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INSIDE SCOOP |  Online Exclusive

Execs Propping Up Thornburg Mortgage

By NAUREEN S. MALIK

Insider Tables: [Buyers](#)⁰ | [Sellers](#)⁰

TALK ABOUT COMING TO THE RESCUE OF YOUR OWN STOCK.


Four top executives at **Thornburg Mortgage** purchased roughly 170,000 shares this week to demonstrate their confidence in the company after shares fell to a one-year low.

Garrett Thornburg, chairman and chief executive officer, led the buying on Monday with about 159,000 shares, increasing his direct stake in the company by 21% to approximately 935,000 shares. Larry Goldstone, president and chief operating officer, bought 5,000 shares.

Meanwhile, Joseph Badal, a director and chief lending officer, and Clarence Simmons, chief financial officer, each snapped up about 2,000 shares.

"Our stock had been hit pretty hard over the past few weeks and it was a signal from the management team that business is still good and management still believes in the company and the fundamentals," says Leanne Gallagher, vice president of finance and investor relations at Thornburg.

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Executives purchased these shares at a 2% discount from the going market price under the guidelines of the company's dividend reinvestment program.

On Monday, the company issued a press release to highlight this insider buying. Shares of the company subsequently gained 6% this week.

Thornburg's shares have had a fairly volatile run this year, climbing to a 52-week high in June before plunging to a one-year low in August. The shares have fallen 6% this year.

In late July, the company reported earnings in line with Wall Street consensus estimates of 70 cents a share, but said margins fell amid "intense competition."

In addition to buying the discounted shares, CFO Simmons purchased an additional 7,000 shares in the open market for \$182,000 through an existing brokerage account he had prior to joining Thornburg earlier this year, says spokeswoman Gallagher.

Simmons' purchases are "a gesture of self-confidence [and] it's even better to see other insiders are also buying," says Richard Tan, the president of InsiderCow.com. "Obviously they feel comfortable about their business model."

In July, Thornburg's board of directors increased the second-quarter dividend payout by 3% to 68 cents a share. The long-standing dividend reinvestment plan is open to the public as well.

Buying trends by insiders are fairly normal in the REIT industry, says Michael P. Painchaud, managing director of research for Market Profile Theorems. But buying activity at Thornburg is "attractive" because it has spiked above normal levels.

Despite the fall in the stock price, Thornburg's fundamentals look strong. Bear Stearns initiated coverage on the company in mid-August with an Outperform rating and a price target of \$30.

Thornburg "is a very good risk manager," and growth should offset margin pressures, write analysts Scott Coren and David Hochstim in the report.

The company has traditionally invested in mortgage-backed securities with the top credit ratings, but recently began originating loans made to individuals (with an average loan of \$450,000).

Gallagher says Thornburg will soon start to offer loans through nationwide mortgage brokers, which is a "higher margin" business.

Recent Insider Activity

Buyers

COMPANY NAME	INSIDERS NAME	TITLE	\$ VALUE	NO. OF SHARES IN TRANS.	RANGE OF VALUES	TRANSACTIONS DATES
Overstock.Com	J. Byrne	D	\$3,432,763	85,156	40.11-40.50	Aug 31, 2005
Overstock.Com	J. Byrne	D	2,610,503	65,064	39.90-40.50	Aug 30-31, 2005
Overstock.Com	J. Byrne	D	1,983,108	49,480	39.95-40.30	Aug 30, 2005
AAMES Investment	R. Spass	D	363,882	50,000	7.08-7.65	Aug 30-Sept 1, 2005
NASB Financial	D. Hancock	CEO	328,320	8,000	41.04	Aug 31, 2005
NASB Financial	L. Hancock	D	328,320	8,000	41.04	Aug 31, 2005
Savannah Bancorp	J. Roberts	D	225,621	6,804	33.16	Aug 30, 2005
Great Wolf Resorts	R. Churchey	D	117,645	10,000	11.76	Aug 29, 2005
Viewpoint	J. Crabbe	D	113,400	90,000	1.26	Aug 29-30, 2005
Centillum Communications	J. Vadhia	O	101,224	36,000	2.78-2.89	Aug 30, 2005

(Source: Thomson Financial/Baseline)

Sellers

COMPANY NAME	INSIDERS NAME	TITLE	\$ VALUE	NO. OF SHARES IN TRANS.	RANGE OF VALUES	TRANSACTIONS DATES
Kinetic Concepts	J. Leininger	DO	\$6,950,180	125,600	54.59-57	Aug 29-31, 2005
Allstate	E. Liddy	CEO	5,856,077	103,300	56.69	Aug 29, 2005

Newfield Exploration	E. Pew	O	4,045,248	87,000	46.20-47.09	Aug 30-31, 2005
Oscient Pharmaceuticals	L. Evnin	D	3,703,000	1,600,000	2.28-2.35	Aug 30-31, 2005
Ugi	L. Greenberg	CEO	3,447,250	125,000	27.58	Aug 31 2005
Bucyrus International	T. Sullivan	CEO	3,228,443	71,700	45.03	Aug 31 2005
Mastec	J. Mas	DO	3,196,800	288,000	11.10	Aug 10-31, 2005
Oshkosh Truck	S. Mosling	D	3,141,619	80,300	39.05-39.14	Aug 31, 2005
Xilinx	W. Roelandts	CEO	2,781,050	100,000	27.81	Sept 1, 2005
Pioneer Drilling	M. Little	D	2,560,261	166,666	15.28-15.51	Aug 30-31, 2005

(Source: Thomson Financial/Baseline)

Here's a rundown of insider trading activity reported on Sept. 1, 2005. An insider is any officer, director or owner of 10% or more of a class of the company's securities. The table shows purchases and sales which must be reported to the SEC and other regulators by the 10th of the month following the month of the trade, includes both open-market and private transactions involving direct and indirect holdings. Excludes stock valued at less than \$2 per share, acquisitions through options and companies being acquired. Included are purchases, sales and stock registered for sale for individual officers, companies, and sectors.

AC-member of the advisory committee. AF-affiliated person. AI-affiliate of investment advisor. AV-assistant vice president. B-beneficial owner of more than 10% of a security class. BC-beneficial owner as custodian. BT-beneficial owner as trustee. C-controller. CB-chairman. CC-member of the compensation committee. CEO-chief executive officer. CFO-chief financial officer. CI-chief investment officer. CO-chief operating officer. CP-controlling person. CT-chief technology officer. D-director. DO-director and beneficial owner. DS-indirect shareholder. EC-member of the executive committee. EVP-executive vice president. F-founder. FC-member of the finance committee. FO-former. GC-general counsel. GM-general manager. GP-general partner. H-officer, director and beneficial owner. I-indirect transaction filed through a trust, insider spouse, minor child or other. IA-investment advisor. LP-limited partner. M-managing partner. MC-member of committee or advisory board. MD-managing director. O-officer. OB-officer and beneficial owner. OD-officer and director. OE-other executive. OP-officer of parent company. OS-officer of subsidiary company. OT-officer and treasurer. OX-divisional officer. P-president. R-retired. S-secretary. SC-member of the science/technology committee. SH-shareholder. SVP-senior vice president. T-trustee. TR-treasurer. UT-unknown. VC-vice chairman. VP-vice president. VT-voting trustee. X-deceased.

*-Half of the transactions were indirect.

E-mail comments to editors@barrons.com¹

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