

DISCOVERY PARTNERS INTERNATIONAL INC
Form 8-K
January 24, 2005

**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 18, 2005**

DISCOVERY PARTNERS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-31141
(Commission File Number)

33-0655706
(I.R.S. Employer
Identification No.)

9640 Towne Centre Drive
San Diego, California
(Address of principal executive offices)

92121
(Zip Code)

Registrant's telephone number, including area code: **(858) 455-8600**

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:

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- 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))
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Item 1.01. Entry into a Material Definitive Agreement

On January 18, 2005 Discovery Partners International, Inc. (the Company) entered into a separation agreement with Taylor Crouch, the Company's President and Chief Operating Officer, whereby Mr. Crouch's employment with the Company was terminated effective January 18, 2005 (the Separation Agreement). Pursuant to the terms of the Separation Agreement, Mr. Crouch will receive a lump sum payment of \$378,538 on or prior to February 3, 2005. Mr. Crouch will have until January 18, 2006 to exercise any of his vested options. Mr. Crouch will repay by February 3, 2005 in full \$300,000 owed to the Company pursuant to a promissory note made by Mr. Crouch to the Company. The balance owed by Mr. Crouch pursuant to such promissory note shall be reduced by the amount equivalent to any bonus that Mr. Crouch could have earned for fiscal year 2004 plus an amount equivalent to the sum of the fair market value, on January 18, 2005, of 21,250 shares of the Company Stock under a stock grant as if such stock grant had vested as to an additional 25% plus an amount equivalent to the fair market value, as of January 18, 2005, of 8,750 vested shares of the Company's Common Stock. Mr. Crouch agrees to release any claims he may have against the Company.

Item 1.02. Termination of a Material Agreement.

The discussion in Item 1.01. Entry into a Material Definitive Agreement of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(b) The discussion in Item 1.01. Entry into a Material Definitive Agreement of this Current Report on Form 8-K is incorporated herein by reference.

SIGNATURE

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.

DISCOVERY PARTNERS INTERNATIONAL, INC.

Dated: January 24, 2005

By: /s/ Craig Kussman
Name: Craig Kussman
Title: Chief Financial Officer, Senior Vice President
Finance and Administration, Secretary