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LIUNA Pension Fund Seeks Accountability at M.D.C. Holdings, Inc.

Union Asks Fellow Shareholders to Reject Company's Compensation Proposal After Already Having Made Progress on Other Objectionable Proposals

Washington, D.C. (April 25, 2008) – LIUNA – the Laborers' International Union of North America – is continuing to reach out to fellow shareholders at M.D.C. Holdings Inc., in advance of the company's annual meeting next Tuesday, asking them to reject the company's compensation proposal.

LIUNA is seeking accountability at M.D.C. because the company's executive compensation practices are poor and because its leadership has failed the company's shareholders.

“At a time when M.D.C.'s shareholders have seen a stock price decline of over 35% in just the last year, the people responsible for the company's decline need to be held accountable,” said Terence M. O'Sullivan, LIUNA General President.

Record losses at M.D.C. have not stopped the board from seeking shareholder approval for an executive bonus plan that allows the compensation committee too much discretion to award excessive bonuses regardless of performance. In 2007, as M.D.C.'s shareholder value declined 35%, CEO Larry Mizel and COO/President David Mandarich received a combined \$14 million in total compensation that included a discretionary bonus of \$2 million apiece. The company's proposed compensation plan has even fewer performance requirements than the existing 2007 plan.

“It is unconscionable that two individuals can receive \$14 million in compensation while shareholders suffer,” said O'Sullivan. “Not only are M.D.C.'s stock values in decline, but the company's lending practices have contributed to the mortgage crisis and America's slide into recession.”

Joining LIUNA, RiskMetrics, one of the largest and most influential financial research and analysis firms, advised its shareholder clients to oppose M.D.C.'s compensation proposal.

LIUNA's efforts for accountability at M.D.C. have already yielded positive results. In the face of mounting public pressure from LIUNA, the company dropped one of its proposals and made significant changes to another. The company changed a proposal so that M.D.C. corporate executives will not be allowed to participate in the employee stock re-pricing program should the proposal be approved by shareholders. M.D.C. withdrew a similar proposal that would have benefited directors of the company by allowing them to participate in the company's stock re-pricing program.

LIUNA strongly opposed allowing directors and executives to participate in the re-pricing program because they can have a more direct influence on short-term movement in share price. It is generally considered best practice among institutional investors to disallow executives and directors from participating in such a program. M.D.C. withdrew one proposal and made the necessary changes to the other proposal after LIUNA publicized the company's ill-advised plan in a letter fellow to shareholders.

The letters to shareholders are part of a larger effort launched last fall by LIUNA that seeks to protect workers' pension funds and restore confidence and accountability to the mortgage industry and housing market. The effort includes a series of shareholder proposals filed with companies in the homebuilding and mortgage industry that require increased mortgage practices disclosure, reduce conflicts of interest at credit rating agencies and address CEO succession planning.

In addition to its shareholder activism, LIUNA has also taken the lead in fighting against a provision in the Senate's Foreclosure Prevention Act that would give multi-billion dollar tax breaks to corporate homebuilders and Wall Street investors who caused the housing and mortgage crisis. The cost of bailout provision is expected to exceed \$25 billion and M.D.C. could get as much as \$568 million.

Large homebuilders such as M.D.C. helped create this crisis by overbuilding and pushing subprime loans through their mortgage subsidiaries. M.D.C.'s mortgage subsidiary increased its subprime lending 199% between 2005 and 2006.

LIUNA believes their irresponsibility and greed should not be rewarded with a bailout that takes up over half of a bill that was supposed to help struggling homeowners. LIUNA is working to expose the bailout provision and keep it out of the House of Representative's version of the bill and the final Act.

"LIUNA has a unique position regarding the housing market crisis. Our members face a triple threat because they are impacted as workers facing job loss, as pension holders and as homeowners," said O'Sullivan. "Over 350,000 construction workers have lost their jobs since 2007, as many as 3 million homeowners face foreclosure and hundreds of billions of dollars of shareholder value have been lost."

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The half-million members of LIUNA – the Laborers' International Union of North America – are on the forefront of the construction industry, a powerhouse of 10 million workers who produce 5 percent of the U.S. economic output.