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August 09, 2006

Toll Brothers plummets (again). The epic housing bubble is over. Bob Toll sold at the tippy tippy top. Where is the SEC investigation?



Man, nobody, and I mean hardly anybody, is stupid enough anymore to buy a Toll Brothers house. I guess there might be 8,900 maximum still in the US (Toll's forecasted '06 unit sales), but will someone, anyone, tell them to read HP? At least negotiate 40% off.

HP calls on its readers to formally file an SEC complaint against the

Toll brothers for their so perfectly timed insider stock sales. They obviously had inside information on the deteriorating conditions inside their Ponzi Scheme (oops, I mean business) and knew of cancellations before the general market, and then they traded on it, further enriching themselves.

Here's the debacle at Toll today. Man, I hope "The Banker" didn't kill himself...

Homebuilder Toll Brothers (TOL) reported a 48% plunge in third-quarter new orders and again cut its delivery

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forecast for the year, as the company blamed oversupply for the weak U.S. housing market.

Toll, the country's largest luxury-home builder, also warned that it is walking away from certain land option contracts, which will result in write-offs of deposits. The company said it will quantify this impact when it reports earnings later in August.

Based on its current backlog, the company expects to deliver between 2,500 and 2,800 homes in the fourth quarter, compared to its previous guidance of 2,900 to 3,300 deliveries. For its full 2006 fiscal year, the company believes it will deliver between 8,600 and 8,900 homes.

In a prepared statement, Toll Brothers CEO Robert Toll said the current housing slowdown first manifested last September and is "somewhat unique."

"It is the first downturn in the 40 years since we entered the business that was not precipitated by high interest rates, a weak economy, job losses or other macroeconomic factors," he said.

"Instead, it seems to be the result of an oversupply of inventory and a decline in confidence:

Speculative buyers who spurred demand in 2004 and 2005 are now sellers; builders that built speculative homes must now move their specs; and nervous buyers are canceling contracts for homes already under construction.

The resulting excess supply has exacerbated the drop in consumer confidence, which first appeared last September, that was already a drag on new-home sales."

The company also said it saw an increase in its cancellation rates in a number of markets, including **Orlando, Fla.; Northern California; Palm Springs, Calif.; Las Vegas; and Phoenix.**

Posted by keith at [8/09/2006](#)

35 comments:

Anonymous said...

jail with bernie and scott is one thing, hell with ken and soon fidel is another all together

[August 09, 2006 9:58 PM](#)

Anonymous said...

Inside information?
The evidence for the bubble has been plain as day.

[August 09, 2006 10:44 PM](#)

HP'er Bush Job Approval Rating

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You gotta vote for someone. Who's it gonna be?

- Clinton
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Anonymous said...

Still waiting for the SEC investigation of the ML Toll Bros. pump & dump.

August 09, 2006 11:16 PM

Anonymous said...

No, Bob Toll didn't have inside information.

What he could be nailed for is the effusive cheerleading in the New York Times Magazine in the summer of 05, where he asserted that housing prices could end up as high as Britain's and that will be the "new normal", and how his business is doing great.

In other words, the same sin as Ken Lay--- selling his own stock by the trainful while blowing sunshine up the public's ass.

More circumspect would be to have said nothing, other than "current conditions are strong, but housing is an economically sensitive industry as we are all aware".

August 09, 2006 11:37 PM

Anonymous said...

My cousin is a realtor in Boston. I asked her how work was going and she replied "Oh God, I don't want to talk about it".

August 09, 2006 11:40 PM

Juan Carlos Fuentes said...

Fidel will never be in hell. He is a patron saint fighting a brave and righteous battle against the corrupt and fascist Big Brother in the USA. Viva Fidel! Viva Cuba Libre!

August 09, 2006 11:54 PM

Dogcrap Green said...

Toll Brothers is down 50 pennies for the week.

I'm not happy, but at least I don't own gold

August 10, 2006 12:11 AM

Anonymous said...

Dogcrap-

TOL is down 50% in the last year. Are you a spinster for the Bushies?

August 10, 2006 12:26 AM

Robert CotA@ said...

Dogcrap bought TOL last month for about 28. Use this as your barometer. Oh and the "revised" 8,600-8,900 homes? No, third (4th?) revision from 11,600(?) homes.

