

ARC DOCUMENT SOLUTIONS, INC.

FORM 8-K (Current report filing)

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Sector	Services
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**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) December 15, 2005

AMERICAN REPROGRAPHICS COMPANY

(Exact Name of Registrant as Specified in its Charter)

STATE OF DELAWARE

001-32407

20-1700361

(State or other jurisdiction of
Incorporation or Organization)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

700 North Central Avenue, Suite 550, Glendale, California

91203

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (818) 500-0225

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))
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Item 1.01 Entry into a Material Definitive Agreement.

On December 15, 2005, American Reprographics Company (“Company”) issued equity compensation in the form of non-statutory stock options to the Company’s non-employee directors. The American Reprographics Company 2005 Stock Plan (“Plan”) provides for the automatic grant of non-statutory options to non-employee directors as part of their annual compensation for service as a non-employee director (“Non-Employee Directors’ Non-statutory Stock Option Program”). The Non-Employee Directors’ Non-statutory Stock Option Program provides that, without any further action of the Board, on the date of each Annual Meeting of Shareholders each person who is then a non-employee director shall be automatically granted a non-statutory option having a value equal to \$50,000 as part of the annual compensation payable by the Company to such non-employee director for his service as a non-employee director. However, since the Company was not required to have an Annual Meeting in 2005, and the automatic grant of non-statutory options did not occur, on December 15, 2005 the Board authorized the grant of non-statutory options to the non-employee directors on terms consistent with the Non-Employee Directors’ Non-statutory Stock Option Program.

The non-employee directors receiving a stock option grant are set forth below:

<u>NAME</u>	<u>NUMBER OF OPTIONS</u>
Andrew W. Code	9,854
Thomas J. Formolo	9,854
Manuel Perez de la Mesa	9,854
Edward D. Horowitz	9,854
Mark. W. Mealy	9,854

Each non-statutory stock option has an exercise price of \$23.85 (that being the closing sales price of the Company’s common stock on the New York Stock Exchange on the last market trading day prior to the date of grant, or December 14, 2005) and will vest and become exercisable at a rate of 1/16th per month commencing on February 1, 2005, and shall be 100% vested and exercisable as of the date of the annual meeting in May 2006. Each of these options shall expire ten years from the date of grant. The form of Stock Option Grant Notice — Non-employee Directors and form of Non-employee Directors Stock Option Agreement relating to the grant of non-statutory stock options to non-employee directors have been filed as Exhibits 10.1 and 10.2 to this Form 8-K and are incorporated by reference into this Item 1.01.

Commencing with the Company’s first Annual Meeting in 2006, non-employee directors will receive automatic grants of non-statutory stock options pursuant to the Non-Employee Directors’ Non-statutory Stock Option Program.

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Item 9.01 Financial Statements and Exhibits

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of American Reprographics Company Stock Option Grant Notice — Non-employee Directors (Discretionary Non-statutory Stock Options)
10.2	Form of American Reprographics Company Non-employee Directors — Stock Option Agreement (Discretionary Grants)

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.

Dated: December 15, 2005

AMERICAN REPROGRAPHICS COMPANY

By: /s/ Sathiyamurthy Chandramohan

Sathiyamurthy Chandramohan

Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Form of American Reprographics Company Stock Option Grant Notice — Non-employee Directors (Discretionary Non-statutory Stock Options)
10.2	Form of American Reprographics Company Non-employee Directors — Stock Option Agreement (Discretionary Grants)

**AMERICAN REPROGRAPHICS COMPANY
STOCK OPTION GRANT NOTICE — NON EMPLOYEE DIRECTORS
2005 STOCK PLAN**

American Reprographics Company (the “Company”), pursuant to its 2005 Stock Plan (the “Plan”), hereby grants to Optionholder an option to purchase the number of shares of the Company’s Common Stock set forth below (“Shares”). This option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement, the Plan and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety.

Optionholder: _____
Date of Grant: _____
Vesting Commencement Date: _____
Number of Shares Subject to Option: _____
Exercise Price (Per Share): _____
Total Exercise Price: _____
Expiration Date: _____

Type of Grant: Nonstatutory Stock Option
Exercise Schedule: Same as Vesting Schedule

Vesting Schedule: The shares subject to this option shall vest at the rate of 1/16th per month commencing on February 1, 2005 and shall become 100% vested as of the date of the next annual meeting in May 2006. Options shall become exercisable as they vest as provided in the attached documents.

