FORM DEF 14A

Definitive proxy statements

Filing Date: **1994-04-15** | Period of Report: **1994-05-18**
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FILER

GREEN TREE FINANCIAL CORP

CIK:**890175**| IRS No.: **411263905** | State of Incorp.:**MN** | Fiscal Year End: **1231**
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SIC: **6189** Asset-backed securities

Business Address
1100 LANDMARK TOWERS
345 ST PETER ST
SAINT PAUL MN 55102-1639
6122933400

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

Filed by the Registrant [x]

Filed by a Party other than the Registrant [_]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[X] Definitive Proxy Statement

[_] Definitive Additional Materials

[_] Soliciting Material Pursuant to (S)240.14a-11(c) or (S)240.14a-12

GREEN TREE FINANCIAL CORPORATION
(Name of Registrant as Specified In Its Charter)

R.R. DONNELLEY FINANCIAL
(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (check the appropriate box):

[_] $125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(j)(2).

[_] $500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).

[_] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:*

(4) Proposed maximum aggregate value of transaction:

- --------

*Set forth the amount on which the filing is calculated and state how it was determined.

[_] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notes:

[LOGO OF GREEN TREE FINANCIAL CORPORATION APPEARS HERE]

GREEN TREE FINANCIAL CORPORATION
1100 LANDMARK TOWERS
345 ST. PETER STREET
SAINT PAUL, MINNESOTA 55102-1639

April 15, 1994

To Our Shareholders:

You are cordially invited to attend the 1994 Annual Meeting of Shareholders of Green Tree Financial Corporation (the "Company") which will be held at 2:00 p.m. on Wednesday, May 18, 1994, in the Saint Paul Ballroom, The Minnesota Club, 317 North Washington Street, Saint Paul, Minnesota.

At the meeting of shareholders you will be asked to: (i) elect three Directors, (ii) increase the Company's number of authorized shares of Common Stock to 150 million shares, (iii) ratify the selection of the Company's independent auditors, and (iv) transact such other business as may properly come before the meeting or any adjournment thereof. Following these matters, management will present a current report on the activities of the Company. You will also have an opportunity to comment on or inquire about aspects of the business of the Company that are of interest to you.

Please read the enclosed Notice of Annual Meeting and Proxy Statement so that you are informed about the business to come before the meeting. Please mark, sign and return the accompanying Proxy Card promptly in the enclosed postage-paid envelope. We hope you will be able to attend the meeting on May 18.

WHETHER OR NOT YOU PLAN TO ATTEND, PLEASE MARK, SIGN AND RETURN YOUR PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

Sincerely,

/s/ Lawrence M. Coss
LAWRENCE M. COSS
Chairman, President and
Chief Executive Officer

[LOGO OF GREEN TREE FINANCIAL CORPORATION APPEARS HERE]

GREEN TREE FINANCIAL CORPORATION

NOTICE OF 1994 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 18, 1994

To the Shareholders of
Green Tree Financial Corporation:

NOTICE IS HEREBY GIVEN that the 1994 Annual Meeting of Shareholders of Green Tree Financial Corporation, a Minnesota corporation (the "Company"), has been called to be held in the Saint Paul Ballroom, The Minnesota Club, 317 North Washington Street, Saint Paul, Minnesota, on Wednesday, May 18, 1994, at 2:00 p.m., for the following purposes:

1. To elect three Directors of the Company to hold office until their terms shall expire and until their successors shall have been duly elected and qualified.

2. To increase the Company's number of authorized shares of Common Stock to

150 million shares.

3. To ratify the selection of KPMG Peat Marwick as independent auditors of the Company for the fiscal year ending December 31, 1994.

4. To transact such other business as may properly come before the Annual Meeting of Shareholders or at any adjournments thereof.

The Board of Directors has fixed the close of business on March 28, 1994, as the record date for determination of shareholders entitled to notice of and to vote at the meeting and at any adjournments thereof.

Please date, sign and mail the Proxy Card in the enclosed self-addressed return envelope. Shareholders attending the meeting may withdraw their Proxies at any time prior to their exercise by filing written notice with any officer of the Company.

Dated:April 15, 1994
Saint Paul, Minnesota

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Richard G. Evans
Richard G. Evans, Secretary

[LOGO OF GREEN TREE FINANCIAL CORPORATION APPEARS HERE]

GREEN TREE FINANCIAL CORPORATION
1100 LANDMARK TOWERS
345 ST. PETER STREET
SAINT PAUL, MINNESOTA 55102-1639

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 18, 1994

The Board of Directors of Green Tree Financial Corporation (the "Company") is soliciting the accompanying Proxy in connection with the Annual Meeting of Shareholders to be held on May 18, 1994, at 2:00 p.m., and any adjournments of the meeting. This Proxy Statement and the enclosed Proxy Card are being mailed to shareholders commencing on or about April 18, 1994.

The enclosed proxy may be revoked at any time before it is voted by: (i) delivering to any officer of the Company a written notice of termination of the proxy's authority, (ii) filing with an officer of the Company another proxy bearing a later date, or (iii) appearing and voting at the meeting.

