

Edgar Filing: FINANCIAL FEDERAL CORP - Form 8-K

Chairman, President and Chief Executive Officer (the "CEO"), for fiscal 2006, and the Committee and the CEO agreed to reduce prospectively the CEO's annual salary by \$100,000 to \$650,000 so that a greater portion of his compensation would be linked directly to the successful achievement of Company performance objectives. The CEO is eligible to earn an annual performance-based cash bonus ranging from \$0 to a maximum of \$800,000 for fiscal 2006 and the Committee granted an equity award of 27,500 shares of restricted stock to the CEO. The number of shares of restricted stock the CEO will be permitted to retain (subject to time-based vesting) will range from zero to 27,500. The potential cash bonus amount and the potential shares of restricted stock the CEO can retain will be determined by a performance matrix established by the Committee in October 2005 based on the Company's diluted earnings per share for fiscal 2006. The cash bonus and shares determined by the performance matrix may then be reduced by the Committee's discretion. Shares of restricted stock retained by the CEO will vest yearly in equal amounts over four years of service. Payment of up to \$400,000 of the cash bonus and vesting of the shares of restricted stock are subject to acceleration upon a sale of the Company or a qualifying termination of employment.

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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.

FINANCIAL FEDERAL CORPORATION

(Registrant)

By: /s/ Steven F. Groth

Senior Vice President and
Chief Financial Officer (Principal
Financial Officer)

November 3, 2005

(Date)

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