

Spray Stephen M
 Form 4
 February 19, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Spray Stephen M

2. Issuer Name and Ticker or Trading Symbol
 CINCINNATI FINANCIAL CORP
 [CINF]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 6200 SOUTH GILMORE RD
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/15/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Sr Vice President - Subsidiary

FAIRFIELD, OH 45014
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) | 5,152 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (Right to Buy) | \$ 44.7 | 02/15/2013 | | A | 3,021 | 02/15/2014 ⁽¹⁾ 02/15/2023 | Common Stock | 3,021 |
| Restricted Stock Units | \$ 0 | 02/15/2013 | | A | 6,042 | ⁽²⁾ ⁽²⁾ | Common Stock | 6,042 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | |
|---|---------------|-----------|--------------------------------|--|-------|
| | Director | 10% Owner | Officer | | Other |
| Spray Stephen M 6200 SOUTH GILMORE RD FAIRFIELD, OH 45014 | | | Sr Vice President - Subsidiary | | |

Signatures

Stephen M
Spray 02/18/2013

Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The option vests in three annual installments beginning on the first anniversary of the date of grant.

(2) The restricted stock units vest March 1, 2016 as set forth in the grant agreement, if performance goals are met. The number of restricted stock units shown is the maximum number of such units that may vest.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. Our executive officers, directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such person.

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Based solely on our review of such forms furnished to us and written representations from such reporting persons, we believe that all filing requirements applicable to our executive officers, directors and more than 10% stockholders were met in a timely manner.

Code of Ethics

The Board of Directors has adopted a Code of Ethics that applies to all of our employees, officers and directors. Any amendments to or waivers of the Code of Ethics will be promptly posted on our website or disclosed in a report on Form 8-K.

Corporate Governance Documents

Our corporate governance documents, including the Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Committee Charter and Code of Ethics, are available, free of charge, on our website at www.cogentsystems.com. Please note, however, that the information contained on the website is not incorporated by reference in, or considered part of, this Form 10-K. We will also provide copies of these documents, free of charge, to any stockholder upon written request to Investor Relations, Cogent, Inc., 639 North Rosemead Blvd., Pasadena, California 91107.

Item 11. Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This compensation discussion and analysis discusses the material elements of the compensation awarded to, earned by, or paid to each of Ming Hsieh, our President and Chief Executive Officer, Paul Kim, our Chief Financial Officer, Michael Hollowich, our Executive Vice President, Operations, and James Jasinski, our Executive Vice President, Federal and State Systems. These individuals are also referred to herein as our named executive officers.

Compensation Program Objectives and Philosophy

The compensation committee of our board of directors currently oversees the design and administration of our executive compensation program. The primary objectives of our executive officer compensation program are to:

1. Provide compensation that is fair in relation to the executive's experience, responsibilities, performance and tenure with our company, as well as in relation to the compensation provided to other employees;
2. Attract, motivate and retain talented and dedicated executive officers;
3. Reward achievement of personal performance objectives and key corporate performance objectives by tying incentive compensation to the achievement of such objectives;
4. Reward superior individual performance by paying one-time cash and equity bonuses; and
5. Reinforce business strategies and objectives for enhanced stockholder value.

In order to achieve these objectives, we maintain an executive compensation program with the following elements: base salary, annual cash bonus awards, long-term equity incentives in the form of stock options and restricted stock units, other benefits and perquisites (consisting of life and health insurance benefits and a qualified 401(k) savings plan), post-termination severance and acceleration of stock option and restricted stock unit vesting for certain named executive officers upon termination and/or a change in control.

We generally view the components of our compensation program as related but distinct. Although our compensation committee does review total compensation, we do not believe that significant compensation derived from one component of compensation should negate or offset compensation from other components.

Our compensation committee performs at least annually a review of our compensation program to determine whether we are achieving our objectives. During these reviews our compensation committee takes into account our goal of maintaining internal pay equity, third party compensation surveys and other considerations we deem relevant, such as rewarding extraordinary performance. Also, in February 2009 we retained a compensation consulting firm to assist our compensation committee in evaluating our compensation practices.

Unique Ownership

When determining compensation for our Chief Executive Officer, our compensation committee gives significant consideration to the distinct nature of our ownership, which has existed since prior to our initial public offering in 2004 (the "IPO") and continues today. Specifically, Mr. Hsieh, our Chief Executive Officer, was our sole stockholder prior to our IPO, continues to hold a significant amount of our common stock and has received substantial liquidity through sales of shares of our common stock since our IPO.

Internal Pay Equity

We have a goal of maintaining internal pay equity, and our compensation committee seeks to make compensation-related decisions that are consistent with this goal. Maintaining internal pay equity means that we seek a reasonable numerical ratio between (i) Mr. Hsieh's base salary and bonus plan pay-out and that of Mr. Kim, (ii) Mr. Kim's base salary, bonus plan pay-out and equity incentives and that of Messrs. Hollowich and Jasinski, (iii) Mr. Hollowich's base salary, bonus plan pay-out and equity incentives and that of Mr. Jasinski, and (iv) Mr. Hollowich's and Mr. Jasinski's base salary, bonus plan pay-outs and equity incentives and that of our next tier of employees. We believe adhering to principles of internal pay equity promotes fairness, is economical, motivates our executives and other employees, mitigates market biases and leads to better employee relations and a stronger company. Each year, with the assistance of our Chief Executive Officer, the compensation committee reviews the relationship (and disparity, if any) in compensation to monitor and avoid any unjustified widening of compensation ratios while at the same time distinguishing relative performance levels with appropriate incentives.