The Company will pay the costs of solicitation, including the cost of preparing and mailing this Proxy Statement and Notice of Annual Meeting. Solicitation will be primarily by mailing this Proxy Statement to all shareholders entitled to vote at the meeting. Proxies may be solicited by officers of the Company by telephone or in person, but at no compensation in addition to their regular compensation as officers. The Company will reimburse brokers, banks, and others holding shares for the cost of distributing proxy materials to and obtaining proxies from third parties. The Company has retained Beacon Hill Partners, Inc., to assist it in the solicitation of proxies, and has agreed to pay such firm approximately $3,000 plus reasonable expenses incurred on behalf of the Company, for its services. In addition, the Company has retained Firstar Trust Company to tabulate and report on the votes cast by shareholders.

Firstar Trust Company will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but as unvoted for purposes of determining the approval of any matter submitted to the shareholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will be considered as present and entitled to vote for purposes of determining the presence of a quorum, but will not be considered as present and entitled to vote with respect to such matters.

Only the holders of the Company's Common Stock whose names of record appear on the Company's books at the close of business on March 28, 1994 (the "Record Date") will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, a total of 33,677,661 shares of Company Common Stock were outstanding, each share being entitled to one vote.

A copy of the Company's Annual Report for the year ended December 31, 1993, was furnished to each shareholder on or about March 31, 1994.

ELECTION OF DIRECTOR

Pursuant to the Bylaws of the Company, the Board of Directors has established the number of Directors at six. The Bylaws provide that the Directors are divided into three classes, as equal in number as possible. Each class of Directors generally serves a three-year term, unless otherwise determined by the Board of Directors.

Three Directors are to be elected at the 1994 Annual Meeting of Shareholders. Robert D. Potts, the Company's Executive Vice President and Chief Operating Officer, was elected to the Board of Directors in February, 1994. The Board of Directors has nominated W. Max McGee and Robert D. Potts for three-year terms expiring at the 1997 Annual Meeting of Shareholders. In addition, the Board of Directors has nominated Tania A. Modic for a two-year term expiring in 1996. Kenneth S. Roberts retired as Executive Vice President and Chief Operating Officer on January 1, 1994, and is not standing for reelection to the Board of Directors. C. Thomas May, Jr. is also not standing for reelection.

The following table sets forth information, as of March 31, 1994, including business experience during the past five years, as to the nominees for election and as to the other Directors of the Company whose terms of office will continue after the 1994 Annual Meeting of Shareholders.

The Board of Directors recommends that the shareholders vote FOR each nominee. The affirmative vote of a majority of the shares of the Company's Common Stock present at the meeting, in person or by proxy, is required to elect each nominee.

NOMINEES FOR ELECTION AS DIRECTORS

<TABLE>
<CAPTION>

NAME, POSITIONS, AND OFFICES WITH COMPANY	DIRECTOR SINCE	NOMINEE FOR TERM EXPIRING IN	AGE	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER DIRECTORSHIPS
<S>	<C>	<C>	<C>	<C>
W. Max McGee........... Director	1985	1997	61	Partner, Marno-Max Company, a real estate and general investment company, since 1981; Director of Two Pesos, Inc.
Robert D. Potts......... Executive Vice President and Chief	1994	1997	51	Executive Vice President and Chief Operating Officer of the Company since December, 1993; Executive Vice

Operating Officer; Director				President, Administration, October 1993 to November 1993; Managing Partner, Deloitte & Touche and its predecessor, Touche Ross & Co. Minneapolis, Minnesota, from 1989 to May, 1993, and Partner to October, 1993.
Tania A. Modic..........	1994	1996	44	Principal, Western Investments Company, a private investment company, since October, 1981; Chief Financial and Administrative Officer and Vice President, Finance, Millers Outpost (May 1976 to October 1981); Vice President, Corporate Finance, Bank of America (June 1971 to May 1976).

CONTINUING DIRECTORS

NAME, POSITIONS, AND OFFICES WITH COMPANY	DIRECTOR SINCE	TERM EXPIRES IN	AGE	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER DIRECTORSHIPS
Lawrence M. Coss........ President and Chief Executive Officer; Chairman of the Board	1975	1996	55	Chairman of the Company since 1987; President and Chief Executive Officer of the Company since 1975; Company founder.
Richard G. Evans........ Executive Vice President and Secretary; Director	1991	1995	45	Executive Vice President and Secretary of the Company since December 1993; Senior Vice President, General Counsel and Secretary from 1988 to 1993; Vice President, General Counsel and Secretary from 1985 to 1988.
Robert S. Nickoloff..... Director	1978	1995	64	Chairman of the Board, Medical Innovation Capital, Inc; Director of Minnesota Power.

COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board of Directors has an Executive Committee which consisted of Lawrence M. Coss, Robert S. Nickoloff and Kenneth S. Roberts for 1993. The Executive Committee meets as necessary between meetings of the Board of Directors to act on behalf of the Board or take any other action that may be delegated to it. The Executive Committee conducted all its business between meetings of the Board of Directors by written action during 1993. Following the 1994 Annual Meeting, it is anticipated that Lawrence M. Coss, Robert S. Nickoloff, and Robert D. Potts will be elected to the Executive Committee.

The Board of Directors has an Audit Committee which consisted of C. Thomas May, Jr., W. Max McGee, and Robert S. Nickoloff for 1993. Among its duties, the Audit Committee reviews and makes recommendations to the Board of Directors with respect to designated financial and accounting matters. The Audit Committee held three meetings during the year ended December 31, 1993. Following the 1994 Annual Shareholder's Meeting, it is anticipated that Tania A. Modic, W. Max McGee, and Robert S. Nickoloff will be elected to the Audit

Committee.

The Board of Directors has a Compensation Committee which consisted of C. Thomas May, Jr., W. Max McGee, and Robert S. Nickoloff for 1993. Among its duties, the Compensation Committee administers the provisions of the Company's Key Employee Bonus Plan, 1987 Stock Option Plan and the Key Executive Stock Bonus Plan. The Compensation Committee held one meeting during the year ended December 31, 1993. After the 1994 Annual Shareholder's Meeting, it is anticipated that Tania A. Modic, W. Max McGee, and Robert S. Nickoloff will be elected to the Compensation Committee.

The Board of Directors has no standing nomination committee although the Board of Directors plans to elect Lawrence M. Coss, W. Max McGee and Robert S. Nickoloff to a newly-formed nomination committee shortly after the Annual Meeting of Shareholders.

During the year ended December 31, 1993, the Board of Directors held seven meetings. All incumbent Directors attended at least 75% of those meetings of the Board and committees of which they were members that were held while they were serving on the Board or on such committees.

During the year ended December 31, 1993, Directors received a fee of $2,000 per month plus travel expenses. In addition, members of the Audit Committee received a fee of $1,250 per quarter. Outside Directors also received compensation in the form of stock options.

EXECUTIVE OFFICERS

The following table sets forth certain information concerning the executive officers of the Company:

<TABLE>
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NAME, POSITIONS, AND OFFICES WITH THE COMPANY	AGE	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS
<S>	<C>	<C>
Lawrence M. Coss......... President and Chief Executive Officer; Chairman of the Board	55	Chairman of the Company since 1987; President and Chief Executive Officer of the Company since 1975; Company founder; Director of the Company since 1975 (term expires in 1996).
Robert D. Potts.......... Executive Vice President and Chief Operating Officer; Director	51	Executive Vice President and Chief Operating Officer of the Company since December, 1993; Executive Vice President, Administration, October to November, 1993; Managing Partner of Deloitte & Touche and its predecessor, Touche Ross & Co., Minneapolis, Minnesota 1989 to May 1993; Partner of Deloitte & Touche to October 1993; Director of the Company since 1994 (nominee for term expiring in 1997).
Robert A. Hegstrom....... Executive Vice President, Home Improvement Division	52	Executive Vice President, Home Improvement Division of the Company since December 1993; Senior Vice President of the Company (1986 to 1993); President and Chief Operating Officer of Consolidated Casualty Company (subsidiary) since 1989; President and Chief Operating Officer of Green Tree Life Insurance Company (subsidiary) since 1988.
John W. Brink............ Executive Vice President, Treasurer and Chief Financial Officer	48	Executive Vice President, Treasurer and Chief Financial Officer of the Company since December 1993; Senior Vice President, Treasurer and Chief Financial Officer of the Company (1988 to 1993); Vice President, Treasurer and Chief Financial

		Officer (1986 to 1988).
Richard G. Evans......... Executive Vice President and Secretary; Director	45	Executive Vice President and Secretary of the Company since December 1993; Senior Vice President, General Counsel and Secretary of the Company (1988 to 1993); Vice President, General Counsel and Secretary (1985 to 1988); Director of the Company since 1991 (term expires in 1995).

</TABLE>

EXECUTIVE COMPENSATION

The annual compensation for executive officers, including salaries, directors' fees, bonuses, and option awards for the years ended December 31, 1991, 1992, and 1993, was as follows:

SUMMARY COMPENSATION TABLE

<TABLE>
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NAME OF INDIVIDUAL AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION SALARY ($)(1)	ANNUAL COMPENSATION BONUS ($)	LONG-TERM COMPENSATION AWARDS OPTIONS (SHARES)
Lawrence M. Coss.................. President and Chief	1993	$ 433,600	$ 13,601,133(2)	None
	1992	433,600	4,684,572(3)	None
Executive Officer; Chairman of the Board	1991	435,000	4,960,318(4)	250,000(5)
Robert D. Potts...................	1993	41,500	50,000	50,000(6)
Executive Vice President	1992	--	--	--
and Chief Operating Officer	1991	--	--	--
Kenneth S. Roberts................	1993	397,500	600,000	None
former Executive Vice President	1992	387,364	500,000	None
and Chief Operating Officer; Director (7)	1991	362,000	425,000	60,000
Robert A. Hegstrom................	1993	263,500	400,000	None
Executive Vice President,	1992	253,364	375,000	None
Home Improvement Division	1991	237,000	325,000	60,000
Richard G. Evans..................	1993	221,500	220,000	None
Executive Vice President	1992	212,364	180,000	None
and Secretary; Director	1991	179,000	155,000	60,000
John W. Brink.....................	1993	198,500	220,000	None
Executive Vice President,	1992	188,364	180,000	None
Treasurer and Chief Financial Officer	1991	177,000	155,000	60,000

