

AMERICAN GREETINGS CORP
Form 8-K
July 14, 2006

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): July 12, 2006

American Greetings Corporation

(Exact Name of Registrant as Specified in its Charter)

Ohio
(State or other jurisdiction
of incorporation)

1-13859
(Commission File Number)

34-0065325
(I.R.S. Employer
Identification No.)

One American Road

Cleveland, Ohio
(Address of principal executive offices)

44144
(Zip Code)
Registrant's telephone number, including area code: (216) 252-7300

(Former Name or Former Address, if Changed Since Last Report)

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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.

On July 12, 2006, the Compensation and Management Development Committee of the Board of Directors of American Greetings Corporation approved an amendment to the compensation arrangements for non-employee directors of American Greetings. The principal changes to the arrangements, which will be effective as of June 1, 2006, are as follows:

An increase in the annual stock option grant from options to purchase 6,000 Class A common shares to 7,000 Class A common shares per fiscal year; and

An increase in the annual retainer fee for serving on the Board of Directors from \$35,000 to \$40,000.

A description of the compensation policy for non-employee directors, as so amended, is included as Exhibit 10.1, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

c) Exhibits.

Exhibit 10.1 - Description of Compensation Payable to Non-Employee Directors

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 hereto duly authorized.

American Greetings Corporation
(Registrant)

By: /s/ Catherine M. Kilbane
Catherine M. Kilbane, Senior Vice President,
General Counsel and Secretary

Date: July 14, 2006