

CHOLESTECH CORPORATION

Form 8-K

October 27, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): October 14, 2006**

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

California
(State or other jurisdiction of
incorporation)

000-20198
(Commission File Number)

94-3065493
(IRS Employer
Identification No.)

3347 Investment Boulevard
Hayward, California 94545
(Address of principal executive offices, including zip code)
(510) 732-7200

(Registrant's telephone number, including area code)
(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 (see General Instruction A.2. below):

- 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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Section 1 Registrant's Business and Operations**Item 1.01 Entry into a Material Definitive Agreement**

The Compensation Committee of the Board of Directors of Cholestech Corporation (Cholestech) approved the modification of the cash compensation arrangements for Cholestech's non-employee directors. The new arrangements are as follows:

| | Prior Compensation | New Compensation |
|--|-------------------------------|-----------------------------|
| Chairman of the Board | | |
| Annual Retainer | \$ 24,000 | \$ 28,000 |
| Per Meeting Fee | \$ 2,000 | \$ 2,500 |
| Per Telephonic Meeting Fee | \$ 1,000 | \$ 1,250 |
| Non-Chairman Director | | |
| Annual Retainer | \$ 12,000 | \$ 16,000 |
| Per Meeting Fee | \$ 1,000 | \$ 1,500 |
| Per Telephonic Meeting Fee | \$ 500 | \$ 750 |
| Committee Chair Retainer: | | |
| Audit Committee | \$ 6,000 | \$ 6,000 |
| Compensation Committee | \$ 3,000 | \$ 3,000 |
| Per Meeting Fee (if same day as regular board meeting) | \$ 1,000 | \$ 1,250 |
| Per Meeting Fee (if not same day as regular board meeting) | \$ 2,000 | \$ 2,500 |
| Per Telephonic Meeting Fee | \$ 1,000 | \$ 1,250 |
| Committee Member (non-chair): | | |
| Per Meeting Fee (if same day as regular board meeting) | \$ 500 | \$ 750 |
| Per Meeting Fee (if not same day as regular board meeting) | \$ 1,000 | \$ 1,500 |
| Per Telephonic Meeting Fee | \$ 500 | \$ 750 |

The equity compensation program for the Board of Directors remained unchanged.

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.

CHOLESTECH CORPORATION

By: /s/ John F. Glenn
John F. Glenn
Vice President of Finance and Chief
Financial Officer

Date: October 27, 2006