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(1) Includes Director's fees, if applicable, car allowances, and employer contributions to the Company's 401-(k) Plan.

(2) Includes $10,969,547 (221,607 shares) of Company Common Stock earned as bonus, before stock withheld for federal and state taxes.

(3) Includes $3,255,889 (120,310 shares) of Company Common Stock earned as bonus, before stock withheld for federal and state taxes.

(4) Includes $3,889,226 (83,192 shares) of Company Common Stock earned as

bonus, before stock withheld for federal and state taxes.

(5) Awarded pursuant to Mr. Coss's employment agreement. 50,000 options began vesting annually on January 1, 1992, and each January 1 thereafter through 1996.

(6) Joined the Company in October, 1993. Granted 50,000 options for Common Stock at an exercise price of $23.875 per share. Shares vest in one-third increments in December 1996, 1997 and 1998.

(7) Retired as Executive Vice President and Chief Operating Officer on January 1, 1994. Not standing for reelection as a Director.

In April 1991, the Company and Mr. Coss entered into an employment agreement which extended Mr. Coss's previous employment and noncompetition agreement with the Company from January 1, 1992, through December 31, 1996. The agreement provides that Mr. Coss is entitled to receive 2 1/2% of the Company's pretax income, after deductions for bonuses paid pursuant to the Key Executive Bonus Program (described below) and certain other adjustments. The bonus will be payable: (i) so long as the Key Executive Stock Bonus Program is in effect, 50% in cash and 50% in Company Common Stock valued at $11.875 per share (the closing price for the Company's Common Stock on the New York Stock Exchange on the day the employment agreement was executed, adjusted for a 2-for-1 stock dividend distributed on January 31, 1993); or (ii) in all other cases, 100% in cash. In the event of a termination of employment after a Critical Event (defined as the sale of all or substantially all of the assets of the Company to, or the acquisition of more than 50% of the issued and outstanding voting stock of the Company by, any person or group of persons acting in concert, or if the Company is merged into another corporation or is consolidated with another corporation), the Company shall pay the largest amount that does not constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code (the "Code"), as a termination payment, and Mr. Coss may revoke his noncompetition agreement.

The Company has also entered into certain agreements with Messrs. Hegstrom, Brink and Evans that provide for specified financial arrangements upon termination of employment with the Company after a change in control. Generally, the agreements were for an initial one-year term and thereafter are automatically renewable for additional one-year terms unless the Company gives notice to each officer at least 90 days prior to each December 31 that it does not wish to extend the agreement; provided, however, that notwithstanding any such notice by the Company not to extend, the agreements will continue for a period of 24 months beyond their term if a change of control of the Company occurs during such term. The agreements provide that after a change in control of the Company, if one of the above officers leaves the Company's employ either voluntarily or involuntarily (other than a termination for cause or due to death or disability), he is entitled to compensation equal to three times the sum of (i) the officer's annual base salary, and (ii) an amount equal to the product of the officer's annual base salary multiplied by the percentage that the discretionary bonus for the last complete fiscal year bears to the annual base salary for the prior fiscal year. The agreements also require the payment of all legal fees and expenses incurred by the officer in connection with such a termination of employment.

OPTIONS GRANTED TO EXECUTIVE OFFICERS
DURING 1993

<TABLE>
<CAPTION>

	INDIVIDUAL GRANTS	POTENTIAL NET REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK APPRECIATION FOR OPTION TERM(3)

NAME	SHARES OF COMMON STOCK UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO ALL EMPLOYEES IN 1993(1)	EXERCISE PRICE	EXPIRATION DATE	5%	10%
Robert D. Potts......... Executive Vice President and Chief Operating Officer	50,000(2)	59%	$23.875	12/14/2003	$2,715,750	$5,031,250

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(1) A total of 85,000 options were granted during 1993.

(2) One-third vest December 14, 1996; one-third vest December 14, 1997 and one-third vest December 14, 1998.

(3) This is an assumed valuation and the actual value realized by the optionholder will depend upon the value of the Common Stock over the exercise price on the date, if any, of exercise of the Common Stock and sale of the underlying shares.