Role of Executive Officers in Compensation Decisions

Our compensation committee reviews and approves the compensation paid to our Chief Executive Officer. With regard to the compensation paid to each executive officer other than the Chief Executive Officer, the Chief Executive Officer reviews, on an annual basis, the compensation paid to each such executive officer during the past year and submits to the compensation committee his recommendations regarding the compensation to be paid to such persons during the next year. Our Chief Executive Officer gives heavy weight to internal pay equity and relative contributions to corporate financial performance when making his compensation recommendations to our compensation committee. Following a review of such recommendations, the committee will take any action regarding compensation as it deems appropriate, including approving compensation in an amount the compensation committee deems reasonable.

Management plays a significant role in the compensation-setting process for executive officers, other than the Chief Executive Officer, by:

evaluating employee performance;

recommending business performance targets and establishing objectives; and

recommending salary levels, bonuses and equity-based awards.

Management also prepares meeting information for most compensation committee meetings, and the Chief Executive Officer participates in committee meetings at the compensation committee's request to provide:

background information regarding our strategic objectives;

his evaluation of the performance of the executive officers; and

compensation recommendations as to executive officers (other than himself).

Base Compensation

We provide our named executive officers and other executives with base salaries that we believe enable us to reward individual performance and contribution to our overall business goals and to hire and retain individuals in a competitive environment. We review base salaries for our named executive officers annually, and changes are generally based on our performance, individual performance and our view of internal pay equity. We also take into account publicly available information about the base compensation that is payable by companies that we believe to be our competitors and by other public companies with whom we believe we generally compete for executives. The base salary of our Chief Executive Officer, Mr. Hsieh, is reviewed and recommended by our compensation committee, whose members are all of our independent directors.

In February 2009 the compensation committee reviewed the salaries of our named executive officers and made the following determinations:

Mr. Hsieh. In reviewing Mr. Hsieh's base salary for 2009, the committee focused on our results of operations for 2008, Mr. Hsieh's continued significant ownership of our company, the liquidity Mr. Hsieh has received through sales of our common stock since our IPO and our view of internal pay equity. Based on these factors, our compensation committee determined that only a modest increase in Mr. Hsieh's base salary was appropriate at that time.

Mr. Kim. In reviewing Mr. Kim's base salary for 2009, the compensation committee focused on the recommendation of our Chief Executive Officer and our goal of maintaining internal pay equity. Based on these factors, as well as the compensation committee's view that Mr. Kim's base salary was at a level consistent with that of chief financial officers of the companies with whom we compete for executives, our compensation committee determined that only a modest increase in Mr. Kim's base salary was appropriate at that time.

Messrs. Hollowich and Jasinski. In reviewing the base salaries of Messrs. Hollowich and Jasinski for 2009, the committee focused on the recommendations of our Chief Executive Officer, our goal of maintaining internal pay equity and the liquidity these executive officers had received through sales of shares of our common stock since our IPO. Based on these factors, our compensation committee determined that only modest increases in the base salaries of Messrs. Hollowich and Jasinski were appropriate at that time.

Annual Cash Bonus Awards

We believe a cash-based incentive compensation program is important in order to focus our management on, and reward our executives for, achieving key company and personal objectives. In February 2009, our compensation committee adopted a formal annual cash bonus plan. Under the terms of the bonus plan, the compensation committee establishes performance objectives and annual target bonus amounts for each executive officer. In determining the appropriate level of bonus for each officer the compensation committee considers the recommendation of our Chief Executive Officer (for all named executive officers other than himself), information provided through independent, third-party surveys and other information collected from public sources for similar positions at peer companies, our goal of maintaining internal pay equity, and relative base salary and bonus amounts for each individual.

2009 Bonus Plan

In the first quarter of 2009, the compensation committee worked with senior management to establish the bonus amounts and performance objectives under the bonus plan. For fiscal 2009, each executive officer was eligible to receive a bonus that ranged from 2% to 70% of the individual's base salary. As described in greater detail below, the performance objectives consisted of company objectives and individual objectives. For each performance objective the committee assigned a relative weighting to provide guidelines for setting actual cash payouts for each executive officer based on a percentage of the individual's base salary.

The compensation committee retained wide discretion to interpret the terms of the bonus plan, including interpreting and determining whether the performance objectives had been met and the amount of cash bonus that may be paid pursuant to the bonus plan.