August 10, 2006 12:33 AM

Dogcrap Green said...

I tuely believe there is a future with the home builders. Please excuse me for not being a mindless drone and running with main stream thought.

If Toll sold anything other than houses. The market would be all over the financials and balance sheets.

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keith

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I am still convince that Toll is the best home builder, because as someone that does business with the home builders I understand what being a "luxury" home builder truely means.

I also understand the cash flow in the industry and I am convience profits will continue and actually grow sometime in the future.

There simply is no comparison to Toll brothers and World Com.

World Com had no money and lied to get some more. Your beef with Tol is the ever changing valuation system people put on profitable stocks the will with vitrual certianty survive and some day have enough money to pay a decent dividend.

August 10, 2006 12:55 AM

Budvarr said...

Dogcrap said...

"Toll Brothers is down 50 pennies for the week.

I'm not happy, but at least I don't own gold"

Why are you looking for a tax loss or something?
Toll bros down 50cents and gold up about \$9 today!!
You're so full of shit your eyes are brown.

August 10, 2006 1:03 AM

Anonymous said...

I am still convince that Toll is the best home builder

Dogcrap green get a clue. Compare Toll to Enron if that makes you feel better. Get educated.

<http://tolltruth.blogspot.com/>

August 10, 2006 1:09 AM

Dogcrap Green said...

On August 2 Gold was at 652 today it is at 650

August 10, 2006 1:12 AM

Budvarr said...

"I also understand the cash flow in the industry and I am convience profits will continue and actually grow sometime in the future."

I'm in UK, I have my own construction co, work has dried up to nothing, I'm doing work practically for cost just to keep the lads in work and all other builders are in same boat.

I'm subbing for one of the big 4, on a school, and they're buying the work (putting in bids for less than cost) just to keep ticking over until the construction boom for the olympics start.

August 10, 2006 1:21 AM

Anonymous said...

What a joke. Click on Dogcrap's name. It will take you to his blog

August 10, 2006 1:38 AM

Chris G said...

I am still convince that Toll is the best home builder, because as

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what being a "luxury" home builder truly means.

Cisco was also considered the best tech company back in 2000 and look what happened to their stock price. It is still 75% down from the 2000 peak, even after the good news they had today. Dogcrap, you are confusing a supposedly good company and an overinflated stock price. The company's leadership is arrogant and they refuse to cut prices or offer incentives. Anytime people need to choose between Hovnanian and Toll, they're going to go with Hovnanian.

Also, you supposedly understood that Warren Buffett was a manipulative person who played shell games with the investing public. Days later, he is giving away all of his money to Bill Gates to fight diseases for the poorest people in the world. Nice call. Why don't you start a mutual fund so I can start a contrarian fund that does exactly the opposite of what you do.

August 10, 2006 1:42 AM

Anonymous said...

These a-holes NEVER mention sky high f+cking prices as a reason for slow sales.

August 10, 2006 1:45 AM

Anonymous said...

At some point TOL is going to be a buy. Need to get more clarity on the size of the write-downs of land. Then you can start bottom fishing that sucker, if you have a long timeline. Dogcrap fished too early, but he still might be OK in the end.

August 10, 2006 3:10 AM

Bushwick Bill said...

If it was not for those "inside traders" I would not have sold my house at the top. When I saw those home builders stocks plummeting on high volume last August, without reason, I put my primary residence up for sale. It's the most profitable speculation I have done. God bless those "inside traders."

August 10, 2006 3:23 AM

Anonymous said...

Sorry, I don't see what Bob Toll did wrong when he sold his stock.

It was his stock and he can sell it when he sees fit. Plus, he still has many many shares. The guy knows his business. That is no crime.

Now the number of shares he probably got through options (free stock, or near free)...that is an entirely different matter. That is WAY out of hand in the U.S.

August 10, 2006 5:16 AM

Anonymous said...

Dogcrap's web site:

The Upcoming Housing Boom

.....

OK..I've calmed my uncontrollable laughter down enough to resume typing....

ah..Dogcrap, when you say 'Upcoming'...what year are you

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The most recent run-up in the dollar is yet to be reflected in these figures. How long will this go on? It is impossible to say, because the collapse of a ...

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least another 5 years or so.

and how's the horse race handicapping thing working out for ya?

nice name you picked for yourself as well...you win all the way around!