OPTIONS EXERCISED BY EXECUTIVE OFFICERS AND YEAR-END OPTION VALUES

AT DECEMBER 31, 1993

NAME	SHARES ACQUIRED	NET VALUE REALIZED (1)	SECURITIES UNDERLYING EXERCISABLE OPTIONS	NET VALUE OF EXERCISABLE OPTIONS AT 12/31/93(2)	SECURITIES UNDERLYING UNEXERCISABLE OPTIONS	NET VALUE OF UNEXERCISABLE OPTIONS AT 12/31/93(2)
Lawrence M. Coss........ President and Chief Executive Officer; Chairman of the Board	--	--	100,000	$3,612,500	150,000	$5,418,750
Robert D. Potts......... Executive Vice President and Chief Operating Officer; Director	--	--	--	--	50,000	$1,206,250
Kenneth S. Roberts...... former Executive Vice President and Chief Operating Officer; Director (retired January 1, 1994)	30,000	$819,375	30,000	$ 890,625	--	--
Robert A. Hegstrom...... Executive Vice President, Home Improvement Division	--	--	40,000	$1,187,500	20,000	$ 593,750
John W. Brink........... Executive Vice President, Treasurer and Chief Financial Officer	10,000	$328,875	80,000	$2,850,000	20,000	$ 593,750
Richard G. Evans........ Executive Vice President and Secretary; Director	--	--	50,000	$1,603,125	20,000	$ 593,750

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(1) Based upon the sale price for Common Stock sold upon exercise or the closing price on the New York Stock Exchange on the date of exercise for underlying Common Stock held.
(2) Based upon closing price of the Company's Common Stock on December 31, 1993 ($48) less the option exercise price.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Directors (the "Committee") reviews and establishes compensation strategies and programs to ensure that the Company attracts, retains, properly compensates, and motivates qualified executives and other key employees. The Committee consists of the three nonemployee Directors. It regularly meets in November or December, primarily to review and determine bonuses for executive and other key personnel, and otherwise meets on an as-needed basis. In 1993, the Committee met once.

The Committee believes that the Company's success depends greatly on the efforts of its officers, regional managers, and other key personnel. The Committee also believes the Company must compete with a number of other financial institutions for qualified personnel. For these reasons, the Company seeks to attract, retain, and motivate its key employees with compensation that is competitive within the financial services industry, provided that performance of the Company and the individual warrant such compensation. Historically, the

most significant component of key employee compensation has been remuneration in the form of cash bonus and stock options pursuant to the Company's Key Executive Bonus Program (the "Bonus Program") and its stock option plans. Base salary levels for key Company employees are generally conservative compared to similar positions at other financial institutions. Cash bonuses typically represent a substantial portion of a key employee's total cash compensation. The Committee believes that, by putting a substantial portion of a key employee's compensation at risk, the employee is further motivated to perform at a high level. The Committee also believes that this performance based philosophy better aligns the employee's interests with those of the Company's shareholders.

Under the Company's Bonus Program, cash bonuses aggregating up to 4% of the Company's pretax earnings may be paid to executives and other key employees, excluding the Company's Chief Executive Officer. Employees participating in the program include Company officers, regional managers, and other key employees designated by the Company's Chief Executive Officer and approved by the Committee. For 1993, 87 employees participated in the Program.

The Committee meets to consider the amount of bonuses payable to Bonus Program participants in November or December of each year, and bonuses are paid before year end. The Committee determines bonus amounts on the basis of recommendations of the Company's Chief Executive Officer who, in turn, considers the written performance evaluations of the supervisors of participating key employees. The Committee analyzes those recommendations in light of a number of factors relating to both Company and individual performance. Company performance factors include the level of profitability, return on equity, volume of business and market share, comparison to prior years' performance, actual versus budgeted performance, portfolio performance, performance in relation to competitors, and other factors. Individual performance factors include an assessment of contribution to business unit performance, quality of work, individual and overall responsibilities, length of service, and other factors.

During fiscal year 1993, the Committee considered the growth of the Company's business and the returns it generated for its shareholders in setting annual bonuses. In particular, the Committee considered the Company's significant increase in manufactured home financing market share growth over 1992 levels and the increase in the principal balance of manufactured home contracts purchased in 1993 over 1992. Green Tree's market share of new manufactured home shipments financed increased from approximately 20% in 1992 to approximately 27% in 1993. The principal balance of manufactured home contracts purchased increased 102% in 1993 compared to contracts purchased in 1992. In addition, the Company's principal balance of home improvement loan originations increased 125% during 1993 over 1992 and the Company's special products lending increased 37% during the year over 1992 levels. Strong loan originations led to record net earnings of $116.4 million. Net earnings increased 112% during 1993, and 1993 earnings compared with 1992 earnings before extraordinary loss increased 61%. Furthermore, the Company strengthened its equity base by the sale of 2,875,000 shares of Common Stock in September, 1993. The Common Stock sale significantly improved the Company's liquidity and capital structure as it increased the Company's equity by 36% while only increasing outstanding shares by 9%. Return on equity was 30% in 1993 versus 22% in 1992 (computed after the 1992 extraordinary loss, which was 30% before the extraordinary loss).