For the 2009 bonus plan, our company objectives consisted of achieving \$130.0 million in revenue and \$42.6 million in adjusted operating income for 2009, expanding our customer base and winning contracts with large customers. Importantly, the compensation committee determined that we had to achieve at least 80% of the revenue and adjusted operating income targets in order for our named executive officers to receive any pay-outs under the 2009 bonus plan. Adjusted operating income is a non-GAAP financial measure we calculated for 2009 by excluding from operating expenses any stock based compensation expense. For 2009 we achieved \$129.6 million in revenue and \$45.7 million in adjusted operating income, or 99.7% of our revenue target and 107.3% of our adjusted operating income target.

The following is a discussion of the personal objectives under the 2009 bonus plan for each of our named executive officers, as well as a discussion of the determinations our compensation committee made with respect to pay-outs to our named executive officers under the 2009 bonus plan.

Mr. Hsieh. For the 2009 bonus plan, Mr. Hsieh's personal performance objectives were closely tied to our company objectives. Specifically, his personal objectives consisted of (i) growing our business to at least \$130 million in revenue, and (ii) advancing strategic alternatives that fuel our growth or bring value to our company. These objectives received equal weighting. After considering our performance against the company objectives and Mr. Hsieh's performance against his personal objectives, our compensation committee determined that Mr. Hsieh should receive a bonus under the 2009 bonus plan of \$100,000.

Mr. Kim. For the 2009 bonus plan, Mr. Kim's personal performance objectives consisted of (i) continuing to build a public infrastructure for the company, including Sarbanes-Oxley compliance, (ii) successfully managing our investor relations program, (iii) supporting our vice presidents, (iv) controlling corporate costs, (v) assisting our Chief Executive Officer in evaluating strategic alternatives that fuel our growth or bring value to our company, and (vi) helping manage the risks associated with being a public company. The committee assigned the greatest weight to objective (v), followed by objectives (i) and (ii), which were assigned equal weighting, and objectives (iii), (iv) and (vi). After considering our performance against the company objectives and Mr. Kim's performance against his personal objectives, our compensation committee determined that Mr. Kim should receive a bonus under the 2009 bonus plan of \$60,000.

Mr. Hollowich. For the 2009 bonus plan, Mr. Hollowich's personal performance objectives consisted of (i) supervising our efforts to win contracts with large customers, (ii) supervising our efforts to win contracts with state and local governments, and (iii) helping us expand into foreign jurisdictions. The committee assigned the greatest weight to objective (i), followed by objectives (ii) and (iii). After considering our performance against the company objectives and Mr. Hollowich's performance against his personal objectives, our compensation committee determined that Mr. Hollowich should receive a bonus under the 2009 bonus plan of \$100,000.

Mr. Jasinski. For the 2009 bonus plan, Mr. Jasinski's personal performance objective consisted of supervising our efforts to win contracts with large customers. After considering our performance against the company objectives and Mr. Jasinski's performance against his personal objective, our compensation committee determined that Mr. Jasinski should receive a bonus under the 2009 bonus plan of \$80,000.

2009 Discretionary Bonuses

The compensation committee may also award discretionary bonuses based on our achievements and the individual's contributions to those achievements. Based on the contributions Mr. Hollowich made in advancing our projects in the United Kingdom in 2009, the compensation committee awarded him a discretionary bonus of \$40,000 in April 2009.

Equity Compensation

We believe that equity ownership by our executive officers provides important incentives to build stockholder value and align the interests of executive officers with those of our stockholders. The compensation committee develops its equity award determinations based on its judgments as to whether the complete compensation packages provided to our executives, including prior equity awards, are sufficient to retain, motivate and adequately award the executives. This judgment is based in part on information provided by reviewing the equity compensation practices of companies we believe to be our competitors and by other public companies with whom we believe we generally compete for executives, as well as on our view of internal pay equity. We do not have any stock ownership guidelines for our executive officers.

We grant equity compensation to our executive officers and other employees under our Amended and Restated 2004 Equity Incentive Plan, or the 2004 Plan. On January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of FASB ASC Topic 718.

Prior Equity Grants

We granted substantial equity awards, in the form of stock options, to our named executive officers (other than our Chief Executive Officer) prior to our IPO, and these awards fully vested in 2008. In 2007 we issued restricted stock units to our named executive officers (other than our Chief Executive Officer) in order to reward them for their performance and to further incentivize them to stay with us for longer periods of time. In addition, in 2008 the compensation committee awarded Mr. Jasinski a one-time grant of restricted stock units as a bonus for his contributions to our business. Generally, 25% of the units subject to these grants vest on each anniversary of the grant date, with the result that 100% of the units subject to these grants will be fully vested on the fourth anniversary of the grant date. If the employment of a named executive officer terminates prior to the vesting of some or all of the units, then the unvested units will be forfeited back to us; provided that Mr. Kim is entitled to acceleration of vesting in the event of a change in control of our company.

The compensation committee determined that the objectives of our compensation program were met without granting additional equity awards to our named executive officers in 2009. This determination was largely based on the liquidity resulting from the sale of shares obtained by exercising the pre-IPO stock options and the continued vesting of the 2007 restricted stock unit awards. Further, as previously discussed, our Chief Executive Officer was our sole stockholder prior to our IPO and continues to control a significant amount of our outstanding capital stock. In light of these circumstances, our compensation committee determined that it was not necessary to grant equity awards to Mr. Hsieh in order to fulfill the objectives of our executive compensation program.

