THERMAGE INC
Form 8-K
June 19, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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) June 16, 2008

THERMAGE, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-33123	68-0373593
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

25881 Industrial Boulevard, Hayward, California 94545

(Address of principal executive offices, including zip code)

(510) 782-2286

(Registrant s telephone number, including area code)

N/A

(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 (see General Instruction A.2. below):

¨ 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)
On June 16, 2008, the Company entered into Change of Control and Severance Agreements with the following executive officers of the Company: Stephen J. Fanning, John F. Glenn, Clint Carnell, William Brodie, H. Daniel Ferrari, Douglas W. Heigel, Cherry Hu, Sherree L. Lucas, Sharon Thompson, and Gary L. Wilson.

Agreement with Stephen J. Fanning, Chief Executive Officer:

Pursuant to the terms of the agreement with Mr. Fanning, in the event that Mr. Fanning is terminated without cause or resigns for good reason either prior to three (3) months before or after twelve (12) months following a change of control of the Company, he will be entitled to receive the following benefits:

A lump sum payment equal to two hundred percent (200%) of his annual base salary; and

Continuation of certain of his employee benefits for a period of up to twenty-four (24) months following termination.

In addition, in the event that Mr. Fanning is terminated without cause or resigns for good reason within three (3) months before or twelve (12) months following a change of control of the Company, he will be entitled to receive the following benefits:

A lump sum payment equal to two hundred percent (200%) of his annual base salary in effect immediately prior to his termination date or (if greater) at the level in effect immediately prior to the change of control;

A lump sum payment equal to two hundred percent (200%) of his annual target bonus for the fiscal year of his termination or (if greater) the annual target bonus in effect immediately prior to the change of control;

Continuation of certain of his employee benefits for a period of up to twenty-four (24) months following termination; and

Full vesting acceleration of all equity incentive awards held by Mr. Fanning at the time of termination.

Agreements with John F. Glenn, Chief Financial Officer, and Clint Carnell, Chief Operating Officer:

Pursuant to the terms of the agreements with Messrs. Glenn and Carnell, in the event that either of these executive officers is terminated without cause or resigns for good reason either prior to three (3) months before or after twelve (12) months following a change of control of the Company, he will be entitled to receive the following benefits:

A lump sum payment equal to one hundred percent (100%) of the executive s annual base salary; and

Continuation of certain of the executive s employee benefits for a period of up to twelve (12) months following termination.

In addition, in the event that any of these executive officers is terminated without cause or resigns for good reason within three (3) months before or twelve (12) months following a change of control of the Company, he will be entitled to receive the following benefits:

A lump sum payment equal to one hundred percent (100%) of the executive s annual base salary in effect immediately prior to the executive s termination date or (if greater) at the level in effect immediately prior to the change of control;

A lump sum payment equal to one hundred percent (100%) of the executive s annual target bonus for the fiscal year of the executive s termination or (if greater) the annual target bonus in effect immediately prior to the change of control;

Continuation of certain of the executive s employee benefits for a period of up to twelve (12) months following termination; and

Full vesting acceleration of all equity incentive awards held by the executive at the time of termination.

Agreements with Vice Presidents - William Brodie, H. Daniel Ferrari, Douglas W. Heigel, Cherry Hu, Sherree L. Lucas, Sharon Thompson, and Gary L. Wilson:

Pursuant to the terms of the agreements with these executives, in the event that any of these executive officers is terminated without cause or resigns for good reason either prior to three (3) months before or after twelve (12) months following a change of control of the Company, he or she will be entitled to receive the following benefits:

A lump sum payment equal to fifty percent (50%) of the executive s annual base salary; and

Continuation of certain of the executive s employee benefits for a period of up to six (6) months following termination.

In addition, in the event that any of these executive officers is terminated without cause or resigns for good reason within three (3) months before or twelve (12) months following a change of control of the Company, he or she will be entitled to receive the following benefits:

A lump sum payment equal to fifty percent (50%) of the executive s annual base salary in effect immediately prior to the executive s termination date or (if greater) at the level in effect immediately prior to the change of control;

A lump sum payment equal to fifty percent (50%) of the executive s annual target bonus for the fiscal year of the executive s termination or (if greater) the annual target bonus in effect immediately prior to the change of control;

Continuation of certain of the executive s employee benefits for a period of up to six (6) months following termination; and

Full vesting acceleration of all equity incentive awards held by the executive at the time of termination.

For purposes of these agreements, cause shall mean (i) the executive officer s willful failure to substantially perform the executive officer s duties, other than a failure resulting from the executive officer s complete or partial incapacity due to physical or mental illness or impairment; (ii) the executive officer s willful act which constitutes gross misconduct and which is injurious to the Company; (iii) the executive officer s willful breach of a material provision of the agreement; or (iv) the executive officer s knowing, material and willful violation of a federal or state law or regulation applicable to the business of the Company.

For purposes of these agreements, good reason shall mean the executive officer s termination of employment within ninety (90) days following the expiration of a reasonable cure period following the occurrence of one or more of the following, without the executive officer s consent: (i) a material reduction in the executive officer s authority, duties, or responsibilities relative to the executive officer s duties, position or responsibilities in effect immediately prior to such reduction; provided, however, that a reduction in duties, position or responsibilities solely by virtue of the Company being acquired and made part of a larger entity shall not constitute good reason ; (ii) a material reduction by the Company of the executive officer s base salary in effect immediately prior to such reduction; (iii) a material change in the geographic location at which the executive officer must perform services (in other words, the relocation of the executive officer to a facility that is more than fifty (50) miles from the executive officer s current location).

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.

THERMAGE, INC.

By: /s/ John F. Glenn
John F. Glenn
Chief Financial Officer

Date: June 19, 2008