Although the Bonus Program enables the Company to pay up to 4% of pretax profits as bonuses, the Company has not always paid out as much as was available. For 1993, aggregate bonuses were $4,516,000 or 2.25% of pretax earnings, and in the preceding two years aggregate bonuses under the Bonus Program approximated 2.85% of pretax earnings. The above amounts include the executive officers, other than the Company's Chief Executive Officer, who received aggregate bonuses of $1,490,000 or .74% of pretax earnings,

and, in the preceding two years, bonus compensation to this group of individuals approximated 1.04% and 1.20% of pretax earnings, respectively. Because a significant portion of key employee cash compensation is payable as a bonus, the Committee believes it would continue to pay bonuses in a year for which the level of earnings declined from the previous year, although the amount of the bonuses paid would in all likelihood decline to reflect the reduction in earnings.

The Committee believes that it is important for key employees to have long-term incentives through an equity interest in the Company. Accordingly, the Company from time to time has granted key employees stock options pursuant to the Company's stock option plans. As of March 31, 1994, 44 of the Company's 87 total key employees (excluding the Company's Chief Executive Officer), held options to acquire 1,178,884 shares of the Company's Common Stock. As of the same date, the executive officers, other than the Company's Chief Executive Officer, whose compensation is specifically disclosed herein, held stock and options aggregating 546,523 shares of the Company's Common Stock. The Company has no other long-term incentive plans.

COMPENSATION OF CHIEF EXECUTIVE OFFICER

The compensation of the Company's Chief Executive Officer is based entirely on an employment agreement between Mr. Coss and the Company. The Company and Mr. Coss entered into the current agreement in April 1991, extending similar employment and compensation arrangements that have been in effect since 1985. The current agreement expires on December 31, 1996, and provides that, in addition to a base annual salary of $400,000, Mr. Coss will receive an annual bonus as provided in his employment contract. For a description of Mr. Coss's employment contract, see "Executive Compensation" on pages 5-6.

The Committee believes that the compensation arrangements with Mr. Coss are consistent with the Company's overall approach to performance-related executive compensation and serve to meet the Company's goal of retaining and motivating a highly qualified Chief Executive Officer. The employment agreement links a substantial portion of Mr. Coss's cash compensation to pretax earnings, with the result that Chief Executive Officer compensation improves directly in relation to improved Company profitability. The agreement also provides that a significant portion of Mr. Coss's compensation is payable in Company stock. The Committee believes that the equity position that Mr. Coss has in the Company as a result of the employment agreement provides Mr. Coss with a long-term incentive to remain with the Company, to contribute actively to the Company's continued growth and development, and to manage the Company consistent with the interests of its shareholders. As a long-term incentive, the Committee believes Mr. Coss's equity holdings will motivate performance even if, in any particular year, pretax earnings decline from prior years' levels.

By the Compensation Committee:

C. Thomas May, Jr.
W. Max McGee
Robert S. Nickoloff

SHAREHOLDER RETURN COMPARISON

The graph below compares the yearly percentage change in the cumulative total shareholder return (dividends reinvested) on the Company's Common Stock against the S&P Composite-500 Stock Index and the S&P Financial Index for the period of five fiscal years commencing January 1, 1989, and ending December 31, 1993. The graph presentation assumes $100 invested on January 1, 1989, in Company Common Stock, the S&P Composite-500 Stock Index and the S&P Financial Index, and shows such values at December 31, 1993.

[insert stock appreciation graph]

<TABLE>
<CAPTION>

	12/31/88	12/31/89	12/31/90	12/31/91	12/31/92	12/31/93
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Green Tree Financial Corporation	100.00	147.53	115.83	424.67	530.62	1,069.88
S&P 500 Index.................	100.00	131.68	127.58	166.47	179.20	197.26
S&P Financial Index...........	100.00	132.65	104.22	157.10	193.81	215.32

</TABLE>

PENSION PLAN

Employees of the Company participate in a noncontributory pension plan (the "Pension Plan"). The Pension Plan is a defined benefit plan qualified under the Internal Revenue Code (the "Code"). To be eligible to receive benefits under the Pension Plan, an employee must be at least 21 years of age at the time employment commences, have completed one full year of employment, and have worked for the Company for a minimum of 1,000 hours in the preceding 12 months.

Normal retirement age under the Pension Plan is generally age 65 and benefits are reduced or increased for retirement prior to or after age 65. The formula to determine the amount of benefits payable to an employee upon normal retirement is as follows: 1.2% of monthly average earnings up to covered compensation plus 1.75% of monthly average earnings in excess of covered compensation, multiplied by service up to 35 years. Monthly average earnings is the employee's total pay during the 60 nonconsecutive months of the employee's last 120 months of employment with the Company which give the highest average compensation. Covered compensation is the 35-year average of the social security wage base, varying by year of birth. The normal Pension Plan option, upon which the funding assumptions are based, is an option that provides that the participant will receive benefits for his or her lifetime. Section 415 of the Code limits the annual benefit which may be paid under a qualified plan. The annual benefit limit for an individual age 65 as of December 31, 1993, was $115,641. The Board of Directors adopted a Restated Supplemental Pension Plan in September 1987 pursuant to which the Company will pay any benefits lost due to qualified plan limitations for the executive officers listed on page 5 and certain other key officers of the Company.

