

DOLLAR GENERAL CORP
Form 8-K
June 02, 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): May 31, 2006

Dollar General Corporation
(Exact name of registrant as specified in its charter)

Tennessee
(State or other jurisdiction
of incorporation)

001-11421
(Commission File Number)

61-0502302
(I.R.S. Employer
Identification No.)

100 Mission Ridge
Goodlettsville, Tennessee
(Address of principal executive offices)

37072
(Zip Code)

Registrant's telephone number, including area code: (615) 855-4000

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(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))

ITEM 1.01

ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On May 31, 2006, the shareholders of Dollar General Corporation (the Company) approved certain amendments (the Amendments) to the Dollar General Corporation 1998 Stock Incentive Plan (the Plan). The Amendments were proposed by the Company's Board of Directors on March 17, 2006 and incorporated into an amended and restated version of the Plan, which became effective on May 31, 2006.

The Amendments increase from 500,000 to 1.5 million the amount of stock options and stock appreciation rights that can be granted under the Plan in a given year to a Company officer whose compensation might be subject to the limitations on deductibility under Section 162(m) of the Internal Revenue Code (Covered Persons). The Amendments do not increase the existing 500,000 share limitation for restricted stock or restricted stock units that can be granted to any Covered Person in a given year. These limitations are subject to adjustment for changes in the Company's capital structure.

The Amendments also revised the qualifying performance criteria contained in the Plan in order for the Company to continue to deduct for U.S. federal income tax purposes certain performance-based compensation paid to the Company's Covered Persons from time to time. Prior to the adoption of the Amendments, the performance goals could be based on one or more of the following criteria: (a) pre-tax income or after-tax income; (b) operating cash flow; (c) operating profit; (d) return on equity, assets, capital or investment; (e) earnings or book value per share; (f) sales or revenues; (g) operating expenses; (h) common stock price appreciation; and (i) implementation, management or completion of critical projects or processes.

The Amendments broadened the performance criteria that may be used in connection with performance-based awards under the Plan, which now include:

- net earnings or net income (before or after taxes);
- earnings per share;
- net sales or revenue growth;
- gross or net operating profit;
- working capital targets;
- economic value added;
- volume;
- capital expenditures;

- gross or operating margins;
- productivity ratios;
- expense targets;
- margins;
- operating efficiency;
- customer satisfaction;
- cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);
- return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue);
- market share;
- costs;
- regulatory ratings;
- asset quality;
- net worth;
- safety;
- earnings before or after taxes, interest, depreciation, and/or amortization; and
- share price (including, but not limited to, growth measures and total shareholder return).

The foregoing summary of the Amendments is qualified in its entirety by the full text of the Plan, as amended and restated effective as of May 31, 2006, that is attached hereto as Exhibit 99 and incorporated by reference as if fully set forth herein.

ITEM 5.02.

**DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF
DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS**

On May 31, 2006, James L. Clayton retired from the Company's Board of Directors in accordance with the Company's mandatory retirement policy for members of the Board of Directors.

ITEM 9.01.

FINANCIAL STATEMENTS AND EXHIBITS

(a)

Financial statements of businesses acquired. N/A

(b)

Pro forma financial information. N/A

(c)

Shell company transactions. N/A

(d)

Exhibits. See Exhibit Index immediately following the signature page hereto.

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.

Date: June 2, 2006

DOLLAR GENERAL CORPORATION

By: */s/ Susan S. Lanigan*
Susan S. Lanigan
Executive Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99	Dollar General Corporation 1998 Stock Incentive Plan (As Amended and Restated effective as of May 31, 2006).