Executive Benefits and Perquisites

We provide the opportunity for our named executive officers and other executives to receive certain perquisites and general health and welfare benefits. We also offer participation in our defined contribution 401(k) plan. After one year of service we match employee contributions under our 401(k) plan, up to an amount equal to 3% of an individual's annual base salary. We provide these benefits to create additional incentives for our executives and to remain competitive in the general marketplace for executive talent.

Change in Control and Severance Benefits

Pursuant to the employment agreement entered in connection with his hiring in January 2004, as well as the agreement governing restricted stock units issued in 2007, we provide the opportunity for our Chief Financial Officer to receive additional compensation and benefits in the event of severance or change in control. Our severance and change in control provisions for our Chief Financial Officer are summarized below in Employment Agreements and Potential Payments Upon Termination or Change in Control. Our compensation committee believes that Mr. Kim's interests are best aligned with the interests of our stockholders, and we will be better able to retain his services, if he has the benefit of severance and change in control arrangements.

Code Section 162(m)

It is our policy generally to qualify compensation paid to executive officers for deductibility under Section 162(m) of the Internal Revenue Code. Section 162(m) generally prohibits us from deducting the compensation of officers that exceeds \$1,000,000 unless that compensation is based on the achievement of objective performance goals. We believe our 2004 Plan is structured to qualify stock options, restricted share and stock unit awards under such plan as performance-based compensation and to maximize the tax deductibility of such awards. However, we reserve the discretion to pay compensation to our officers that may not be deductible.

2010 Compensation Decisions

In February 2010, our compensation committee approved the following annual base salaries for our named executive officers: (i) \$306,000 for Mr. Hsieh, (ii) \$274,000 for Mr. Kim, and (iii) \$216,000 for each of Messrs.

Hollowich and Jasinski. The committee also approved a 2010 cash-based incentive bonus program, pursuant to which each named executive may, based upon the achievement of company and individual performance objectives, receive a bonus that ranges from 2% to 70% of an individual's base salary.

In addition, in February 2010 our Compensation Committee approved grants of 40,000 restricted stock units to Mr. Kim, 16,000 restricted stock units to Mr. Hollowich and 16,000 restricted stock units to Mr. Jasinski. Such grants will be made effective as of May 15, 2010.

Summary Compensation Table

The following table shows information concerning the annual compensation for services provided to us by our named executive officers during 2009, 2008 and 2007.

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards \$(1) | Option Awards (1) | Non-Equity Incentive | | Total (\$) |
|---|------|----------------|---------------|--------------------------|-------------------------|-------------------------------|-----------------------------------|---------------|
| | | | | | | Plan Compensation \$(2) | All Other Compensation (\$) | |
| Ming Hsieh, Chief Executive Officer | 2009 | \$ 300,000 | \$ | \$ | \$ | \$ 100,000 | \$ 24,696(3) | \$ 424,696 |
| | 2008 | 287,000 | | | | 100,000 | 19,623 | 406,623 |
| | 2007 | 273,000 | | | | | 19,613 | 292,613 |
| Paul Kim, Chief Financial Officer | 2009 | 268,000 | | | | 60,000 | 17,275(4) | 345,275 |
| | 2008 | 262,500 | | | | 60,000 | 9,474 | 331,974 |
| | 2007 | 245,333 | | 1,160,000 | | 45,000 | 8,276 | 1,458,609 |
| Michael Hollowich, Executive Vice President, Operations | 2009 | 211,000 | 40,000 | | | 100,000 | 18,569(5) | 369,569 |
| | 2008 | 206,167 | | | | 60,000 | 17,046 | 283,213 |
| | 2007 | 196,500 | | 174,000 | | 40,000 | 18,116 | 428,616 |
| James Jasinski, Executive Vice President, Federal and State Systems | 2009 | 211,000 | | | | 80,000 | 21,461(6) | 312,461 |
| | 2008 | 203,667 | 150,000 | 133,500 | | 100,000 | 21,583 | 608,750 |
| | 2007 | 194,950 | 60,000 | 174,000 | | 40,000 | 20,770 | 489,720 |

- (1) The amounts shown in these columns represent the grant date fair value of restricted stock units and options computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions we used with respect to the valuation of stock and option awards are set forth in Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, Note 5 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.
- (2) The amounts in this column reflect the cash awards paid pursuant to our annual cash bonus plan.
- (3) Consists of (i) \$9,430 of contributions made by us to our 401(k) plan on behalf of Mr. Hsieh, (ii) accrued vacation payout of \$14,350 and (iii) \$916 of life insurance premiums paid on behalf of Mr. Hsieh.
- (4) Consists of (i) \$8,282 of contributions made by us to our 401(k) plan on behalf of Mr. Kim, (ii) accrued vacation payout of \$8,077 and (iii) \$916 of life insurance premiums paid on behalf of Mr. Kim.
- (5) Includes (i) \$11,323 we paid to Mr. Hollowich in lieu of a health insurance contribution, (ii) \$6,330 of contributions made by us to our 401(k) plan on behalf of Mr. Hollowich and (iii) \$916 of life insurance premiums paid on behalf of Mr. Hollowich.
- (6) Includes (i) \$5,987 we paid to Mr. Jasinski in lieu of a health insurance contribution, (ii) \$5,800 of contributions made by us to our 401(k) plan on behalf of Mr. Jasinski, (iii) accrued vacation payout of \$8,758 and (iii) \$916 of life insurance premiums paid on behalf of Mr. Jasinski.