Payment: By one or a combination of the following items (described in the Stock Option Agreement):
By cash or check
Pursuant to a Regulation T Program
By delivery of already-owned shares

Additional Terms/Acknowledgements : The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this Grant Notice, the Stock Option Agreement and the Plan. Optionholder further acknowledges that as of the Date of Grant, this Grant Notice, the Stock Option Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of stock in the Company and supersede all prior oral and written agreements on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, and (ii) the following agreements only:

OTHER AGREEMENTS:

AMERICAN REPROGRAPHICS COMPANY

OPTIONHOLDER:

By: _____
Signature

Signature

Title: _____
Date: _____

Date: _____

ATTACHMENTS: Stock Option Agreement, 2005 Stock Plan, and Notice of Exercise

**AMERICAN REPROGRAPHICS COMPANY
2005 STOCK PLAN**

NON-EMPLOYEE DIRECTORS' NONSTATUTORY STOCK OPTION

**STOCK OPTION AGREEMENT
(NONSTATUTORY STOCK OPTION)**

Pursuant to your Stock Option Grant Notice ("*Grant Notice*") and this Stock Option Agreement, American Reprographics Company (the "*Company*") has granted you an option under its 2005 Stock Plan (the "*Plan*") to purchase the number of shares of the Company's Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. Defined terms not explicitly defined in this Stock Option Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your option are as follows:

- 1. VESTING** . Subject to the limitations contained herein, your option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. In addition, if the Company is subject to a Change in Control before your Continuous Service terminates, then all of the unvested shares subject to this option shall become fully vested and exercisable immediately prior to the effective date of such Change in Control.
 - 2. NUMBER OF SHARES AND EXERCISE PRICE** . The number of shares of Common Stock subject to your option and your exercise price per share referenced in your Grant Notice may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan.
 - 3. METHOD OF PAYMENT** . Payment of the exercise price is due in full upon exercise of all or any part of your option. You may elect to make payment of the exercise price in cash or by check or in any other manner permitted by your Grant Notice, which may include one or more of the following:
 - (a)** In the Company's sole discretion at the time your option is exercised and provided that at the time of exercise the Common Stock is publicly traded and quoted regularly in The Wall Street Journal, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds.
 - (b)** Provided that at the time of exercise the Common Stock is publicly traded and quoted regularly in The Wall Street Journal, by delivery of already-owned shares of Common Stock either that you have held for the period required to avoid a charge to the Company's reported earnings (generally six months) or that you did not acquire, directly or indirectly from the Company, that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, shall include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. Notwithstanding the foregoing, you may not exercise your option by tender to the Company of Common Stock to the extent such tender would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.
 - 4. WHOLE SHARES** . You may exercise your option only for whole shares of Common Stock.
 - 5. SECURITIES LAW COMPLIANCE** . Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the shares of Common Stock issuable upon such exercise are then registered under the Securities Act or, if such shares of Common Stock are not then so registered, the Company has determined
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that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your option must also comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

6. TERM . You may not exercise your option before the commencement of its term or after its term expires. The term of your option commences on the Date of Grant and expires upon the earliest of the following:

(a) three (3) months after the termination of your Continuous Service for any reason other than your Disability or death, provided that if during any part of such three (3) month period your option is not exercisable solely because of the condition set forth in the preceding paragraph relating to "Securities Law Compliance," your option shall not expire until the earlier of the Expiration Date or until it shall have been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service;

(b) twelve (12) months after the termination of your Continuous Service due to your Disability or upon a Change in Control;

(c) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates;

(d) immediately upon the termination of your Continuous Service for Cause;

(e) the Expiration Date indicated in your Grant Notice; or

(f) the day before the tenth (10th) anniversary of the Date of Grant.

7. EXERCISE .

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by delivering a Notice of Exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

8. TRANSFERABILITY . Your option is not transferable, except (i) by will or by the laws of descent and distribution, (ii) with the prior written approval of the Company, by instrument to an inter vivos or testamentary trust, in a form accepted by the Company, in which the option is to be passed to beneficiaries upon the death of the trustor (settlor) and (iii) with the prior written approval of the Company, by gift, in a form accepted by the Company, to a permitted transferee under Rule 701 of the Securities Act.

9. OPTION NOT A SERVICE CONTRACT . Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option shall obligate the Company or an Affiliate, their respective shareholders, Boards of Directors, Officers or Employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

10. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision as directed by the Company (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent directed by the Company), for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your option.

(b) The Company may, in its sole discretion, and in compliance with any applicable conditions or restrictions of law, withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company shall have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein.

11. NOTICES . Any notices provided for in your option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

12. GOVERNING PLAN DOCUMENT . Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control.