On December 31, 1993, all of the individuals named in the preceding executive compensation table were participants in the Pension Plan. Mr. Coss has accrued 23 years of service; Mr. Roberts, 15 years; Mr. Hegstrom, 14 years; Mr. Brink, 8 years; and Mr. Evans, 8 years.

The table below assumes a formula for normal retirement as described above.

AVERAGE ANNUAL EARNINGS (HIGHEST 5 YEARS)	ESTIMATED ANNUAL PENSION BASED ON YEARS OF SERVICE AT NORMAL RETIREMENT DATE				
	15	20	25	30	35
$5,000,000...............	$1,312,500	$1,750,000	$2,187,500	$2,625,000	$3,062,500
4,000,000...............	1,050,000	1,400,000	1,750,000	2,100,000	2,450,000
3,000,000...............	787,500	1,050,000	1,312,500	1,575,000	1,837,500
2,000,000...............	525,000	700,000	875,000	1,050,000	1,225,000
1,500,000...............	393,750	525,000	656,250	787,500	918,750
1,000,000...............	262,500	350,000	437,500	525,000	612,500
500,000...............	131,250	175,000	218,750	262,500	306,250
400,000...............	105,000	140,000	175,000	210,000	245,000
300,000...............	78,750	105,000	131,250	157,500	183,750
225,000...............	59,060	78,750	98,440	118,130	137,810
200,000...............	52,500	70,000	87,500	105,000	122,500

PROPOSAL TO INCREASE THE NUMBER OF AUTHORIZED COMMON SHARES TO 150 MILLION SHARES

The Company has proposed an increase in the number of authorized shares of Common Stock from 50,000,000 authorized shares of Common Stock to 150,000,000 authorized shares. The Board of Directors recently approved such an increase, subject to approval by shareholders. The text of the proposed amendment to the Company's Articles of Incorporation is attached as Exhibit A.

The Company at the present time has authorized capital stock consisting of 50 million shares of Common Stock, $0.01 par value, and 15 million shares of preferred stock, $0.01 par value. On March 31, 1994, the Company had 33,677,661 shares of Common Stock outstanding. On December 31, 1992, the Company had 15,200,687 shares of Common Stock outstanding. Since that date, the Company has issued a total of 18,476,974 shares of Common Stock primarily in connection with a 2-for-1 stock split in the form of a stock dividend on January 31, 1993, a public offering of Common Stock in September 1993 and from the issuance of stock pursuant to the Company's various stock bonus and option plans. None of the preferred shares have been issued and none of the Company's Junior Preferred Stock issuable in connection with the Company's Shareholder Rights

Plan have been issued at present.

The Company has experienced continued growth in its market share and loan purchase production in recent years due to an increase in manufactured home shipments. Additionally its other businesses have grown and profitability has increased. As a result, the Company's stock has increased in value, and the Company has declared two-for-one stock splits in the form of stock dividends twice in the past; in June 1986 and in January 1993.

In addition, the Company has in the recent past utilized the equity markets to improve its capital structure and increase equity. This was required to support the Company's growing market share in the manufactured housing industry and to finance the development and growth of its home improvement and special products divisions.

The Company is asking its shareholders to increase the number of authorized shares of Common Stock to preserve the Company's flexibility to utilize equity for future business growth, expand its equity base and/or declare stock splits in the form of stock dividends in the future based upon the judgment and experience of the Company's Board of Directors.

A vote of a majority of the shares outstanding and entitled to vote at the Annual Meeting of Shareholders is required to pass the proposed amendment to the Company's Articles of Incorporation. The Board of Directors recommends a vote FOR the proposed amendment.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of March 31, 1994, the Company is unaware of any owner of the Company's Common Stock which beneficially owns more than 5% of such stock.

The following table sets forth as of March 31, 1994, information about the ownership of the Company's Common Stock by each Director and by all Directors and officers as a group. The shareholders listed in the table have sole voting and investment powers with respect to the shares indicated.

<TABLE>
<CAPTION>

NAME OF BENEFICIAL OWNER OR IDENTITY OF GROUP	NUMBER OF SHARES OWNED	PERCENT OF OUTSTANDING SHARES
<S>	<C>	<C>
Lawrence M. Coss	903,699(1)	2.6%
Richard G. Evans	100,000(2)	*
Robert A. Hegstrom	120,000(2)	*
C. Thomas May, Jr.	108,000(2)	*
Tania A. Modic	50,300	*
W. Max McGee	154,000(2)	*
Robert S. Nickoloff	29,000(2)	*
Robert D. Potts	7,000	*
Kenneth S. Roberts	127,443	*
All Directors and Officers as a group (39 persons)	2,217,783(3)	6.4%

</TABLE>

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*Less than one percent.

