

CHOLESTECH CORPORATION
Form 8-K
June 04, 2007

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)
May 16, 2007

Cholestech Corporation

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of incorporation)

000-20198
(Commission File Number)

94-3065493
(IRS Employer
Identification No.)

3347 Investment Boulevard
Hayward, California 94545

(Address of principal executive offices, including zip code)

(510) 732-7200

(Registrant's telephone number, including area code)

(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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5 Corporate Governance and Management**Item 5.02** Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In May 2007, the Compensation Committee (the **Committee**) of the Board of Directors (the **Board**) of Cholestech Corporation (**Cholestech**) approved the payment of cash bonuses to Cholestech's executive officers based on the achievement of performance goals set forth in Cholestech's Management Incentive Bonus Plan for fiscal year 2007, which was previously approved by the Committee. The bonus amounts to be paid to the individual executive officers were determined based on two financial performance objectives for Cholestech (earnings per share and sales revenue) and specific individual based performance targets. The specific bonus amounts to be paid to Cholestech's executive officers for fiscal year 2007 are as follows:

Executive Officer	Title	Bonus Amount
Warren E. Pinckert II	President, Chief Executive Officer and Director	\$ 218,790
John F. Glenn	Vice President of Finance, Chief Financial Officer and Secretary	\$ 102,139
Barbara McAleer	Vice President of Quality and Regulatory Affairs	\$ 78,480
Kenneth F. Miller	Vice President of Sales and Marketing	\$ 111,038
Terry L. Wassmann	Vice President of Human Resources	\$ 87,845
Donald P. Wood	Vice President of Operations	\$ 115,801
Gregory Bennett	Vice President of Research and Development	\$ 60,000

In addition, the Committee approved the terms of the 2008 Management Incentive Bonus Plan (the **2008 Plan**). The 2008 Plan applies to certain executive officers and key employees of Cholestech and sets forth certain financial performance objectives for Cholestech in fiscal year 2008 and variable bonus payments to participating executive officers and key employees for achievement of individual based performance targets.

The funding of the 2008 Plan is dependent on Cholestech's achievement of two financial performance objectives: earnings per share (which is weighted 70%) and sales revenues (which is weighted 30%). The bonus payout calculation is based on certain percentage achievements of such objectives by Cholestech weighted by certain percentage allocations for achievement of the respective earnings per share and sales revenues objectives. The maximum aggregate amount payable under the 2008 Plan is approximately \$3.0 million.

Individual payouts under the 2008 Plan for executive officers are based on the achievement of specific individual based performance targets. Under the terms of the 2008 Plan, the Committee approves defined performance measures for each of the executive officers named above.

The bonus payout under the 2008 Plan will be calculated at the end of fiscal year 2008 and paid out in approximately June 2008 based on payroll cycles. Moreover, each of the executive officers named above must remain employed through the end of the fiscal year in order to be eligible for any bonus for the fiscal year.

The 2008 Plan is effective for fiscal year 2008 and may be changed and modified at the discretion of the Committee and Board.

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.

CHOLESTECH CORPORATION

By: /s/ John F. Glenn
John F. Glenn
Vice President of Finance and Chief Financial
Officer

Date: June 4, 2007

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