

PICO HOLDINGS INC /NEW

Form 8-K

May 10, 2006

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 8-K**  
**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
**Date of Report (Date of earliest event reported)**  
**May 4, 2006**  
**PICO HOLDINGS, INC.**  
(Exact name of registrant as specified in its charter)

**California**

**10-18786**

**94-2723335**

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

**875 Prospect Street, Suite 301, La Jolla, California**

**92037**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

**(858) 456-6022**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 1 Registrant's Business Operations**

**Item 1.01 Entry into a Material Definitive Agreement**

On May 4, 2006, PICO Holdings, Inc., a California corporation ( "PICO" ), entered into a Securities Purchase Agreement with certain accredited investors pursuant to which PICO sold 2,600,000 newly-issued shares of its common stock at the close of market on May 4, 2006 at a purchase price of \$30.00 per share, or an aggregate gross proceeds of \$78,000,000. Under the terms of the Securities Purchase Agreement, PICO has agreed to file with the Securities and Exchange Commission, as promptly as possible, a registration statement on Form S-3 to register the 2,600,000 common shares for resale.

The summary of the terms of the Securities Purchase Agreement in the preceding paragraph does not purport to be complete and is qualified in its entirety by reference to the full text of the Securities Purchase Agreement, a form of which is attached hereto as Exhibit 10.10.

**Section 3 Securities and Trading Markets**

**Item 3.02 Unregistered Sales of Equity Securities**

On May 4, 2006, PICO completed a private placement of 2,600,000 common shares to accredited investors at a price of \$30.00 per share, or an aggregate offering price of \$78,000,000. These 2,600,000 common shares were sold in a transaction which was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4 (2) thereof, since this was a private placement transaction with a limited number of accredited investors. PICO's press release dated May 4, 2006 announcing the private placement is furnished herewith as Exhibit 99.1.

**Section 9 Financial Statements and Exhibits**

**Item 9.01 Financial Statements and Exhibits**

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u>  |
|-----------------------|---|
| 10.10                 | Form of Securities Purchase Agreement between PICO and the Accredited Investors |
| 99.1                  | Press Release of PICO dated May 4, 2006   |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PICO HOLDINGS, INC.

Date: May 10, 2006

By: /s/ Maxim C. W. Webb

Maxim C. W. Webb  
Chief Financial Officer and Treasurer

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