

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 6, 2003

CHARLES RIVER ASSOCIATES INCORPORATED

(Exact name of registrant as specified in its charter)

Massachusetts

000-24049

04-2372210

(State or other jurisdiction
of incorporation)

(Commission
file number)

(IRS employer
identification no.)

200 Clarendon Street, Boston, Massachusetts

02116

(Address of principal executive offices)

(Zip code)

Registrant's telephone number, including area code: (617) 425-3000

Not Applicable

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

TABLE OF CONTENTS

[Item 5. Other Events and Regulation FD Disclosure.](#)

[Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[First Amendment to Stock Restriction Agreement](#)

Table of Contents

Item 5. Other Events and Regulation FD Disclosure.

On May 6, 2003, we amended the terms of the stock restriction agreement filed as Exhibit 10.12 to our annual report on Form 10-K for the fiscal year ended November 30, 2002. A copy of the amendment is filed as Exhibit 10.1 to this current report on Form 8-K. The following is a description of certain provisions of the amendment and the agreement. We refer you to the text of the agreement and the amendment for their complete terms.

In general, each person who held our common stock before our initial public offering, or IPO, in 1998 is subject to the stock restriction agreement. In some cases, these persons have, with our consent, transferred shares of this pre-IPO stock to family members and others. In general, these transferees are subject to the same terms and conditions of the stock restriction agreement as the transferors and are considered to have the status of pre-IPO stockholders for purposes of the agreement.

The stock restriction agreement prohibits each pre-IPO stockholder from selling or otherwise transferring certain shares of our common stock held immediately before the IPO during the time periods specified in the agreement. Under the stock restriction agreement before the amendment, a pre-IPO stockholder could not sell more than 50% of the stockholder's pre-IPO stock until April 24, 2003 and thereafter would be able to sell an additional 20% of such pre-IPO stock. The amendment postponed until April 24, 2004 the time when, under the agreement, the pre-IPO stockholder could sell this additional 20% of the stockholder's pre-IPO stock. In addition, under the agreement as amended, before April 24, 2004, a pre-IPO stockholder may not sell other shares of our common stock held by that stockholder on February 28, 2003 or other shares of our common stock acquired before April 24, 2004. However, shares of our common stock that are or were purchased by the pre-IPO stockholder in the open market are not subject to this restriction.

The amendment also changed the amount of pre-IPO stock a pre-IPO stockholder can sell after April 23, 2005. Following the amendment, after that date, each pre-IPO stockholder may sell an amount equal to the greater of 20% of the stockholder's pre-IPO stock or two-thirds of the pre-IPO stock held by the stockholder on April 24, 2005. On and after April 24, 2007, each pre-IPO stockholder may sell all of the stockholder's remaining shares of pre-IPO stock.

After the amendment, we continue to have the right to repurchase a portion of the pre-IPO stock held by a pre-IPO stockholder who leaves us for reasons other than death or retirement for disability in accordance with our policies. If such a departure occurs before April 24, 2005, we have the right to repurchase up to 30% of the stockholder's pre-IPO stock. If such a departure occurs on or after April 24, 2005, we have the right to repurchase all of the pre-IPO stock that the stockholder did not already become entitled to sell. The purchase price will be equal to 70% of the fair market value of the repurchased stock (95% in the case of pre-IPO stockholders who retire after April 24, 2003), or, if the pre-IPO stockholder competes with us, 40% of fair market value. The stock restriction agreement will terminate on April 23, 2008 or earlier with the approval of our board of directors.

[Table of Contents](#)

Item 7. Financial Statements, *Pro Forma* Financial Information and Exhibits.

(c) Exhibits

<u>Number</u>	<u>Description</u>
10.1	First Amendment to Stock Restriction Agreement dated as of March 27, 2003 among CRA and certain holders of pre-IPO stock

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.

CHARLES RIVER ASSOCIATES INCORPORATED

Dated: May 13, 2003

By: /s/ James C. Burrows

James C. Burrows
President and Chief Executive Officer

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>
10.1	First Amendment to Stock Restriction Agreement dated as of March 27, 2003 among CRA and certain holders of pre-IPO stock

FIRST AMENDMENT TO
STOCK RESTRICTION AGREEMENT

This First Amendment (the "Amendment") to the Stock Restriction Agreement (the "Agreement") dated as of April 17, 1998 by and among Charles River Associates Incorporated, a Massachusetts corporation (the "Company"), and the persons whose names and addresses appear on Schedule A thereto (including persons made a party thereto through one or more accession agreements), is made as of March 27, 2003 by the Company and the Pre-Offering Stockholders who have executed this Amendment.