(1) Includes 4,000 shares held by minor children, 21,800 shares held by spouse, 20,000 shares held by LVC Investment Company, Inc., and options for 150,000 shares of Common Stock exercisable on or after March 31, 1994.

(2) Includes 50,000, 40,000, 6,000, 34,000 and 15,000, shares issuable to

Messrs. Evans, Hegstrom, May, McGee and Nickoloff, respectively, relating to stock issuable upon exercise of stock options which are exercisable currently or within 60 days of March 31, 1994. McGee's holdings include 50,000 shares held by spouse.

(3) Includes 802,224 shares issuable upon exercise of stock options exercisable currently or within 60 days of March 31, 1994.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Certain Directors and executive officers of the Company are eligible to execute notes to the Company to purchase Company Common Stock pursuant to the exercise of stock options. These notes would be collateralized by the stock purchased. These notes would be due on demand and carry an interest rate of the greater of six percent or the Internal Revenue Service applicable federal rate for officer borrowings. Such Directors and executive officers would be required to pay interest quarterly on such notes and make certain annual principal repayments. No amounts were borrowed or outstanding on such notes during 1993.

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors, upon the recommendation of its Audit Committee, has appointed KPMG Peat Marwick to audit the books and accounts of the Company and its subsidiaries for the fiscal year ending December 31, 1994, subject to shareholder ratification.

A representative of KPMG Peat Marwick will be present at the 1994 Annual Meeting of Shareholders with the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to appropriate questions from shareholders.

PROPOSALS OF SHAREHOLDERS FOR 1995 ANNUAL MEETING

All proposals of shareholders intended to be presented at the 1995 Annual Meeting of Shareholders of the Company must be received by the Company at its executive offices on or before January 18, 1995.

ANNUAL REPORT ON FORM 10-K

Copies of the Company's Annual Report on Form 10-K (an annual filing with the Securities and Exchange Commission) for the fiscal year ended December 31, 1993, may be obtained without charge by writing to Green Tree Financial Corporation, 1100 Landmark Towers, 345 St. Peter Street, Saint Paul, Minnesota 55102-1639, Attention: John W. Brink, Executive Vice President, Treasurer and Chief Financial Officer.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Richard G. Evans
Richard G. Evans
Secretary

Dated: April 15, 1994

EXHIBIT A

PROPOSED AMENDMENT TO
ARTICLE THREE
OF THE

COMPANY'S ARTICLES OF INCORPORATION

ARTICLE 3. AUTHORIZED SHARES

The aggregate number of shares which this Corporation shall have authority to issue is 165,000,000 shares, divided into 150,000,000 common shares with a par value of $0.01 per share, which shall be known as "Common Stock", and 15,000,000 preferred shares with a par value of $0.01 per share, which shall be known as "Preferred Stock".

(The bold items constitute changed language in the Article amended)

(The remainder of Article 3 is unchanged)

PROXY
GREEN TREE FINANCIAL CORPORATION
1100 LANDMARK TOWERS
345 ST. PETER STREET
SAINT PAUL, MINNESOTA 55102-1639

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF GREEN TREE FINANCIAL CORPORATION. The undersigned hereby appoints Lawrence M. Coss and Richard G. Evans, and each of them, with power of substitution, to vote all stock the undersigned is entitled to vote at the 1994 Annual Meeting of Shareholders of Green Tree Financial Corporation to be held on May 18, 1994, at 2:00 p.m., and at any adjournments thereof, as specified below on the matters referred to, and in their discretion, upon any other matters which may be brought before the meeting.

1. ELECTION OF DIRECTORS.

___ FOR the nominees listed below.
___ WITHHOLD AUTHORITY to vote for the nominees listed here.
___ ABSTAIN

Nominee for term expiring in 1996: Tania A. Modic
Nominees for terms expiring in 1997: Robert D. Potts and W. Max McGee

2. PROPOSAL TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK TO 150 MILLION SHARES.

___ FOR ___ AGAINST ___ ABSTAIN

3. PROPOSAL TO RATIFY THE APPOINTMENT OF AUDITORS.

___ FOR ___ AGAINST ___ ABSTAIN

4. TO VOTE WITH DISCRETIONARY AUTHORITY ON ANY OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned Shareholder(s). If no direction is made, this Proxy will be voted FOR the directors named in Item 1, FOR the proposals under Items 2 and 3, and with discretionary authority on any other business as may properly come before the meeting.

Please sign exactly as name(s) appear below. When shares are held by joint tenants, both shareholders must sign. When signing as attorney, executor, administrator, trustee or guardian, please include full title. If a corporation, please type in full corporate name and sign by the President or other authorized officer. If a partnership, please type in partnership name and sign by an authorized person.

PROXY NO. GREEN TREE NO. OF SHARES

Individual(s), Corporation,

Partnership (or other entity):

____

Signature

____

Signature (if jointly held)

Title __________

Dated: ________________, 1994

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.