Grants of Plan-Based Awards in 2009

The following table provides information with regard to potential cash bonuses paid or payable in 2009 under our performance-based, non-equity incentive plan.

| Name | Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) | |
|-------------------|--|--------------|
| | Threshold (\$) | Maximum (\$) |
| Ming Hsieh | \$ 6,000 | \$ 210,000 |
| Paul Kim | 5,000 | 188,000 |
| Michael Hollowich | 4,000 | 148,000 |
| James Jasinski | 4,000 | 148,000 |

- (1) Amounts shown in these columns are the estimated possible payouts under the 2009 bonus plan based on certain assumptions about the achievement of company and individual performance objectives. The actual amounts paid pursuant to the 2009 bonus plan are reported in the Summary Compensation Table under the column entitled Non-Equity Incentive Plan Compensation. The company and individual performance objectives under the 2009 bonus plan, as well as the compensation committee's pay-out determinations for the 2009 bonus plan, are detailed above under Compensation Discussion and Analysis Annual Cash Bonus Awards 2009 Bonus Plan.

Outstanding Equity Awards at December 31, 2009

The following table summarizes the number of securities underlying outstanding equity awards for each named executive officer as of December 31, 2009, as well as the number of outstanding unvested restricted stock units held by our named executive officers as of December 31, 2009.

| Name | Option Awards | | | | Stock Awards | |
|-------------------|---|---|----------------------------|------------------------|---|---|
| | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock that Have Not Vested (#) | Market Value of Shares or Units of Stock that Have Not Vested (\$)(2) |
| Ming Hsieh | | | \$ | | | \$ |
| Paul Kim | | | | | 50,000(1) | 519,500 |
| Michael Hollowich | | | | | 7,500(1) | 77,925 |
| | 2 | | 0.60 | | | |
| | 4,570 | | 1.00 | | | |
| | 30,845 | | 4.50 | | | |
| | 21,336 | | 4.50 | | | |
| James Jasinski | | | | | 18,750(1) | 194,813 |
| | 10,000 | | 0.60 | | | |
| | 40,000 | | 0.75 | | | |
| | 40,000 | | 1.00 | | | |
| | 45,583 | | 4.50 | | | |
| | 34,417 | | 4.50 | | | |

- (1) These units were granted pursuant to our 2004 Plan. 25% of the units subject to these grants vest on each anniversary of the grant date, with the result that 100% of the units subject to these grants will be fully vested on the fourth anniversary of the grant date. If the employment of a named executive officer terminates prior to the vesting of some or all of the units, then the unvested units will be forfeited back to us; provided that Mr. Kim is entitled to acceleration of vesting in the event of a change in control of our company.

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- (2) Determined by multiplying the number of shares by \$10.39, the closing price for our common stock on the Nasdaq Global Select Market on December 31, 2009.

Option Exercises and Stock Vested

The following table provides information regarding (i) exercises of stock options by each of our named executive officers during 2009 and (ii) restricted stock units held by our named executive officers that vested in 2009.

| Name | Option Awards | | Stock Awards | |
|-------------------|---|------------------------------------|--|-----------------------------------|
| | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$)(1) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$)(2) |
| Ming Hsieh | | \$ | | \$ |
| Paul Kim | | | 25,000 | 216,250 |
| Michael Hollowich | 15,660 | 103,201 | 3,750 | 32,438 |
| James Jasinski | 20,000 | 115,659 | 7,500 | 68,875 |

(1) Represents the difference between the exercise price and the fair market value of the common stock on the date of exercise.

(2) Determined by multiplying the number of shares acquired on vesting by \$8.65, the closing price for our common stock on the Nasdaq Global Select Market on November 27, 2009.

Employment Agreements*Employment Agreement with Paul Kim*

We entered into an employment agreement with Paul Kim, our Chief Financial Officer, on January 5, 2004. The employment agreement provides for an initial annual base salary of \$208,000 and a one-time initial bonus of \$20,000. Pursuant to the employment agreement Mr. Kim is also eligible to receive an annual incentive bonus at the discretion of our compensation committee. Compensation for Mr. Kim is subject to normal periodic review by our compensation committee. Mr. Kim's current annual base salary, as approved by our board of directors, is \$274,000 and he is currently eligible to receive an annual bonus of from 2% to 70% of his annual base salary. Mr. Kim is eligible to participate in any and all plans providing general benefits to our employees, subject to the provisions, rules and regulations applicable to each such plan.

