

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2006-01-05** | Period of Report: **2006-01-05**
SEC Accession No. **0001188112-06-000045**

([HTML Version](#) on secdatabase.com)

FILER

THERAGENICS CORP

CIK: **795551** | IRS No.: **581528626** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-14339** | Film No.: **06510579**
SIC: **3825** Instruments for meas & testing of electricity & elec signals

Mailing Address
5203 BRISTOL INDUSTRIAL
WAY
BUFORD GA 30518

Business Address
5203 BRISTOL INDUSTRIAL
WAY
BUFORD GA 30518
7702710233

**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):
January 5, 2006 (November 9, 2005)

THERAGENICS CORPORATION[®]
(Exact name of registrant as specified in charter)

Delaware
(State of incorporation)

000-15443
(Commission File Number)

58-1528626
(IRS Employer
Identification No.)

**5203 Bristol Industrial Way
Buford, Georgia 30518**
(Address of principal executive offices / Zip Code)

(770) 271-0233
(Registrant's telephone number, including area code)

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:

- Written communications pursuant to Rule 425 under the Securities Act.
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
- Pre-commencement communications pursuant to Rule 14d—2(b) under the Exchange Act.
- Pre-commencement communications pursuant to Rule 13e—4(c) under the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

On November 8, 2005, the Compensation Committee of the Board of Directors of Theragenics Corporation (the “Company”) recommended changes to the Company’s short-term incentive program for 2005 to reflect the Company’s acquisition of CP Medical completed May 6, 2005 and the impact of the restructuring announced August 11, 2005. The Board of Directors approved these changes on November 9, 2005. These changes were made to reflect the board’s belief that the restructuring was in the best interest of shareholders and that such positive actions should not have a negative impact on short-term incentives, and to recognize the revenue and earnings goals of the CP Medical acquisition. Accordingly, the revenue and earnings per share goals of the short-term incentive program were reduced to reflect the impact of the restructuring and increased to reflect the targeted contribution of CP Medical. In addition, the individual performance objectives for the Chief Executive Officer and the Executive Vice President Strategy and Business Development established in February 2005 were revised to replace objectives related to the Company’s PSP project and research and development activities, which were discontinued in connection with the restructuring, with other performance objectives consistent with the change in strategic direction announced in August.

On November 8, 2005, the Compensation Committee recommended, and on November 9, 2005 the Board approved, the establishment of an additional bonus opportunity for the Chief Executive Officer in the amount of 40% of base salary upon achieving specified confidential commercial goals.

On November 8, 2005, the Compensation Committee recommended, and on November 9, 2005 the Board approved, the payment of a cash bonus of approximately \$7,100 to Bruce W. Smith, Executive Vice President Strategy and Business Development.

On November 8, 2005, the Compensation Committee recommended, and on November 9, 2005 the Board approved, compensation to the non-executive Chairman of the Board in the amount of \$25,000 per year in addition to standard director, committee, and committee chair fees.

The Company has determined that the outstanding performance restricted stock rights (the “performance rights”) based on total stockholder return over a performance cycle contain a market condition as defined under Statement of Financial Accounting Standards 123R (“SFAS 123R”), which is effective for the Company as of January 1, 2006. Under SFAS 123R, valuation of share-based payments with market conditions require a complex valuation methodology that would be unduly costly for an issuer the size of the Company. In view of the significant administrative cost associated with valuing the Company’s outstanding performance rights which contain market conditions under SFAS 123R, on November 8, 2005 the Compensation Committee recommended, and on November 9, 2005, the Board approved revising the outstanding performance rights held by current executive officers. The revision will include terminating the performance cycle for measuring total stockholder return under the outstanding performance rights held by the current executive officers as of December 31, 2005. As a result, the number of shares to be issued upon vesting of the performance rights will be determined based on total stockholder return through December 31, 2005. Vesting remains conditioned on continued employment through the original term of the award, subject to acceleration in certain events as set forth in the original award. On December 29, 2005, the Compensation Committee approved the form of Amendment to Performance Restricted Stock Right Agreement attached hereto as Exhibit 10.1, and commencing on or about such date, the Company entered into Amendments in such form with each of its current executive officers holding performance rights.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

<u>Exhibit Number</u>	<u>Document</u>
-----------------------	-----------------

10.1	Form of Amendment to Performance Restricted Stock Rights Agreement.
------	---

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 thereunto duly authorized.

