

INTERPUBLIC GROUP OF COMPANIES, INC.
Form 8-K
April 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): April 3, 2006

The Interpublic Group of Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	1-6686	13-1024020
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
1114 Avenue of the Americas, New York, New York		10036
(Address of Principal Executive Offices)		(Zip Code)
Registrant's telephone number, including area code: 212-704-1200		

(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))

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o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

Effective as of April 1, 2006, the Interpublic Group of Companies Inc. ("Interpublic") entered into an Employment Agreement and an Executive Severance Agreement with Christopher Carroll. Under the Employment Agreement, Mr. Carroll will serve as Senior Vice President, Controller and Chief Accounting Officer. The summary of the agreements that is set forth below is qualified in its entirety by the provisions of the agreements, each of which is attached as Exhibits 10.1 and 10.2 hereto, respectively.

The Employment Agreement with Mr. Carroll provides for an annual base salary of \$483,500. During his employment, Mr. Carroll also will be eligible to participate in Interpublic's annual incentive plan with a target award equal to 50% of his base salary although his actual award may vary from 0% to 200% of target, depending on Interpublic's performance, Mr. Carroll's performance and management's discretion. In addition, beginning in 2006, Mr. Carroll will be eligible to participate in Interpublic's long term incentive programs with a total expected annual award value at target of \$350,000 and Interpublic's Capital Accumulation Plan, and also will be eligible to participate in such other employee benefits as are provided to other key management executives of Interpublic and on the same terms

Although Mr. Carroll's employment under the Employment Agreement may be terminated at any time and for any reason, if Interpublic terminates Mr. Carroll's employment without cause (as such term is defined in the Employment Agreement) before September 30, 2007, Interpublic will pay Mr. Carroll his annual base salary for a period of eighteen months plus an amount equal to his target bonus for the year in which the termination occurred. If Interpublic terminates Mr. Carroll's employment without cause after September 30, 2007, Interpublic will pay Mr. Carroll his annual base salary for a period of twelve months plus an amount equal to his target bonus for the year in which the termination occurred. The Employment Agreement states that Mr. Carroll may terminate his employment with Interpublic at any time upon six months written notice, in which case Interpublic will pay Mr. Carroll his base salary and any other benefits to which Mr. Carroll is entitled under the employee benefit plans described above during the six-month notice period, but Mr. Carroll will not receive any bonus award that might otherwise be paid during the six month period between his notice of termination and his termination date.

The Employment Agreement contains customary noncompetition, confidentiality, proprietary information, and intellectual property covenants applicable during Mr. Carroll's employment with Interpublic and, with respect to the confidentiality and proprietary information clauses, following any termination of his employment. In addition, the Employment Agreement contains non-solicitation provisions applying to (i) any period in which Mr. Carroll accepts severance payments from Interpublic, or (ii) for one year after the termination of Mr. Carroll's employment for any reason, whichever is later.

The Executive Severance Agreement provides that Interpublic and its subsidiaries (collectively referred to hereinafter as the "Company") will make a cash severance payment to Mr. Carroll if, within two years after a change of control, (i) Mr. Carroll's employment is terminated by Interpublic other than for cause or (ii) Mr. Carroll resigns for good reason, as each such term is defined in the Executive Severance Agreement.

The severance payment to which Mr. Carroll would be entitled is equal to two times his average annual compensation during the two calendar years ended prior to the date of a change of control. In addition, Mr. Carroll is entitled to receive a partial annual bonus based on the most recent bonus paid within one or two years (as applicable) preceding the year Mr. Carroll is terminated prorated for the elapsed portion of the year in which employment terminated. The average compensation used in calculating the severance payment would be Mr. Carroll's taxable compensation plus any deferred compensation accrued during the two relevant years, but would not include any deferred compensation earned in prior years but paid during the two years and would not include any taxable compensation relating to any stock option or restricted stock plan of Interpublic.