Mr. Kim's employment agreement also provides that he is eligible to participate in our stock incentive plan. In November 2007 Mr. Kim was granted 100,000 restricted stock units. 25% of the units vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date. In the event of a change of control, all unvested units will immediately vest.

In February 2010, our Compensation Committee approved a grant of 40,000 restricted stock units to Mr. Kim. Such grant will be made effective as of May 15, 2010. We expect that 25% of the units will vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date. In addition, we expect that in the event of a change of control, all unvested units will immediately vest.

Mr. Kim's employment may be terminated at any time, with or without cause, by Mr. Kim or by us. If Mr. Kim terminates his employment as the result of a Status Event, we will provide payment of salary for the three months following the termination of employment. In addition, Mr. Kim is eligible for severance pay of up to one year of his annual salary if he terminates his employment following a Change in Control. For purposes of Mr. Kim's employment agreement, (i) Status Event means our failure to elect and maintain Mr. Kim as our Chief Financial Officer, and (ii) Change in Control has the definition set forth below under Potential Payments Upon Termination or Change in Control.

For 2009, Mr. Kim's base salary constituted 77.6% of his total compensation.

Employment Agreement with Michael Hollowich

We entered into an employment agreement with Michael Hollowich, our Executive Vice President, Operations, in February 2001. The employment agreement provides for an initial base salary of \$150,000 per year. Compensation for Mr. Hollowich is subject to normal periodic review by our compensation committee. Mr. Hollowich's current annual base salary, as approved by the board of directors, is \$216,000, and he is currently eligible to receive an annual bonus of from 2% to 70% of his annual base salary. Mr. Hollowich is eligible to participate in any and all plans providing general benefits to our employees, subject to the provisions, rules and regulations applicable to each such plan.

Mr. Hollowich's employment may be terminated at any time, with or without cause and with or without notice, by Mr. Hollowich or us. The employment agreement states that Mr. Hollowich's employment is of no set duration.

In November 2007, Mr. Hollowich was granted 15,000 restricted stock units. 25% of the units vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date.

In February 2010, our Compensation Committee approved a grant of 16,000 restricted stock units to Mr. Hollowich. Such grant will be made effective as of May 15, 2010. We expect that 25% of the units will vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date.

For 2009, Mr. Hollowich's base salary constituted 57.1% of his total compensation.

Employment Agreement with James J. Jasinski

We entered into an employment agreement with James J. Jasinski, our Executive Vice President, Federal and State Systems, in May 2002. The employment agreement provides for an initial base salary of \$160,000 per year and a one-time sign-on bonus of \$10,000. Compensation for Mr. Jasinski is subject to normal periodic review by our compensation committee. Mr. Jasinski's current annual base salary, as approved by the board of directors, is \$216,000 and he is currently eligible to receive an annual bonus of from 2% to 70% of his annual base salary. Mr. Jasinski is eligible to participate in any and all plans providing general benefits to our employees, subject to the provisions, rules and regulations applicable to each such plan.

Mr. Jasinski's employment may be terminated at any time, with or without cause and with or without notice, by Mr. Jasinski or us. The employment agreement states that Mr. Jasinski's employment is of no set duration.

In November 2007, Mr. Jasinski was granted 15,000 restricted stock units. 25% of the units vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date.

In November 2008, Mr. Jasinski was granted 15,000 restricted stock units. 25% of the units vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date.

In February 2010, our Compensation Committee approved a grant of 16,000 restricted stock units to Mr. Jasinski. Such grant will be made effective as of May 15, 2010. We expect that 25% of the units will vest on each anniversary of the grant date, with the result that 100% of the units will be fully vested on the fourth anniversary of the grant date.

For 2009, Mr. Jasinski's base salary constituted 67.5% of his total compensation.

Potential Payments Upon Termination or Change in Control

Assuming a change in control occurred on December 31, 2009 and Mr. Kim's employment was terminated, he would have been entitled to change in control benefits totaling an aggregate of \$787,500. These benefits are detailed below. The compensation committee believes it is important to provide these benefits in order to retain the services of Mr. Kim.

Pursuant to the employment agreement of Mr. Kim, if he terminates his employment following a Control Event we are required to provide continued payment of Mr. Kim's base salary for the twelve months following the termination of employment. Assuming Mr. Kim terminated his employment as of December 31, 2009 following a Control Event, Mr. Kim would be entitled to be paid \$268,000 over the twelve month period following such termination in accordance with our regular payroll practices.

Mr. Kim holds restricted stock units that would immediately vest in the event of a Change in Control. Assuming a Change in Control occurred on December 31, 2009, Mr. Kim would be entitled to accelerated vesting of 50,000 restricted stock units with a value of \$519,500, based on the \$10.39 closing price of our common stock on the Nasdaq Global Select Market on December 31, 2009.