WHEREAS, certain parties to the Agreement wish to modify the provisions of the Agreement relating to restrictions on the Transfer of Pre-Offering Stock and other matters;

WHEREAS, the parties to this Amendment hold the requisite number of shares of Pre-Offering Stock to effectuate this Amendment to the Agreement;

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. General. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Agreement.

2. Definitions. Section 1 of the Agreement is hereby amended to add the following paragraph immediately after the first paragraph of Section 1:

"Additional Shares" shall have the meaning set forth in Section 9(i).

3. Revisions to Restrictions on Transfer. Section 9 of the Agreement is hereby deleted in its entirety and replaced by the following:

"9. Restrictions on Transfer. During the term of this Agreement, no Pre-Offering Stockholder may Transfer any Pre-Offering Stock except as follows:

(a) During the Initial Restriction Period, no Pre-Offering Stockholder shall Transfer any shares of Pre-Offering Stock, except that any Pre-Offering Stockholder may Transfer up to 15% of such Pre-Offering Stockholder's Pre-Offering Stock pursuant to one or more registration statements declared effective by the Commission under the Securities Act. Nothing in this Agreement shall be construed to entitle any Pre-Offering Stockholder to include any shares of Common Stock in any such registration statement.

(b) After the Initial Restriction Period, each Pre-Offering Stockholder shall be entitled to Transfer shares of such Pre-Offering Stockholder's Pre-Offering Stock until such Pre-Offering Stockholder's remaining holdings of Pre-Offering Stock shall equal the First Unrestricted Stock Limit.

(c) In the period commencing immediately after the sixth anniversary of the Effective Date and ending on the seventh anniversary of the Effective Date, each Pre-Offering Stockholder shall be entitled to Transfer shares of such Pre-Offering Stockholder's Pre-Offering Stock until such Pre-Offering Stockholder's remaining holdings of Pre-Offering Stock shall equal the Second Unrestricted Stock Limit.

(d) After the seventh anniversary of the Effective Date, each Pre-Offering Stockholder shall be entitled to Transfer an amount of Pre-Offering Stock equal to the greater of (i) two-thirds of the Pre-Offering Stock held by such Pre-Offering Stockholder immediately after the seventh anniversary of the Effective Date and (ii) twenty percent (20%) of the Pre-Offering Stock held by such Pre-Offering Stockholder immediately before the Effective Date.

(e) After the ninth anniversary of the Effective Date, each Pre-Offering Stockholder shall be entitled, subject to the terms of this Agreement, to Transfer all of his or her remaining shares of Pre-Offering Stock.

(f) Notwithstanding any other provision of this Section 9, a Pre-Offering Stockholder shall not be entitled to Transfer any shares of such Pre-Offering Stockholder's Pre- Offering Stock during such Pre-Offering Stockholder's Separation Period and for 30 days thereafter if such Transfer would cause such Pre-Offering Stockholder's remaining holdings of Pre-Offering Stock to be less than the relevant Purchase Amount (as defined below).

(g) In the event of a purported Transfer of shares of Pre-Offering Stock by a Pre- Offering Stockholder (or Pre-Offering Stockholder's legal representative) (a "Defaulting Stockholder") in violation of this Section 9 (a "Prohibited Transfer"), such Prohibited Transfer shall be null and void, such Prohibited Transfer shall not be recognized on the books and records of the Company, and the Defaulting Stockholder shall retain the right to vote and receive distributions.

(h) In the event of a Prohibited Transfer, the Company may, in its sole discretion, repurchase all of the Pre-Offering Stock held by the Defaulting Stockholder by delivering to such Defaulting Stockholder a Repurchase Notice and paying the Purchase Price (as hereinafter defined) in accordance with Sections 10 and 11 hereof.

