

Edgar Filing: PEOPLES BANCORP INC - Form 8-K

PEOPLES BANCORP INC
Form 8-K
January 03, 2006

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): December 29, 2005

PEOPLES BANCORP INC.

(Exact name of Registrant as specified in its charter)

Ohio	0-16772	31-0987416
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

138 Putnam Street, PO Box 738
Marietta, Ohio

45750

(Address of principal executive office)

(Zip Code)

Registrant's telephone number, including area code: (740) 373-3155

Not applicable

(Former name or former address, if changed since last report)

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 (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

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On December 29, 2005, the Compensation Committee of the Board of Directors of Peoples Bancorp Inc. ("Peoples") approved the acceleration of the vesting schedule with regard to all unvested stock options previously granted to employees of Peoples and its subsidiaries, including executive officers of Peoples, and subsidiary directors pursuant to Peoples' various stock option plans. Except for the acceleration of vesting, these options will continue to be governed by their original terms and conditions. As a result of the vesting acceleration, options to purchase an aggregate of 161,514 common shares of Peoples became exercisable as of December 29, 2005. Vesting of these options was to occur over the next six years, with the majority previously scheduled to vest in 2006. No unvested options held by the directors of Peoples were accelerated, and such options will vest based on their original vesting schedule in accordance with the applicable stock option plan. Included in the options for which the vesting was accelerated were options held by the following executive officers of Peoples:

Officer -----	Aggregate Number of Options Accelerated -----
David B. Baker (a)	6,711
Mark F. Bradley	7,526
John W. Conlon	8,227
Larry E. Holdren	8,206
Carol A. Schneeberger	8,017
David T. Wesel (a)	2,425
Joseph S. Yazombek	8,847

(a) As previously reported, effective January 1, 2006, David B. Baker no longer serves as an executive officer of Peoples and David T. Wesel became an executive officer of Peoples.

Since Peoples currently accounts for its stock options in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", Peoples will record a one-time, non-cash compensation expense of approximately \$122,000, or less than a penny per diluted share after-tax, in the fourth quarter of 2005 due to the acceleration of these stock options. On January 1, 2006, Peoples will adopt Statement of Financial Accounting Standards No. 123, "Share-Based Payment" ("SFAS 123(R)") and will begin recording the cost of stock options in the consolidated financial statements based on their fair value. While the impact of adopting Statement 123(R) on Peoples' financial statements will depend on the method of adoption, the level of stock-based compensation awards and the valuation method selected by management, the acceleration of these unvested options is expected to reduce the amount of compensation expense that otherwise would have been recorded by Peoples in future periods under SFAS 123(R).

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 hereunto duly authorized.

PEOPLES BANCORP INC.

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Date: January 3, 2006

By:/s/ MARK F. BRADLEY

Mark F. Bradley
President and Chief Executive Officer