For purposes of Mr. Kim's employment agreement, a Control Event is (a) a sale of substantially all of our assets to a natural person not currently affiliated, directly or indirectly, with us or to an entity in which at least 50% of the voting power is held by a person or persons who are not shareholders of us immediately prior to the consummation of such transaction (such natural person or entity, a Non-Affiliate), (b) a sale or transfer, by us or any of our shareholders, to a Non-Affiliate of shares of capital stock or other securities having at least 50% of our voting power following such sale, or (c) a consolidation, merger or other reorganization involving us in which the surviving corporation, whether or not us, is a Non-Affiliate, in each case in a single transaction or a series of related transactions, other than a public offering of such capital stock pursuant to a registration statement declared effective by the Securities and Exchange Commission.

For purposes of Mr. Kim's restricted stock unit agreement, Change in Control means the occurrence of any of the following: (i) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of stock of the Company representing more than fifty percent (50%) of the total combined voting power of our then-outstanding voting stock; or (ii) a transaction or series of related transactions in which the stockholders of the Company immediately before the transaction(s) do not retain immediately after the transaction(s) direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of our outstanding voting securities or the entity to which our assets were transferred, as the case may be; or (iii) our liquidation or dissolution.

Director Compensation

The following table summarizes compensation that our directors (other than directors who are named executive officers) earned during 2009 for services as members of our board of directors.

| Name | Fees earned or paid in cash (\$) | Stock Awards (\$) | Total (\$) |
|-------------------------|----------------------------------|-------------------|------------|
| John Bolger (1) | \$ 55,500 | \$ 43,640(2) | \$ 99,140 |
| John P. Stenbit (3) | 50,000 | 43,640(4) | 93,640 |
| Kenneth R. Thornton (5) | 52,500 | 43,640(6) | 96,140 |

- (1) At December 31, 2009, Mr. Bolger held (i) 40,000 options to purchase shares of our common stock and (ii) 4,000 restricted stock units.
- (2) Mr. Bolger was granted 4,000 restricted stock units on August 15, 2009. The dollar amount in this column represents the grant date fair value of such grant computed in accordance with FASB ASC Topic 718. The

assumptions we used with respect to the valuation of equity grants are set forth in Note 11 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2009.

- (3) At December 31, 2009, Mr. Stenbit held (i) options to purchase 80,000 shares of our common stock and (ii) 4,000 restricted stock units.
- (4) Mr. Stenbit was granted 4,000 restricted stock units on August 15, 2009. The dollar amount in this column represents the grant date fair value of such grant computed in accordance with FASB ASC Topic 718. The assumptions we used with respect to the valuation of equity grants are set forth in Note 11 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2009.
- (5) At December 31, 2009, Mr. Thornton held (i) options to purchase 80,000 shares of our common stock and (ii) 4,000 restricted stock units.
- (6) Mr. Thornton was granted 4,000 restricted stock units on August 15, 2009. The dollar amount in this column represents the grant date fair value of such grant computed in accordance with FASB ASC Topic 718. The assumptions we used with respect to the valuation of equity grants are set forth in Note 11 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2009.

Summary of Director Compensation

Each of our non-employee directors is paid \$30,000 annually and is reimbursed for reasonable expenses incurred in connection with performance of their duties as directors. Additionally, the chairperson of each of the audit committee, the compensation committee and the nominating and corporate governance committee receives an annual payment of \$18,000, \$10,000 and \$5,000, respectively, and members of the audit committee, compensation committee and nominating and corporate governance committee (not including chairpersons) receive annual payments of \$10,000, \$5,000 and \$2,500, respectively.

Each non-employee director is automatically granted 4,000 restricted stock units if he or she remains on the board of directors on the date of each annual meeting of stockholders. The restricted stock units vest in four annual installments, and vested shares will be delivered to the holder on the earlier of a change in control of our company and the holder's retirement from our board of directors.

Compensation Committee Interlocks and Insider Participation

In fiscal 2009, the members of our compensation committee were Messrs. Bolger, Stenbit and Thornton, who are all non-employee directors. None of such committee members (i) was, during fiscal 2009, an officer or employee of us or any of our subsidiaries, or (ii) is formerly an officer of us or any of our subsidiaries. No executive officer of Cogent has served as a member of the board of directors or compensation committee of any entity that has or has had one or more executive officers who served as a member of Cogent's board of directors or compensation committee during the 2009 fiscal year.

Report of the Compensation Committee

The compensation committee establishes and oversees the design and functioning of our executive compensation program. We have reviewed and discussed the foregoing Compensation Discussion and Analysis with the management of the Company. Based on this review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K/A for the year ended December 31, 2009.

