

SEITEL INC
Form 8-K
January 06, 2006

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 6, 2006 (January 3, 2006)

SEITEL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State of Incorporation)

0-14488

(Commission File Number)

76-0025431

(IRS Employer Identification No.)

**10811 S. Westview Circle Drive
Building C, Suite 100
Houston, Texas 77043**

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(Address of Registrant's principal executive offices)

(713) 881-8900

(Registrant's telephone number, including area code)

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 obligations 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))

Section 1. Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On January 3, 2006, Seitel Inc. (the "Company") granted 20,465 restricted shares of its common stock, par value \$.01 per share ("Common Stock"), to Robert D. Monson and 24,466 restricted shares of Common Stock to William Restrepo (collectively, the "Grants".) The Grants represent guaranteed key executive awards pursuant to the Company's Incentive Plan for fiscal year 2005. The Grants were made under the Company's 2004 Stock Option Plan and are each subject to a restricted stock agreement. The Grants vest as to one-third of the shares on each of the first, second and third anniversary of the date of grant (January 3, 2007, 2008 and 2009) and will fully vest upon the earlier death or disability of the executive, or on the date immediately prior to a change-in-control of the Company. If the executive's service to the Company is terminated for any reason, other than on account of his death or disability, then the executive shall forfeit all unvested restricted shares unless the compensation committee of the board of directors of the Company, in its sole discretion, waives any or all of such forfeiture. The Company has the right to deduct or withhold, or require the executive to remit to it, an amount sufficient to satisfy any applicable taxes related to the grant and required by law to be withheld. The executive may elect, subject to the compensation committee's approval, to satisfy the withholding requirement by having the Company withhold shares of Common Stock.

[Signature page follows]

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.

Dated: January 6, 2006

SEITEL, INC.

By: /s/ Robert D. Monson

Robert D. Monson

President and Chief Executive Officer