The Executive Severance Agreement also provides that if Mr. Carroll's employment terminates in circumstances entitling him to a severance payment, he will, for a period of 18 months following the termination of his employment, neither (a) solicit any employee of Interpublic or any of its subsidiaries to leave such employ to enter into the employ of Mr. Carroll, or any person or entity with which Mr. Carroll is associated, nor (b) solicit or handle, on his own behalf or on behalf of any person or entity with which he is associated, the advertising, public relations, sales promotion or market research business of any advertiser which was a client of Interpublic or any of its subsidiaries on the date Mr. Carroll's employment terminates.

The Executive Severance Agreement gives Mr. Carroll an option to limit payment under the Executive Severance Agreement to such sum as would avoid subjecting him to the excise tax imposed by Section 4999 of the Internal Revenue Code.

Also, under the Executive Severance Agreement, all sums previously deferred by Mr. Carroll pursuant to the Management Incentive Compensation Plan and/or the 2004 Performance Incentive Plan and/or other deferral programs (with the exception of sums deferred through the Interpublic Savings Plan) would become payable within 30 days following a change of control if Mr. Carroll has elected to receive the distribution prior to the change of control.

Item 9.01

(c) Exhibits

Exhibit 10.1 Employment Agreement with Christopher Carroll (filed pursuant to Item 1.01)

Exhibit 10.2 Executive Severance Agreement with Christopher Carroll (filed pursuant to 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.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Date: April 6, 2006

By: /s/ Nicholas J. Camera
Nicholas J. Camera
Senior Vice President, General Counsel
and Secretary

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hose principal executive offices are located at 2727 North Loop West, Houston, Texas 77008.

Item 2. Identity and Background.

This statement is being filed by Dan L. Duncan, an individual residing in Houston, Texas (Dan Duncan), Enterprise Products Delaware Holdings, L.P., a Delaware limited partnership (EPDH), EPC Partners II, Inc., a Delaware corporation (EPC Partners) and Enterprise Products Company, a Texas corporation (EPCO). Each of Dan Duncan, EPDH, EPC Partners and EPCO is referred to herein as a Reporting Person.

Dan Duncan s business address is 2727 North Loop West, Houston, Texas 77008. Dan Duncan is a Director and Chairman of the Board of Enterprise Products GP, LLC, a Delaware limited liability company and the sole general partner of the Issuer (EPGP). EPGP s principal business address and principal office address is 2727 North Loop West, Houston, Texas 77008.

EPCO is an entity controlled by Dan Duncan through Dan Duncan s 50.4% ownership interest in the Class A Common Stock of EPCO. EPCO s principal business is to provide employees and management and administrative services to the Issuer and EPGP in its capacity as general partner of the Issuer. In addition, EPCO owns and operates a trucking business that provides transportation services to the NGL and petrochemical industry. EPCO s principal business address and principal office address is 2727 North Loop West, Houston, Texas 77008.

EPC Partners is a wholly-owned subsidiary of EPCO. EPC Partners has no independent operations and its principal function is to directly and indirectly hold EPCO s equity interest in the Issuer. EPC Partners principal business address and principal office address is 300 Delaware Avenue, Ste. 900, Wilmington, Delaware 19801.

Item 2. Identity and Background.

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EPDH is an indirect wholly-owned subsidiary of EPC Partners (which is a wholly-owned subsidiary of EPCO). EPDH has no independent operations and its principal function is to hold EPC Partners' indirect equity interest in the Issuer. EPDH's principal business address and principal office address is 300 Delaware Avenue, 12th Floor, Wilmington, Delaware 19801.

During the last five years, no Reporting Person nor, to the best of their knowledge, any entity or person with respect to whom information is provided in Appendix A to this Schedule 13D in response to this Item has, during the last five years, been: (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future

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violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

As previously reported in the Schedule 13G of the Reporting Persons, EPC Partners (which is a wholly-owned subsidiary of EPCO), acquired 67,105,830 Common Units and 42,819,740 Subordinated Units as part of the initial formation and capitalization of the Issuer in 1998, and in December 2002, EPC Partners transferred all of its Common Units and Subordinated Units to its wholly-owned subsidiary, EPDH. As a result of the Issuer satisfying certain financial tests in accordance with the terms of the Issuer's Third Amended and Restated Partnership Agreement, 10,704,936 of the Subordinated Units converted into a like number of Common Units on May 1, 2002, and 10,704,936 of the Subordinated Units converted into a like number of Common Units on May 1, 2003, and the remaining 21,409,868 Subordinated Units converted into a like number of Common Units on August 1, 2003. All other Common Units owned by the Reporting Persons included in this Schedule 13D have been reflected in the Schedule 13G, as amended, of the Reporting Persons.

