

Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form 8-K

INTERPUBLIC GROUP OF COMPANIES, INC.

Form 8-K

July 10, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 8-K

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CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 6, 2007

The Interpublic Group of Companies, Inc.

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(Exact Name of Registrant as Specified in Charter)

Delaware

1-6686

13-1024020

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(State or Other Jurisdiction  
of Incorporation)

(Commission File  
Number)

(IRS Employer  
Identification No.)

1114 Avenue of the Americas, New York, New York

10036

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(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: 212-704-1200

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(Former Name or Former Address, if Changed Since Last Report)

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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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On July 6, 2007, The Interpublic Group of Companies, Inc. (the "Company") completed steps to implement its new Executive Severance Plan ("ESP") with respect to the Company's named executive officers. As previously disclosed in the Company's Proxy Statement dated April 25, 2007, in 2006 the Compensation Committee of the Company's Board of Directors approved the ESP to provide severance benefits in certain situations to named executive officers and other senior executives. The ESP, as implemented, is intended to be consistent with the requirements of Section 409A of the Internal Revenue Code and the final rules thereunder, issued by the IRS in April 2007. Under the ESP, severance benefits will be provided if the executive's employment is terminated by the Company without cause or the executive resigns with good reason. The ESP as adopted implements the previous action of the Compensation Committee to provide for the following severance periods (during which a participant continues to receive his base salary and medical benefits) for the Company's named executive officers: Michael Roth, 24 months base salary; Frank Mergenthaler, 18 months; John Dooner, 18 months; Stephen Gatfield, 18 months; Philippe Krakowsky, 18 months; and Timothy Sompolski, 18 months. These severance periods will apply unless a longer severance period is provided for in the individual's employment agreement.

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**Cautionary Statement**

This current report on Form 8-K contains forward-looking statements. Statements in this report that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in our 2006 Annual Report on Form 10-K under Item 1A, Risk Factors, and other SEC filings. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

- risks arising from material weaknesses in our internal control over financial reporting, including material weaknesses in our control environment;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- potential adverse developments in connection with the ongoing SEC investigation;
- potential downgrades in the credit ratings of our securities;
- risks associated with the effects of global, national and regional economic and political conditions, including fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors and the additional risk factors outlined in more detail in our 2006 Annual Report on Form 10-K under Item 1A, Risk Factors.

**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.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Date: July 10, 2007

By: /s/ Steven C. Planchard  
Steven C. Planchard  
Vice President, Associate General Counsel  
and Assistant Secretary