

TOWN SPORTS INTERNATIONAL HOLDINGS INC

Form 8-K

August 08, 2006

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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): August 4, 2006

Town Sports International Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other Jurisdiction
of Incorporation)

000-52013
(Commission File Number)

20-0640002
(I.R.S. Employer
Identification No.)

**888 Seventh Avenue, New York, New
York**

(Address of Principal Executive Offices)

10106
(Zip Code)

Registrant's telephone number, including area code: **(212) 246-6700**

(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 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 1.01 Entry into a Material definitive Agreement.

Stock Option Awards to Executive Officers

On August 4, 2006, Town Sport International Holdings, Inc. (the Company) granted a non-qualified stock option to purchase 50,000 shares of the Company s common stock under the Town Sports International Holdings, Inc. 2006 Stock Incentive Plan (the Plan) to Randall Stephen, the Company s Chief Operating Officer and a non-qualified stock option to purchase 35,000 shares of the Company s common stock under the Plan to Jennifer Prue, the Company s Chief Information Officer. The stock options will vest in equal annual installments over a period of four years (subject to the employee s continued employment through such period), have a term of 10 years, and have an exercise price equal to the last sales price reported for the Company s common stock on the date of grant. The options will become fully vested upon a change in control. The full terms and conditions of the stock option awards are set forth in award agreements in substantially the form of the non-qualified stock option award agreement filed herewith.

Form of Incentive Stock Option Award Agreement

Under the terms of the Plan, the Company may grant incentive stock options to employees of the Company from time to time. The terms of vesting and exercise of such incentive stock options, including the effect of termination of employment, and the other terms and conditions of such stock options will be set forth in award agreements in substantially the form filed herewith as Exhibit 10.1 Form of Incentive Stock Option Agreement, unless otherwise provided by the Compensation Committee at a time a stock option is granted under the Plan.

Form of Non-Qualified Stock Option Award Agreement

Under the terms of the Plan, the Company may grant non-qualified stock options to employees, consultants and non-employee directors of the Company from time to time. The terms of vesting and exercise of such non-qualified stock options, including the effect of termination of employment, and the other terms and conditions of such stock options will be set forth in award agreements in substantially the form filed herewith as Exhibit 10.2 Form of Non-Qualified Stock Option Agreement, unless otherwise provided by the Compensation Committee at a time a stock option is granted under the Plan.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Form of Incentive Stock Option Agreement.

10.2 Form of Non-Qualified Stock Option Agreement.

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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.

**TOWN SPORTS INTERNATIONAL
HOLDINGS, INC.**

(Registrant)

Date: August 8, 2006

By: /s/ RICHARD PYLE
Richard Pyle
Chief Financial Officer

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10.2 Form of Non-Qualified Stock Option Agreement.