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prices of the accelerated options were not changed. The accelerated options have exercise prices ranging from \$7.72 to \$24.23 and include 323,670 options held by directors and executive officers.

The purpose of accelerating the vesting of the options is to reduce the non-cash compensation expense that would be recorded in future periods following the Company's adoption of Statement of Financial Accounting Standards No. 123(R) on January 1, 2006. The aggregate pre-tax compensation expense associated with the accelerated options that would have been recognized in future periods is estimated to be approximately \$2.4 million.

In order to limit the personal benefit to the optionees of fully vesting their shares, the Board of Directors of the Company imposed restrictions on the sale or transfer of the shares received by an optionee upon the exercise of an accelerated option until the earlier of (a) the date on which such options would have vested and become exercisable, without giving effect to such acceleration, and (b) the optionee's death.

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 thereunto duly authorized.

Lifetime Brands, Inc.

By: /s/ Robert McNally  
Robert McNally  
Vice President of Finance and  
Chief Financial Officer

Date: December 27, 2005