of directors. Our board of directors has set the number of directors at ten.

Upon election, each of our directors serves for a one-year term and until his or her successor has been duly elected and qualified, or until his or her earlier removal or resignation. Our board of directors currently consists of Herbert Wender, David C. Carney, Howard B. Culang, Lisa W. Hess, Stephen T. Hopkins, Sanford A. Ibrahim, Brian D. Montgomery, Gaetano Muzio, Gregory V. Serio and Noel J. Spiegel.

Upon the recommendation of the Governance Committee of our board of directors, the board has nominated each of our current directors for reelection. All nominees (other than Mr. Ibrahim) are independent under applicable independence rules of the SEC and New York Stock Exchange (NYSE), and all nominees have consented to be named in this proxy statement and to serve if elected. If, at the time of the Annual Meeting, any nominee is not available for election, proxies may be voted for another person nominated by the board, or the size of the board may be reduced.

Biographical Information for Director Nominees

Biographical information for each of the director nominees is provided below along with a discussion of each nominee's specific experience, qualifications, attributes or skills that have led the board to conclude that he or she should be nominated for election or reelection.

Herbert Wender

Mr. Wender, 78, has served as non-executive Chairman of our board of directors since May 2005. He also previously served in this role from August 1992 to May 1999 and as Lead Director from May 1999 until his current appointment. Mr. Wender served as Chairman of the Board and Chief Executive Officer of Radian Guaranty Inc., our principal mortgage insurance subsidiary (Radian Guaranty), from June 1983 until July 1992. Between 1998 and 2001, Mr. Wender also served as a director and Vice Chairman of LandAmerica Financial Group, Inc., a title insurance company. Before that, he was Chairman of the Board and Chief Executive Officer of LandAmerica Financial Group's predecessor, Commonwealth Land Title Insurance Company. He has been a director of Radian since July 1992.

Mr. Wender's extensive leadership experience on our board of directors, his intimate familiarity with Radian, his prior management experience as Chief Executive Officer of our mortgage insurance subsidiary and his industry experience give him the expertise, skills and judgment to serve as a director and non-executive Chairman. Under Mr. Wender's guidance, our board of directors oversaw our navigation through the financial crisis with a thoughtful, measured approach leading to Radian's return to profitability in 2014 for the first time in eight years, and positioning us well for the future.

David C. Carney

Mr. Carney, 78, has served as President of Carney Consulting since March 1995. He served as Executive Vice President of Jefferson Health Systems, the parent company of a regional network of health care providers, from October 1996 until May 1999. Before that, he served as Chief Financial Officer of CoreStates Financial Corp, a banking and financial services holding company. Mr. Carney is a Certified Public Accountant and served as Philadelphia Area Managing Partner for Ernst & Young LLP from 1980 through 1991. Mr. Carney served as CEO and Chairman of the Board of ImageMax, Inc., a provider of outsourced document management solutions, from 1999 through 2003. Mr. Carney currently serves as a Director and Chairman of the Executive Committee of AAA Club Alliance and as a Director of AAA Club

Partners. He has been a director of Radian since November 1992.

Table of Contents**Proposal 1 Election of Directors**

Mr. Carney's service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Mr. Carney's experience as a CPA, as managing partner of the Philadelphia area offices of one of the big four nationally recognized accounting firms, and as a Chief Financial Officer of a large, publicly-traded financial institution give him particular financial expertise and management experience relevant to his qualifications as a director and as the Chair of the Audit Committee of our board of directors. In addition, Mr. Carney's consulting experience and service on other boards of directors give him a broad perspective and insight on effectively running and advising a business.

Howard B. Culang

Mr. Culang, 69, served as President of Laurel Corporation, a financial services firm, from January 1996 through December 2011. Mr. Culang was a Managing Member of JH Capital Management LLC, a management company for a private equity fund, from July 1998 to December 2010, and of Cognitive Capital Management LLC, a management company for a fund of hedge funds, from April 2001 to December 2005. In the past, he has served as Vice Chairman of Residential Services Corporation of America, the holding company for Prudential Home Mortgage, Lender's Service, Inc. and Prudential Real Estate Affiliates, and as a Managing Director and member of the Executive Committee of the Prudential Home Mortgage Company, where he worked from November 1985 to December 2005. Mr. Culang also held a number of senior management positions with Citibank, N.A., including as a Senior Credit Officer. Mr. Culang currently serves as a director of ioSemantics, LLC, a privately owned software company. He has been a director of Radian since June 1999.

Mr. Culang's service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. In addition, his significant management experience in the mortgage and financial services industries gives him valuable expertise and a broad understanding of the mortgage business. These experiences are particularly relevant in Mr. Culang's role as Chair of the Credit Committee of our board of directors.

Lisa W. Hess

Ms. Hess, 60, has been President and Managing Partner of SkyTop Capital Management LLC, an investment fund, since October 2010. From October 2002 to December 2008, she was the Chief Investment Officer of Loews Corporation, a diversified holding company, where she was responsible for managing approximately \$50 billion in assets. Ms. Hess was a Founding Partner of Zesiger Capital Group, a diversified money manager, and also has held positions at First Boston Corporation, Odyssey Partners and Goldman, Sachs & Co. She has served on the U.S. Treasury Debt Advisory Committee and the Federal Reserve Bank of New York Investors Advisory Committee. Since June 2009, Ms. Hess has been a Trustee of Teachers Insurance and Annuity Association (TIAA), serving on the investment, real estate, customers and products and corporate governance committees. She has been a director of Radian since February 2011.

Ms. Hess's extensive experience managing financial assets, including in her current role with SkyTop Capital Management LLC, as a chief investment officer of Loews Corporation, and as a member of various investment and advisory committees, gives her a broad range of expertise with respect to finance, investments and the capital markets that is particularly beneficial to the board and in her role as Chair of the Finance and Investment Committee of the board. Her position as President and Managing Partner of SkyTop Capital Management LLC brings a current, day-to-day business perspective that is valuable in enhancing board oversight in today's operating

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Proposal 1 Election of Directors

environment. In addition, her experience serving on the corporate governance committee at TIAA brings an added perspective and insight to the board's consideration of corporate governance issues and the concerns of institutional shareholders.

Stephen T. Hopkins

Mr. Hopkins, 65, served most recently as President of Hopkins and Company LLC, a management consulting business, from February 1999 to 2014. From 1976 to January 1999, Mr. Hopkins held a number of managerial positions with Federal Home Loan Mortgage Corporation, a government sponsored enterprise that purchases and securitizes qualified mortgage loans, serving as Senior Vice President and National Sales Director from April 1994 through August 1998. He has been a director of Radian since June 1999.

Mr. Hopkins' service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Additionally, Mr. Hopkins' experience of more than 20 years with the Federal Home Loan Mortgage Corporation gives him specialized insight into the mortgage industry and the role of government sponsored enterprises within the industry. Because Radian works closely on a regular basis with such government sponsored enterprises, Mr. Hopkins' experience is especially valuable in this regard. Having served as an executive officer, he has broad general management experience and expertise to apply to many aspects of Radian's business, including in his role as Chair of the Compensation and Human Resources Committee of our board of directors.

Sanford A. Ibrahim

Mr. Ibrahim, 64, has served as Radian's Chief Executive Officer since May 2005. Before joining Radian, from 1999 until April 2005, Mr. Ibrahim served in a number of executive capacities for GreenPoint Financial, including as President and Chief Executive of GreenPoint Mortgage Funding, Inc., a