On August 11, 2003, EPDH purchased 1,231,100 Common Units pursuant to the Issuer's Dividend Reinvestment Plan. The source of the funds used to purchase such Common Units pursuant to the Dividend Reinvestment Plan was the quarterly cash distributions on the Common Units currently held by EPDH.

Item 4. Purpose of the Transaction.

The purpose of the Reporting Persons' acquisition of the Common Units and Subordinated Units of the Issuer in 1998 was to organize the Issuer as a publicly-traded partnership that is controlled by the Reporting Persons. Except as stated above, no Reporting Person has any plans or proposals of the type referred to in clauses (a) through (j) of Item 4 of Schedule 13D, although they reserve the right to formulate such plans or proposals in the future.

Item 5. Interest in Securities of the Issuer.

(a) EPDH holds directly 112,631,670 Common Units. EPDH is an indirect wholly-owned subsidiary of EPC Partners. Accordingly, EPC Partners has an indirect beneficial ownership interest in the 112,631,670 Common Units owned by EPDH.

EPC Partners is a wholly-owned subsidiary of EPCO. Therefore, EPCO has an indirect beneficial ownership interest in the 112,631,670 Common Units held by EPDH, EPCO's indirect wholly-owned subsidiary.

Dan Duncan is the record owner of 111,600 Common Units. Therefore, Dan Duncan exercises sole voting and dispositive power with respect to the 111,600 Common Units that he owns. In addition, Dan Duncan has the sole power to direct the voting and disposition of the Common Units held by (1) the Duncan Family 1998 Trust, which owns 2,278,200 Common Units, and (2) the Duncan Family 2000 Trust, which owns 200,036 Common Units. Therefore, Dan Duncan is also the beneficial owner of the 2,278,200 and 200,036 Common Units held by the Duncan Family 1998 Trust and the Duncan Family 2000 Trust, respectively.

Dan Duncan owns 50.437% of the voting stock of EPCO and, accordingly, exercises shared voting and dispositive power with respect to the 112,631,670 Common Units beneficially owned by EPCO, which, together with Dan Duncan's 111,600 Common Units, the 2,278,200 Common Units owned by the Duncan Family 1998 Trust, and the 200,036 Common Units owned by the Duncan Family 2000 Trust, represents 54.4% of the outstanding Common Units (based upon the number of Common Units outstanding as of August 14, 2003). The remaining shares of EPCO capital stock are owned primarily by trusts established for the benefit of Dan Duncan's family.

(b) As set forth herein, Dan Duncan has sole voting and dispositive power over the 111,600 Common Units that he owns, the 2,278,200 Common Units owned by the Duncan Family 1998 Trust, and the 200,036 Common Units owned by the Duncan Family 2000 Trust. Dan Duncan also has shared voting and dispositive power over the 112,631,670 Common Units beneficially owned by EPCO.

As set forth herein, EPCO has shared voting and dispositive power over the 112,631,670 Common Units beneficially owned by EPDH (an indirect wholly-owned subsidiary of EPCO).

As set forth herein, EPC Partners (a wholly-owned subsidiary of EPCO) has shared voting and dispositive power over the 112,631,670 Common Units beneficially owned by EPDH, its indirect wholly-owned subsidiary.

As set forth herein, EPDH has shared voting and dispositive power over the 112,631,670 Common Units beneficially owned by EPDH.

(c) Except as otherwise set forth herein, none of the Reporting Persons have effected any transactions in Common Units in the past 60 days.

