

BANCORPSOUTH INC
Form 8-K
December 16, 2005

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**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): December 16, 2005 (December 14, 2005)

BANCORPSOUTH, INC.
(Exact name of registrant as specified in its charter)

Mississippi

1-12991

64-0659571

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

**One Mississippi Plaza
201 South Spring Street
Tupelo, Mississippi**

38804

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(662) 680-2000**

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 (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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On December 14, 2005, our Board of Directors approved the accelerated vesting of certain unvested stock options previously awarded under our BancorpSouth, Inc. 1994 Stock Incentive Plan. As a result of the acceleration, 845,333 stock options with a range of exercise prices between \$23.19 and \$24.03 per share became exercisable on December 14, 2005. Aside from the acceleration of the vesting date, the terms and conditions of the stock option agreements governing the underlying stock options remain unchanged.

The \$23.19 exercise price was selected because it was higher than the closing price of shares of our common stock on the New York Stock Exchange on December 14, 2005, which was \$23.02. The accelerated options represent approximately 27.3% of the total of all outstanding options to purchase our common stock. Of the 845,333 stock options which became exercisable as a result of the acceleration of vesting, 388,999 were held by certain of our named executive officers. The following table sets forth the grant date, the number of options accelerated and the exercise prices of each such option held by our executive officers.

| Name | Position | Grant Date | Number of Accelerated Options | Exercise Price |
|--------------------------|---|------------|-------------------------------|----------------|
| Aubrey B. Patterson | Chairman of the Board and Chief Executive Officer | 11/1/2003 | 25,000 | 23.51 |
| | | 11/1/2004 | 50,000 | 24.03 |
| | | 12/1/2005 | 80,000 | 23.19 |
| James V. Kelley | President and Chief Operating Officer | 11/1/2003 | 10,667 | 23.51 |
| | | 11/1/2004 | 21,333 | 24.03 |
| | | 12/1/2005 | 35,000 | 23.19 |
| L. Nash Allen, Jr. | Treasurer and Chief Financial Officer | 11/1/2003 | 4,000 | 23.51 |
| | | 11/1/2004 | 7,333 | 24.03 |
| | | 12/1/2005 | 12,000 | 23.19 |
| W. Gregg Cowser | Executive Vice President | 11/1/2003 | 4,333 | 23.51 |
| | | 11/1/2004 | 9,333 | 24.03 |
| | | 12/1/2005 | 14,000 | 23.19 |
| Michael L. Sappington | Executive Vice President | 11/1/2003 | 4,333 | 23.51 |
| | | 11/1/2004 | 8,000 | 24.03 |
| | | 12/1/2005 | 12,000 | 23.19 |
| Larry D. Bateman | Executive Vice President | 11/1/2003 | 3,333 | 23.51 |
| | | 11/1/2004 | 6,667 | 24.03 |
| | | 12/1/2005 | 12,000 | 23.19 |
| W. James Threadgill, Jr. | Executive Vice President | 11/1/2003 | 4,000 | 23.51 |
| | | 11/1/2004 | 8,000 | 24.03 |
| | | 12/1/2005 | 12,000 | 23.19 |

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|----------------|----------------|-----------|-------|-------|
| Gary R. Harder | Executive Vice | | | |
| | President | 11/1/2003 | 2,667 | 23.51 |
| | | 11/1/2004 | 4,667 | 24.03 |
| | | 12/1/2005 | 8,000 | 23.19 |

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| Name | Position | Grant Date | Number of Accelerated Options | Exercise Price |
|--------------------|-------------------------|------------|-------------------------------|----------------|
| Cathy M. Robertson | Executive Vice | | | |
| | President | 11/1/2003 | 2,333 | 23.51 |
| | | 11/1/2004 | 4,000 | 24.03 |
| | | 12/1/2005 | 6,000 | 23.19 |
| Cathy S. Freeman | Senior Vice President | 11/1/2003 | 2,667 | 23.51 |
| | and Corporate Secretary | 11/1/2004 | 5,333 | 24.03 |
| | | 12/1/2005 | 10,000 | 23.19 |

Under the recently revised Financial Accounting Standards Board Statement No. 123(R), Share-based Payment, we will be required to recognize the expense associated with our outstanding unvested stock options beginning in the first quarter of fiscal year 2006. As a result of the acceleration, we expect to reduce the pretax stock option expense we otherwise would be required to record in connection with the accelerated options.

Section 7 Regulation FD**Item 7.01. Regulation FD Disclosure.**

On December 14, 2005, our Board of Directors approved the accelerated vesting of certain unvested stock options as more fully described above under Item 1.01.

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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.

BANCORPSOUTH, INC.

By: /s/ L. NASH ALLEN, JR.
L. Nash Allen, Jr.
Treasurer and Chief Financial Officer

Date: December 15, 2005