(i) In addition to the foregoing, no Pre-Offering Stockholder shall transfer any Additional Shares (as hereinafter defined) until after the sixth anniversary of the Effective Date. "Additional Shares" shall mean, with respect to any Pre-Offering Stockholder, all shares of Common Stock (other than Pre-Offering Stock) held by the Pre-Offering Stockholder on February 28, 2003 and all shares of Common Stock acquired by the Pre-Offering Stockholder after that date and on or before the sixth anniversary of the Effective Date, whether by gift, grant, purchase, exercise of stock options or otherwise; provided, however, that "Additional Shares" shall not include any shares of Common Stock purchased by the Pre-Offering Stockholder on the open market."

4. Public Offering Lock-up Agreement. Section 15(b) of the Agreement is hereby amended to add the following at the end:

"In addition, each Pre-Offering Stockholder hereby agrees that, notwithstanding any other provision of this Agreement permitting the Transfer of any Pre-Offering Stock (other than Section 16), if the Company shall on any one or more occasions before the ninth anniversary of the Effective Date afford the Pre-Offering Stockholder the opportunity to sell any shares of Pre-Offering Stock held by such Pre-Offering Stockholder in a public offering registered by the Company under the Securities Act, then for a period of six months after the closing date of such public offering such Pre-Offering Stockholder shall not, without the prior written consent of the Company, Transfer any shares of Pre-Offering Stock (nor, if such closing date shall occur on or before the sixth anniversary of the Effective Date, any Additional Shares)."

5. Stock Options. Section 21 of the Agreement is hereby deleted in its entirety and replaced by the following:

"21. Stock Options. Shares of Common Stock acquired by a Pre-Offering Stockholder upon the exercise of stock options shall, to the extent such shares constitute Additional Shares, be subject to the restrictions imposed by this Agreement on Additional Shares. Shares of Common Stock acquired by a Pre-Offering Stockholder upon the exercise of stock options shall not otherwise be subject to the restrictions on Pre-Offering Stock imposed by this Agreement unless the Board of Directors shall in its sole discretion determine otherwise. The Board of Directors shall not be required to make uniform or consistent determinations regarding the imposition of restrictions on any shares of Common Stock so acquired."

6. Effectiveness of this Amendment. This Amendment shall become effective as to all Pre-Offering Stockholders when signed by parties to the Agreement holding the minimum number of shares of Common Stock necessary to effectuate this Amendment; provided, however, that the provisions of Section 9(i) of the Agreement as amended by this Amendment shall not become effective until signed by the Pre-Offering Stockholders listed on Exhibit A hereto. Any Pre-Offering Stockholder who became a party to the Agreement through an accession agreement shall continue to be bound by any additional terms set forth therein.

7. Scope of Amendment. As amended by this Amendment, the Agreement shall continue in full force and effect in accordance with its terms.

8. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with, the laws of The Commonwealth of Massachusetts without regard to its principles of conflicts of laws.

9. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one agreement.

[Remainder of page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment under seal as of the date first written above.

CHARLES RIVER ASSOCIATES INCORPORATED

By: /s/ James C. Burrows

James C. Burrows, President

PRE-OFFERING STOCKHOLDERS:

/s/ Jagdish C. Agarwal

Jagdish C. Agarwal

/s/ Gregory K. Bell

Gregory K. Bell

The Besen Family Trust u/i/d March 30, 1998

By: /s/ Marlene Besen

Marlene Besen, Trustee

/s/ Stanley M. Besen

Stanley M. Besen

/s/ Douglas R. Bohi

Douglas R. Bohi

/s/ Daniel Brand

Daniel Brand

/s/ Steven R. Brenner

Steven R. Brenner

/s/ William B. Burnett

William B. Burnett

/s/ James C. Burrows

James C. Burrows

The James C. Burrows Qualified Annuity
Trust - 1998

By: /s/ Kenneth L. Grinnell

Kenneth L. Grinnell, Trustee

Eads Family, LLC

By: /s/ George C. Eads

George C. Eads, Managing Member

/s/ Abigail S. Fisher

Abigail S. Fisher

The Abigail S. Fisher GST Trust

By: /s/ Abigail S. Fisher

Abigail S. Fisher, Trustee

/s/ Abraham S. Fisher

Abraham S. Fisher

The Abraham S. Fisher GST Trust

By: /s/ Abraham S. Fisher

Abraham S. Fisher, Trustee

/s/ Franklin M. Fisher

Franklin M. Fisher

The Salop Irrevocable GST - Exempt Trust
1998

By: /s/ Judith R. Gelman

Judith R. Gelman, Trustee

The Salop Irrevocable GST - Taxable Trust 1998

By: /s/ Judith R. Gelman

Judith R. Gelman, Trustee

/s/ Joen E. Greenwood

Joen E. Greenwood

/s/ William R. Hughes

William R. Hughes

The William R. Hughes Irrevocable Trust 1998

By: /s/ Mary F. Hughes

Mary F. Hughes, Trustee

/s/ Stephen H. Kalos

Stephen H. Kalos

/s/ Firoze E. Katrak

Firoze E. Katrak

/s/ Carl Kaysen

Carl Kaysen

/s/ Michael A. Kemp

Michael A. Kemp

Robert J. Larner and Anne M. Larner,
joint tenants with right of survivorship

By: /s/ Robert J. Larner

Robert J. Larner

By: /s/ Anne M. Larner

Anne M. Larner

/s/ Arnold J. Lowenstein

Arnold J. Lowenstein

/s/ C. Christopher Maxwell

C. Christopher Maxwell

/s/ Paul R. Milgrom

Paul R. Milgrom

/s/ Bridger M. Mitchell

Bridger M. Mitchell

/s/ W. David Montgomery

W. David Montgomery

/s/ Rowland T. Moriarty

Rowland T. Moriarty

The Rowland T. Moriarty Qualified
Annuity Trust 1998

By: /s/ Jenny Fitz Moriarty

Jenny Fitz Moriarty, Trustee

/s/ Laurel E. Morrison

Laurel E. Morrison

/s/ Monica G. Noether

Monica G. Noether

/s/ Thomas R. Overstreet

Thomas R. Overstreet

/s/ John E. Parsons

John E. Parsons

/s/ Raju Patel

Raju Patel

/s/ Gary L. Roberts

Gary L. Roberts

Ruback Children's Family Trust

By: /s/ Elaine M. Ruback

Elaine M. Ruback, as Trustee

/s/ Richard S. Ruback

Richard S. Ruback

/s/ Steven C. Salop

Steven C. Salop

/s/ Robert M. Spann

Robert M. Spann

/s/ Alan R. Willens

Alan R. Willens

/s/ John R. Woodbury

John R. Woodbury

/s/ Naomi L. Zikmund-Fisher

Naomi L. Zikmund-Fisher

The Naomi L. Fisher GST Trust

By: /s/ Naomi L. Zikmund-Fisher

Naomi L. Zikmund-Fisher, Trustee

Jagdish C. Agarwal
Gregory K. Bell
The Besen Family Trust,
u/i/d March 30, 1998
Stanley M. Besen
Douglas R. Bohi
Daniel Brand
Steven R. Brenner
William B. Burnett
James C. Burrows
The James C. Burrows Qualified
Annuity Trust - 1998
Eads Family, LLC
Abigail S. Fisher
The Abigail S. Fisher GST Trust
Abraham S. Fisher
The Abraham S. Fisher GST Trust
Franklin M. Fisher
The Salop Irrevocable GST
- Exempt Trust 1998
The Salop Irrevocable GST
- Taxable Trust 1998
Joel E. Greenwood
William R. Hughes
The William R. Hughes Irrevocable
Trust 1998
Stephen H. Kalos
Firoze E. Katrak
Carl Kaysen
Michael A. Kemp
Robert J. Larner and Anne M. Larner,
joint tenants with right of survivorship
Arnold J. Lowenstein
C. Christopher Maxwell
Paul R. Milgrom
Bridger M. Mitchell
W. David Montgomery
Rowland T. Moriarty
The Rowland T. Moriarty Qualified
Annuity Trust 1998
Laurel E. Morrison
Monica G. Noether
Thomas R. Overstreet
John E. Parsons
Raju Patel
Gary L. Roberts
Ruback Children's Family Trust
Richard S. Ruback
Steven C. Salop
Robert M. Spann
Alan R. Willens
John R. Woodbury
Naomi L. Zikmund-Fisher
The Naomi L. Fisher GST Trust