August 10, 2006 5:22 AM

Disgorge! said...

Robert and Bruce Toll are members of Beth Shalom Synagogue in Pennsylvania. Just FYI. Their actions do not surprise moi.

August 10, 2006 6:28 AM

Mark in San Diego said...

Sec investigation?? Keith, they were reading YOUR blog and sold. . .just like those of us who shorted home building stocks, mortgage company stocks, and I am shorting Comerica Bank stock since they are financing so many condo sites here in SD... .

August 10, 2006 6:42 AM

Anonymous said...

If they are so great, how come they are known on the street as Troll Brothers?

I've seen the houses they build glue and plastic on the outside, foundations out of square, a tiny bit of brick in the front to impress your friends, once you are inside the house the real fraud begins. Luxury is an overused word in the homebuilding community. How can a house with all the materials used in a trailer be called luxury?

They build the illusion of luxury. Big, bloated, plastic houses, that enclose a lot of air. People who buy this kind of house usually spend a lot of time shopping at Wall Mart to fill their crap houses up with more crap.

August 10, 2006 11:49 AM

Anonymous said...

It is all about skimming.

It won't be a share holder society, it will be a share cropper society.

August 10, 2006 12:31 PM

brokersleaveyoubroke said...

Sorry, I don't see what Bob Toll did wrong when he sold his stock.

It was his stock and he can sell it when he sees fit.

No, not true, he is an officer of a corporation and if he buys or sells stock based on information that is not available to the general public then he commits a crime. Remember the ImClone CEO who sold his stock because he knew that the FDA was not going to approve ImClone's new drug. He's in jail right now.

August 10, 2006 6:18 PM

brokersleaveyoubroke said...

My favorite news story about Toll is titled "For Toll the bell tolls"

August 10, 2006 6:19 PM

Bloomberg

The dollar may extend its three-day rally against the euro as reports suggest the US economy is weathering a housing slump, spurring traders to reduce bets ...

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The FED would be torn between raising rates to stem the dollar collapse and lowering them to keep the economy from imploding in the credit crunch. ...

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Sify, India

But as this article will point out, this rate cut is actually going to deepen the housing collapse (albeit with a brief pause), create much greater ...

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TOL. MWAHAHAHAHAHA!!!

Told ya dogcrap green. You will only lose more in that turd. Pun intended.

August 10, 2006 7:03 PM

Bake McBride said...

brokersleaveyoubroke said...

"No, not true, he is an officer of a corporation and if he buys or sells stock based on information that is not available to the general public then he commits a crime."

You are right, but way too many people saw the housing bubble bursting....This blog was around when they started to sell their stock.

They had every right to sell their stock. Many rich people are, and remain, rich because they wake wise investment decisions.

August 10, 2006 7:11 PM

Anonymous said...

When someone has their finger on the pulse of activity in a certain market and consequently see's the indicators point to an end before everyone else, then bail's out and sells that is very reminiscent of Ken Lay at Enron.

August 11, 2006 4:52 AM

Dogcrap Green said...

anonymous ask and how's the horse race handicapping thing working out for ya?

I've money so far this year - at least the picks I posted on my blog made money. i won two out of three triple crown races. To handicap right, at least using my style. I need about 10 hours to review 3 to 5 tracks. I just don't have the time. But if you sign up on my e-mail list, I might notify you when I start back up. Although I now have over 800 members and it's hard to find the time to e-mail my members now.

Why do you ask?

August 11, 2006 7:05 AM

Anonymous said...

Where the Hell is SEC and the handcuffs! No wonder these 2 a--holes are smiling!

August 12, 2006 7:48 PM

Anonymous said...

somebody put out an APB for Keith.

August 14, 2006 6:14 AM

Scott Arthur Edwards said...

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September 20, 2006 11:05 AM



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- [June 2007](#) (147)
- [May 2007](#) (153)
- [April 2007](#) (135)
- [March 2007](#) (118)
- [February 2007](#) (147)
- [January 2007](#) (137)
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September 20, 2006 10:10 PM

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- [June 2006](#) (140)
- [May 2006](#) (200)
- [April 2006](#) (166)
- [March 2006](#) (154)
- [February 2006](#) (105)
- [January 2006](#) (74)
- [December 2005](#) (119)
- [November 2005](#) (133)