(d) No person other than as set forth in the response to this Item 5 has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the transfer of, the Common Units beneficially owned by the Reporting Persons.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

To the best of each Reporting Person's knowledge, except as described in this Schedule 13D, there are at present no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 or between such persons and any other person with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

3.1 Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated May 15, 2002 (incorporated by reference to Exhibit 3.3 to Form 10-Q filed August 13, 2002).

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- 3.2 Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated August 7, 2002 (incorporated by reference to Exhibit 3.3 to Form 10-Q filed August 13, 2002).
- 3.3 Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated December 17, 2002 (incorporated by reference to Exhibit 3.5 to Form 8-K filed December 17, 2002).

SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

Dated: August 11, 2003

/s/ Dan L. Duncan

Dan L. Duncan

Dated: August 11, 2003

ENTERPRISE PRODUCTS DELAWARE HOLDINGS, L.P.

By: Enterprise Products Delaware General, LLC,
its general partner
/s/ Darryl Smith

By: _____
Darryl Smith
Manager

Dated: August 11, 2003

ENTERPRISE PRODUCTS COMPANY

/s/ Richard H. Bachmann

By: _____
Richard H. Bachmann
Executive Vice President

Dated: August 11, 2003

EPC PARTNERS II, INC.

/s/ Francis B. Jacobs, II

By: _____

Francis B. Jacobs, II
President

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APPENDIX A

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS
OF
ENTERPRISE PRODUCTS COMPANY

Directors and Executive Officers of Enterprise Products Company (EPCO). Set forth below is the name, current business address, citizenship and the present principal occupation or employment of each director and executive officer of EPCO. Unless otherwise indicated below, the current business address for each of the individuals listed below is 2727 North Loop West, Houston, Texas 77008. Unless otherwise indicated, each such person is a citizen of the United States of America.

Name

Present Principal Occupation and Position

Dan L. Duncan

Chairman of the Board and Director

O.S. Andras

Vice Chairman of the Board and Director

Randa D. Williams

President and Chief Executive Officer and Director

Richard H. Bachmann

Executive Vice President, Secretary, Chief Legal Officer and Director

Michael A. Creel Vice President and Chief Financial Officer

L. James Andras Vice President, Executive Vice President Transportation Division

Dannine D. Avara Vice President of Investment Division and Director

Frank A. Chapman Vice President, Corporate Risk

Scott D. Duncan Vice President of Investor Division and Director

W. Randall Fowler Vice President and Treasurer

Milane Duncan Frantz Vice President of Investment Division and Director

Theodore Helfgott Vice President

Michael J. Knesek Vice President, Controller and Principal Accounting Officer

Earl M. Lambert, II Vice President and Chief Information Officer

Jesse J. Radvansky Vice President, Executive Vice President Transportation Division

Robert M. Stark	Vice President, President of Transportation Division
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John L. Tomerlin	Vice President
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INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS
OF
EPC PARTNERS II, INC.

Directors and Executive Officers of EPC Partners II, Inc. (EPC Partners). Set forth below is the name, current business address, citizenship and the present principal occupation or employment of each director and executive officer of EPC Partners. Unless otherwise indicated below, the current business address for each of the individuals listed below is 300 Delaware Avenue, 12th Floor, Wilmington, Delaware 19801. Unless otherwise indicated, each such person is a citizen of the United States of America.

<u>Name</u>	<u>Present Principal Occupation and Position</u>
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Francis B. Jacobs, II	President and Director
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Victoria L. Garret	Secretary and Director
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Joan Dobrzynski	Treasurer and Director
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ENTERPRISE PRODUCTS DELAWARE GENERAL, LLC

Enterprise Products Delaware General, LLC, a Delaware limited liability company (EPDG), is the general partner of Enterprise Products Delaware Holdings L.P. (EPDH). EPDG is a wholly-owned subsidiary of EPC Partners. EPDG 's principal business, as general partner of EPDH, is to manage the business and operations of EPDH. EPDG 's principal business address and principal office address is 300 Delaware Avenue, 12th Floor, Wilmington, Delaware 19801.