

Edgar Filing: HAVERTY FURNITURE COMPANIES INC - Form 8-K

HAVERTY FURNITURE COMPANIES INC
Form 8-K
August 19, 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: August 19, 2005
(Date of earliest event reported: August 18, 2005)

HAVERTY FURNITURE COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Maryland	1-14445	58-0281900
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

780 Johnson Ferry Road,
Suite 800,
Atlanta, Georgia 30342
(Address of principal executive officers) (Zip Code)
Telephone number, including area code: (404) 443-2900

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 (17CFR240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

On August 18, 2005, the Board of Directors of Haverty Furniture Companies, Inc. upon recommendation of the Board's Executive Compensation Committee, approved the acceleration of vesting of all "out-of-the-money", unvested stock options held by

Edgar Filing: HAVERTY FURNITURE COMPANIES INC - Form 8-K

current employees, including executive officers and certain employee directors. An option was considered out-of-the money if the stated option exercise price was greater than \$12.57, the closing price of the Company's common stock on August 18, 2005.

Options to purchase approximately 482,400 shares of common stock, which otherwise would have vested on a yearly basis through 2008, will become immediately exercisable. The weighted average exercise price of the options subject to the acceleration is \$17.49.

The decision to initiate the acceleration was made primarily to reduce compensation expense that would be expected to be recorded in future periods following the Company's adoption on January 1, 2006 of Statement of Financial Accounting Standards No. 123R, "Share-Based Payment (revised 2004)". As a result of the acceleration, the Company expects to reduce this compensation expense, net of tax, by a total of approximately \$3.8 million (approximately \$2.0 million in 2006, \$1.1 million in 2007, and \$0.7 million in 2008). This estimate is subject to change but is based on value calculations using the Black-Scholes methodology.

Holders of incentive stock options ("ISO") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, will be given the election to decline the acceleration of their options if such acceleration would have the effect of changing the status of such option for federal income tax purposes from an ISO to a non-qualified stock option.

Of the 482,400 options affected by the acceleration, options to purchase 155,000 shares of common stock are held by our executive officers as set forth below.

Officer -----	Position -----	Aggregate Number of Shares Issuable Under Accelerated Options -----	Weighted Average Exercise Price Per Share -----
Clarence H. Ridley	Chairman of the Board	42,250	\$17.08
Clarence H. Smith	President and Chief Executive Officer	37,250	\$17.24
Dennis L. Fink	Executive Vice President Chief Financial Officer	30,250	\$17.20
M. Tony Wilkerson	Executive Vice President, Merchandising	23,250	\$17.13
Rawson Haverty, Jr.	Senior Vice President, Real Estate and Development	22,000	\$17.27

SIGNATURES

Edgar Filing: HAVERTY FURNITURE COMPANIES INC - Form 8-K

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.

HAVERTY FURNITURE COMPANIES, INC.

August 19, 2005

By: /s/ Jenny Hill Parker

Jenny Hill Parker
Vice President,
Secretary and Treasurer