

Edgar Filing: STONEPATH GROUP INC - Form 8-K

On April 28, 2005, the Compensation Committee (the "Committee") of the Board of Directors of Stonepath Group, Inc. (the "Company") approved the acceleration of the vesting of unvested stock options having an exercise price of more than \$0.92 per share granted under the Company's Amended and Restated 2000 Stock Incentive Plan that are held by the Company's employees, including executive officers.

As a result of this action, options to purchase 1,931,244 shares of the Company's common stock became immediately exercisable, representing approximately 17.2% of the Company's total outstanding options.

Because the accelerated options had exercise prices in excess of the current market value of the Company's common stock, they were not fully achieving their original objectives of incentive compensation and employee retention. The Company expects the acceleration to have a positive effect on employee morale, retention, and perception of option value.

The acceleration is also intended to eliminate future compensation expense the Company would otherwise have to recognize in its income statement with respect to the accelerated options once Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment," issued by the Financial Accounting Standards Board, becomes effective. That future compensation expense amounts to an aggregate of approximately \$514,000 from 2006 through 2009.

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 thereunto duly authorized.

STONEPATH GROUP, INC.

Date: May 4, 2005

By: /s/ Robert Arovas

Name: Robert Arovas

Title: President