

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10K/A
Amendment No. 1

Annual Report Under Section 13 or 15(d)
of the Securities and Exchange Act of 1934

For the transition period March 1, 1994 to October 31, 1994.

Commission File Number 1-8551

Hovnanian Enterprises, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-1851059
(I.R.S. Employer
Identification No.)

10 Highway 35, P. O. Box 500, Red Bank, New Jersey 07701
(Address of principal executive offices)

908-747-7800
(Registrant's telephone number, including area code)

The undersigned registrant hereby amends the following items and other portions of its Annual Report for the transition period from March 1, 1994 to October 31, 1994 on Form 10K:

- Part III, Item 10 - Directors and Executive Officers of the Registrant (pg. 37)
- Part III, Item 11 - Executive Compensation (pg. 38)
- Part III, Item 12 - Security Ownership of Certain Beneficial Owners and Management (pg. 38)
- Part III, Item 13 - Certain Relationships and Related Transactions (pg. 38).

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

HOVNANIAN ENTERPRISES, INC.
(Registrant)

DATE: February 27, 1995

By: /s/Paul W. Buchanan

Item 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Company's By-laws provide that the Board of Directors shall consist of nine Directors who shall be elected annually by the shareholders. The Company's Certificate of Incorporation requires that, at any time when any shares of Class B Common Stock are outstanding, one-third of the Directors shall be independent. The Directors of the Company will hold office until the next Annual Meeting of Shareholders on May 2, 1995. Each executive officer holds office for a one year term.

Name	Age	Position	Year Became a Director
Kevork S. Hovnanian	71	Chairman of the Board, Chief Executive Officer, and Director of the Company.	1967
Ara K. Hovnanian	37	President and Director of the Company.	1981
Paul W. Buchanan	44	Senior Vice President-Corporate Controller and Director of the Company.	1982
Arthur M. Greenbaum	69	Director of the Company.	1992
Timothy P. Mason	54	Senior Vice President-Administration/Secretary and Director of the Company.	1980
Desmond P. McDonald	67	Director of the Company.	1982
Peter S. Reinhart	44	Senior Vice President and General	1981

Kevork S. Hovnanian	8 mos.10/94	\$536,219	\$133,334	\$0	\$0	0	N/A	\$ 7,811
Chairman of the Board of Directors, Chief Executive Officer, and Director of the Company	1994	\$720,352	\$300,000	\$0	\$0	0	N/A	\$11,038
	1993	\$681,178	\$150,000	\$0	\$0	0	N/A	\$ 9,744
	1992	\$643,946	\$ 50,000	\$0	\$0	0	N/A	\$ 9,661
Ara K. Hovnanian	8 mos.10/94	\$520,735	\$133,334	\$0	\$0	0	N/A	\$ 6,932
President and Director of the Company	1994	\$632,600	\$300,000	\$0	\$0	0	N/A	\$16,143
	1993	\$619,381	\$200,000	\$0	\$0	295,000	N/A	\$ 947
	1992	\$524,954	\$150,000	\$0	\$0	0	N/A	\$ 1,730
John J. Schimpf	8 mos.10/94	\$144,086	\$ 48,251	\$0	\$0	0	N/A	\$18,443
Executive Vice President and Director of the Company	1994	\$200,277	\$100,000	\$0	\$0	0	N/A	\$15,304
	1993	\$186,599	\$ 80,000	\$0	\$0	70,000	N/A	\$11,463
	1992	\$175,078	\$ 35,000	\$0	\$0	0	N/A	\$18,479
J. Larry Sorsby	8 mos.10/94	\$121,403	\$ 40,833	\$0	\$0	0	N/A	\$11,085
Senior Vice President/ Finance and Treasurer of the Company	1994	\$169,371	\$ 82,500	\$0	\$0	0	N/A	\$ 7,953
	1993	\$157,223	\$ 60,000	\$0	\$0	35,000	N/A	\$ 5,264
	1992	\$144,675	\$ 30,000	\$0	\$0	0	N/A	\$ 7,207
Peter S. Reinhart	8 mos.10/94	\$102,879	\$ 29,394	\$0	\$0	0	N/A	\$13,748
Senior Vice President/ General Counsel and Director of the Company	1994	\$152,022	\$ 56,800	\$0	\$0	0	N/A	\$12,141
	1993	\$137,945	\$ 50,000	\$0	\$0	15,000	N/A	\$10,445
	1992	\$147,936	\$ 20,000	\$0	\$0	0	N/A	\$16,161

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Notes:

- (1) Includes awards not paid until after year end.
- (2) Includes perquisites and other personal benefits unless the aggregate amount is lesser than either \$50,000 or 10% of the total of annual salary and bonus reported for the named executive officer.
- (3) The Company does not have a stock appreciation right ("SAR") program.
- (4) Includes accruals under the Company's savings and investment retirement plan (the "Retirement Plan"), deferred compensation plan (the "Deferred Plan") and term life insurance premiums for each of the named executive officers for the transition period March 1, 1994 to October 31, 1994 as follows:

	Retirement Plan	Deferred Plan	Term Insurance	Total
K. Hovnanian.....	\$ 7,495	\$ 0	\$316	\$ 7,811
A. Hovnanian.....	\$ 6,301	\$ 0	\$631	\$ 6,932
Schimpf.....	\$ 9,486	\$ 8,521	\$436	\$18,443
Sorsby.....	\$ 7,880	\$ 2,839	\$366	\$11,085
Reinhart.....	\$ 9,734	\$ 3,702	\$312	\$13,748

Director Compensation

Each director who is not an officer of the Company is paid \$2,000 per regularly scheduled meeting, \$1,000 for each committee meeting attended, \$2,000 for special meetings attended, and a bonus. All directors are reimbursed for expenses related to his attendance at Board of Directors and committee meetings. During the transition period March 1, 1994 to October 31, 1994, including an accrued bonus paid on February 6, 1995, Mr. McDonald received \$18,500, Mr. Greenbaum received \$15,500, and Mr. Weinroth received \$18,500.

Option Grants in Last Fiscal Year

There were no options granted during the transition period March 1, 1994 to October 31, 1994.

Aggregated Option Exercises During the Transition Period March 1, 1994 to October 31, 1994 and Option Values at October 31, 1994

Name	Shares Acquired On Exercise	Value Realized	Securities Underlying Number of Unexercised Options at October 31, 1994(1)		Value of Unexercised In-the-Money Options at October 31, 1994(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Kevork S. Hovnanian...	0	\$ 0	None	None	N/A	N/A
Ara K. Hovnanian.....	0	\$ 0	323,333	196,667	\$81,563	\$ 0
John J. Schimpf.....	0	\$ 0	83,333	46,667	\$52,500	\$ 0
J. Larry Sorsby.....	0	\$ 0	32,667	23,333	\$18,375	\$ 0
Peter S. Reinhart.....	0	\$ 0	29,000	10,000	\$21,000	\$ 0

Notes:

- (1) The closing price of the Class A Common Stock on the last trading day of October 1994 on the American Stock Exchange was \$6.00.

Ten Year Option Repricings

For the eight months ended October 31, 1994, there was no adjustment or amendment to the exercise price of the stock options previously awarded.

Compensation Committee Interlocks and Insider Participation

Mr. Weinroth is Chairman of the Compensation Committee which also includes Mr. McDonald. Both are non-employee directors and were never officers or employees of the Company. Mr. K. Hovnanian who is Chairman of the Board of Directors and Chief Executive Officer of the Company resigned from the Compensation Committee on May 10, 1994. See "Certain Transactions" for information concerning Messrs. McDonald's and Greenbaum's business relationship with the Company.

Item 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of January 13, 1995 the Class A Common Stock and Class B Common Stock of the Company beneficially owned by each Director, by all Directors and officers of the Company as a group (including the named individuals) and holders of more than 5%:

Directors, Nominees and Holders of More Than 5%	Class A Common Stock		Class B Common Stock	
	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Kevork S. Hovnanian(3).....	5,617,637	36.9%	5,788,387(5)	68.1%
Ara K. Hovnanian(4).....	1,343,088	8.8%	1,202,236	14.2%
Paul W. Buchanan.....	24,013	.2%	19,320	.2%
Arthur M. Greenbaum.....	1,500	--	1,500	--
Timothy P. Mason.....	20,904	.1%	14,257	.2%
Desmond P. McDonald.....	3,750	--	3,750	--
Peter S. Reinhart.....	18,855	.1%	15,335	.2%
John J. Schimpf.....	85,419	.6%	45,492	.5%
Stephen D. Weinroth.....	2,250	--	2,250	--
All Directors and officers as a group (10 persons)....	7,146,689	47.0%	7,110,587	83.6%

Notes:

- (1) The figures in the table in respect to Class A Common Stock do not include the shares of Class B Common Stock beneficially owned by the specified persons, which shares of Class B Common Stock are convertible at any time on a share for share basis to Class A Common Stock. The figures in the table represent beneficial ownership (including ownership of 392,547 Class A Common Stock Options and 288,120 Class B Common Stock Options, currently exercisable or exercisable within 60 days) and sole voting power and sole investment power except as noted in Notes (3), (4), and (5) below.
- (2) Based upon the number of shares outstanding plus options referred to in Note 1.
- (3) Includes 279,562 shares of Class A Common Stock and 264,562 shares of Class B Common Stock as to which Kevork S. Hovnanian has shared voting power and shared investment power. Kevork S. Hovnanian's address is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey 07701.
- (4) Includes 8,350 shares of Class A Common Stock and 10,150 shares of Class B Common Stock as to which Ara K. Hovnanian has shared voting power and shared investment power. Ara K. Hovnanian's address is 10 Highway 35, P. O. Box 500, Red Bank, New Jersey 07701.
- (5) Includes 2,829,413 shares of Class B Common Stock held by the Kevork S. Hovnanian Family Limited Partnership, a Connecticut limited partnership (the "Limited Partnership"), beneficial ownership of which is disclaimed by Kevork S. Hovnanian. Kevork S. Hovnanian's wife, Sirwart Hovnanian, as trustee of the Sirwart Hovnanian 1994 Marital Trust, is the Managing General Partner of the Limited Partnership and as such has the sole power to vote and dispose of the shares of Class B Common Stock held by the Limited Partnership.

Item 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's Board of Directors has adopted a general policy providing that it will not make loans to officers or directors of the Company or their relatives at an interest rate less than the interest rate at the date of the loan on six month U.S. Treasury Bills, that the aggregate of such loans will not exceed \$2,000,000 at any one time, and that such loans will be

made only with the approval of the members of the Company's Board of Directors who have no interest in the transaction. At October 31, 1994 related party receivables from officers and directors amounted to \$1,677,000. Notwithstanding the policy stated above, the Board of Directors of the Company concluded that the following transactions were in the best interests of the Company.

On March 1, 1990, the Company sold all the assets and liabilities of its wholly-owned engineering subsidiary Najarian and Associates ("N & A") to the employees of N & A for \$3,600,000. One of these employees and former President of N & A was Tavit O. Najarian, the son-in-law of Mr. K. Hovnanian, Chairman of the Board and Director of the Company. The sale was approved by members of the Company's Board of Directors who were not related to Mr. Najarian. At the closing the Company received a cash payment of \$720,000 and a \$2,880,000 note. Originally the note carried an annual interest rate of 10% and was to amortize over ten years. As long as any portion of the note is outstanding, the Company receives 25% of the net cash flow. During the year ended February 29, 1992, N & A began to experience a significant decrease in business activity. As a result, the note was modified by changing the interest rate to prime, add accrued interest from September 1, 1991 to September 1, 1992 to principal and reschedule principal payments over the balance of the term of the note. As a result of continued financial difficulties, a committee consisting of independent directors of the Board of Directors of the Company (the "Committee") engaged an outside consultant to determine the fair market value of the above note. Based on the consultant's findings, the Committee recommended a reduction in the note including accrued interest from \$2,983,000 to \$1,100,000 at February 28, 1994. This reduction of the note was charged to operations during the year ended February 28, 1994. In addition, the Committee recommended a new term of ten years with annual interest on the note of 5% for the first two years adjusting to prime thereafter. Amortization would begin in year three with an annual minimum amount of 5%, ranging up to 30% in year 10, or 85% of cash flow after interest, whichever is greater. The Committee also recommended a \$300,000 discount if the loan was paid in full during the first two years.

The Company provides property management services to various limited partnerships including two partnerships in which Mr. A. Hovnanian, President and a Director of the Company, is a general partner, and members of his family and certain officers and directors of the Company are limited partners. At October 31, 1994, these partnerships owed the Company \$238,000.

On May 10, 1994, the Board of Directors approved the acquisition of the 10% minority interest in certain Florida subsidiaries owned by Paul W. Asfahl, President of the Company's Florida Division. For his 10% interest, the Company issued 45,000 shares of Class A Common Stock to Mr. Asfahl.

On August 2, 1994, the Board of Directors approved the acquisition of the 15% minority interest in the New Fortis Corporation owned primarily by Marvin D. Gentry, President of the New Fortis Corporation. For the 15% interest, the Company issued 135,000 shares of Class A Common Stock to Mr. Gentry and the other owners.

Mr. Desmond McDonald, a Director of the Company, was the President of Midlantic National Bank ("Midlantic") until July 1992. Mr. McDonald currently owns 10,794 shares of common stock of Midlantic. From time to time the Company obtains services and financing from Midlantic. The Company has a Revolving Credit Agreement with a group of banks, including Midlantic. At October 31, 1994 the Company and its subsidiaries owed \$32,129,000 to Midlantic pursuant to a Revolving Credit Agreement and other financing arrangements.

Mr. Arthur Greenbaum is a senior partner of Greenbaum, Rowe, Smith, Ravin & David, a law firm retained by the Company during the eight months ended October 31, 1994.