THERAGENICS CORPORATION
(Registrant)

Dated: January 5, 2006

By: /s/ M. Christine Jacobs
M. Christine Jacobs
Chief Executive Officer

EXHIBIT 10.1

FORM OF AMENDMENT TO
PERFORMANCE RESTRICTED STOCK RIGHTS AGREEMENT
PURSUANT TO THE
THERAGENICS CORPORATION®
2000 STOCK INCENTIVE PLAN

THIS AMENDMENT is made as of _____, 200_, by Theragenics Corporation (the “Company”) and _____ (the “Recipient”).

INTRODUCTION

The parties are subject to that certain Performance Restricted Stock Rights Agreement pursuant to the Theragenics Corporation 2000 Stock Incentive Plan, with a grant date of _____, 200_ (the “Agreement”). The parties recognize that the Agreement creates accounting complexities for the Company and that the Company will save costs associated with the elimination of the accounting complexities by amending this Agreement as set forth herein. Accordingly, because the Agreement provides the Recipient with a potential equity interest in the Company, this Amendment also potentially accrues to the benefit of the Recipient. The parties desire to amend the Agreement to provide that the performance cycle in the Agreement will end at December 31, 2005 instead of December 31, [2006 or 2007, as set forth in the original Agreement], but except as otherwise provided in the Agreement as amended by this Amendment, the Employee must perform services for the Company or an Affiliate through December 31, [2006 or 2007, as set forth in the original agreement] to become vested.

NOW, THEREFORE, in consideration of the premises set forth herein and the continued employment of the Recipient by the Company, the parties agree that Exhibit 1, Schedule of Shares of Common Stock to be Issued, attached to the Agreement, is hereby amended as follows:

1. In Item B, by deleting “[2006 or 2007]” and inserting in lieu thereof “2005.”
2. In Item C, by deleting the existing language and inserting in lieu thereof the following:

“The number of shares of Common Stock determined pursuant to the schedule in Item A will be issued to the Recipient if the Recipient does not cease to be an employee of the Company or an Affiliate before December 31, [2006 or 2007, as set forth in the original Agreement]. A portion of the number of shares of Common Stock determined pursuant to the schedule in Item A will be issued to the Recipient if the Recipient ceases to perform services before December 31, [2006 or 2007] as an employee of the Company or an Affiliate due to the Recipient’s death, Disability, retirement upon or after reaching age 65, or termination of employment by the Company or an Affiliate without Cause. Such portion shall be equal to the number of shares of Common Stock pursuant to the schedule in Item A, multiplied by a fraction, the numerator of which is the number of

days of the Recipient's employment by the Company and its Affiliates from and including January 1, [2004 or 2005, as set forth in the original Agreement], through the date of death, Disability, retirement upon or after reaching age 65, or termination of employment by the Company or an Affiliate without Cause, and the denominator of which is the number of days from and including January 1, [2004 or 2005, as set forth in the original Agreement] through December 31, [2006 or 2007, as set forth in the original Agreement] (provided that in any such event, the Committee of the Board of Directors may, in its sole discretion, provide by written resolution that a greater portion of the number of shares shall be issued). Fractional shares will be disregarding and will not be issued."

3. In Item D, by deleting the existing language of Item D and inserting in lieu thereof the following:

"Notwithstanding any other provision of the schedule, if a Change in Control occurs before December 31, [2006 or 2007, as set forth in the original Agreement] and (1) the Recipient remains an Employee of the Company or an Affiliate until the occurrence of the Change in Control, then the number of shares of Common Stock determined pursuant to the schedule in Item A will be issued to the Recipient as of the date of the Change in Control and the Performance Restricted Stock Rights will terminate as of such date."

4. In Item F, by deleting the existing language of Item F and inserting in lieu thereof the following:

"If the Recipient is entitled to shares of Common Stock pursuant to this Schedule, a share certificate shall be issued as soon as reasonably practicable after the date the Recipient becomes entitled to the shares of Common Stock pursuant to the provisions of Item C or Item D, as applicable."

Except as specifically amended hereby, the Agreement shall remain in full force and effect as prior to this Amendment.

THERAGENICS CORPORATION

By: _____

Title: _____

RECIPIENT
