

MARSHALL & ILSLEY CORP/WI/
Form 8-K/A
June 19, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

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 8, 2006

MARSHALL & ILSLEY CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

1-15403
(Commission
File Number)

39-0968604
(IRS Employer
Identification No.)

770 North Water Street
Milwaukee, Wisconsin
(Address of principal executive offices)

53202
(Zip Code)

Registrant's telephone number, including area code: (414) 765-7801

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))

Item 1.01.

Entry Into a Material Definitive Agreement.

The information required to be disclosed under Item 1.01 of Form 8-K is included in Item 5.02 hereof and is incorporated herein by reference.

Item 5.02.

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

On May 8, 2006, the Marshall & Ilsley Corporation (the Company) issued a press release and filed a Current Report on Form 8-K in connection with the appointment of Gregory A. Smith as its Senior Vice President and Chief

Financial Officer. Mr. Smith's employment with the Company commenced on June 19, 2006.

In connection with his hiring, Mr. Smith was granted 12,000 shares of Key Restricted Stock which will vest over a period of seven years and 5,500 shares of Key Restricted Stock which will vest over a period of three years, and received an incremental signing bonus which will vest over a period of three years. In connection with his employment with the Company, Mr. Smith will receive a base salary of \$450,000 and will participate in the Company's senior management incentive plan under which his targeted annual incentive opportunity will be 80% of his base salary, with a maximum incentive opportunity of 135% of his base salary. In addition, Mr. Smith will be entitled to annual retirement plan contributions, personal use of a Company vehicle, payment of country club dues and financial planning services, and will be eligible to participate in the Company's executive relocation program. Mr. Smith has also been granted an option to purchase 60,000 shares of Company common stock.

Also in connection with Mr. Smith's employment, the Company and Mr. Smith entered into a Change of Control Agreement dated as of June 19, 2006 (the "Change of Control Agreement"). The following description is qualified in all respects by the terms of the Change of Control Agreement, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

The Change of Control Agreement guarantees Mr. Smith specific payments and benefits upon a termination of his employment as a result of a change of control of the Company. If a change of control occurs, the contract becomes effective and continues for a term of three years. The employment term renews on a daily basis until the Company gives notice to terminate the daily renewal.

The Change of Control Agreement provides for specified benefits after a change of control if Mr. Smith voluntarily terminates for "good reason" or is involuntarily terminated other than for "cause" (as such terms are defined in the Change of Control Agreement). In addition, at the end of six months after a change of control, Mr. Smith may terminate employment for any reason and is entitled to receive full benefits. Upon a termination, Mr. Smith is entitled to (a) a lump sum payment equal to three times the sum of his current base salary plus the higher of his bonus for the last year or his average bonus for the past three years, (b) a proportionate amount of any unpaid bonus deemed earned for the year of termination, (c) a lump sum payment equal to the retirement benefits lost as a result of not having been employed for the remaining contract term, (d) health and other benefits for the remaining contract term, and (e) payments for certain other fringe benefits. In the event of a termination of employment as a result of his death, Mr. Smith's beneficiary is entitled to six months of his base salary. No additional benefits are guaranteed under the contract upon Mr. Smith's disability or termination of employment by the Company for cause.

The Change of Control Agreement further provides that upon a change of control most restrictions limiting the exercise, transferability or other incidents of ownership of any outstanding award, restricted stock, options, stock appreciation rights, or other property rights of the Company granted to Mr. Smith will lapse, and such awards will become fully vested, except in certain circumstances. In addition, the Change of Control Agreement provides that, upon certain events following a change of control, Mr. Smith's options will remain exercisable for the lesser of (a) the remainder of their respective terms or (b) one year after Mr. Smith's death.

The Change of Control Agreement also provides for "gross-up" payments in the event payments to Mr. Smith under the Change of Control Agreement are subject to the excise tax (the "Excise Tax") provided for under Section 4999 of the Internal Revenue Code of 1986, as amended, or any similar federal, state or local tax which may be imposed, in an amount such that the net amount retained by Mr. Smith, after deduction of any Excise Tax on the payments and any federal, state and local income tax and Excise Tax on the gross-up payment, will be equal to the payments then due.

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------|
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- 10.1 Change of Control Agreement by and between the Company and Gregory A. Smith, dated as of June 19, 2006

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: June 19, 2006

MARSHALL & ILSLEY CORPORATION

By: /s/ Randall J. Erickson

Randall J. Erickson

Senior Vice President, General Counsel and

Secretary

EXHIBIT INDEX

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