COMPENSATION COMMITTEE

John Bolger

John P. Stenbit

Kenneth R. Thornton

Risks Related to Compensation Policies and Practices

The compensation committee has considered whether our overall compensation program for employees in 2010 creates incentives for employees to take excessive or unreasonable risks that could materially harm our company. We believe that several features of our compensation policies for management employees appropriately mitigate such risks, including a mix of long- and short-term compensation incentives that we believe is properly weighted, the uniformity of compensation practices across our company and the use of our 2010 business plan, which the compensation committee regards as setting an appropriate level of risk taking for our company, as a baseline for bonus plan targets for our management. We also believe our internal legal and financial controls appropriately mitigate the probability and potential impact of an individual employee committing our company to a harmful long-term business transaction in exchange for short-term compensation benefits.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information concerning the beneficial ownership of the shares of our common stock as of April 1, 2010, by (i) each person we know to be the beneficial owner of 5% or more of the outstanding shares of our common stock; (ii) each executive officer listed in the Summary Compensation Table; (iii) each of our directors; and (iv) all of our executive officers and directors as a group. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by such stockholder. Unless otherwise indicated, the address of the individuals listed below is the address appearing on the cover of this Annual Report.

| Name or Group of Beneficial Owners | Shares Beneficially Owned | |
|---|---------------------------|-------------|
| | Number | Percent (1) |
| Named Executive Officers: | | |
| Ming Hsieh | 36,969,965 | 41.3% |
| Paul Kim | 50,000 | * |
| Michael Hollowich (2) | 64,253 | * |
| James Jasinski (3) | 188,750 | * |
| Directors: | | |
| John Bolger (4) | 30,625 | * |
| John P. Stenbit (5) | 70,625 | * |
| Kenneth R. Thornton (6) | 75,625 | * |
| 5% Stockholders | | |
| Blackrock Inc. (7) 55 East 52 nd Street New York, NY 10055 | 5,186,918 | 5.79% |
| Executive officers and directors as a group (7 persons) (8) | 37,449,843 | 41.8% |

* Represents less than 1%.

- (1) Applicable percentage ownership is based on 89,575,852 shares of our common stock outstanding as of April 1, 2010. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, based on factors including voting and investment power with respect to shares, subject to the applicable community property laws. Shares of our common stock subject to options currently exercisable, or exercisable within 60 days after April 1, 2010, are deemed outstanding for the purpose of computing the percentage ownership of the person holding such options, but are not deemed outstanding for computing the percentage ownership of any other person.
- (2) Includes 56,753 shares issuable upon the exercise of options that are exercisable within 60 days after April 1, 2010.

- (3) Includes 170,000 shares issuable upon the exercise of options that are exercisable within 60 days after April 1, 2010.
- (4) Includes 30,625 shares issuable upon the exercise of options that are exercisable within 60 days after April 1, 2010.
- (5) Consists of 70,625 shares issuable upon the exercise of options that are exercisable within 60 days after April 1, 2010.
- (6) Includes 70,625 shares issuable upon the exercise of options that are exercisable within 60 days after April 1, 2010.
- (7) Based solely upon the Schedule 13G filed on January 29, 2010 by Blackrock Inc.
- (8) Includes an aggregate of 398,628 shares issuable upon the exercise of options granted to our executive officers and directors that are exercisable within 60 days after April 1, 2010.

Equity Compensation Plan Information

Information about our equity compensation plans at December 31, 2009 that were either approved or not approved by our stockholders was as follows:

| Plan Category | Number of Shares to be Issued Upon Exercise of Outstanding Options (a) | Weighted-Average Exercise Price of Outstanding Options (b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c) |
|--|---|---|--|
| Equity compensation plans approved by our stockholders (1) | 1,204,426 | \$ 8.77 | 2,349,410 |
| Equity compensation plans not approved by our stockholders (2) | | | |
| Total | 1,204,426 | \$ 8.77 | 2,349,410 |

- (1) Includes our 2000 Stock Option Plan and our 2004 Equity Incentive Plan. However, no future grants may be made under our 2000 Stock Option Plan.
- (2) All of our equity compensation plans were approved by our stockholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Since January 1, 2009, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeds \$120,000 and in which any director, executive officer or beneficial holder of more than 5% of any class of our voting securities or members of such person's immediate family had or will have a direct or indirect material interest.

Procedures for Approval of Related Party Transactions

Pursuant to the charter of our audit committee, all transactions between us and any of our directors, executive officers or related parties are subject to review by our audit committee. We maintain entity level controls and procedures that are designed to ensure that all transactions required to be disclosed under paragraph (a) of Item 404 of Regulation S-K are brought to the attention of the audit committee. No such transactions occurred and, as a result, the audit committee did not review any such transactions during fiscal year 2009 to determine whether they were within the scope of paragraph (a) of Item 404.

Board Member Independence

The Board of Directors has determined that, except for Mr. Hsieh, all of the members of the Board of Directors are independent as independence is defined in the Nasdaq Stock Market qualification standards. Mr. Hsieh is not considered independent because he is currently employed by the Company.

Item 14. Principal Accounting Fees and Services

The following table sets forth the aggregate fees billed to us for the fiscal years ended December 31, 2008 and 2009 by Deloitte & Touche LLP:

| | 2008 | 2009 |
|------------------------|--------------|--------------|
| Audit Fees (1) | \$ 1,150,922 | \$ 1,060,697 |
| Audit-Related Fees (2) | 279,197 | 10,120 |
| Tax Fees (3) | 563,683 | 414,529 |

- (1) Audit Fees consist of fees billed for professional services rendered in connection with the audit of our consolidated annual financial statements and review of the interim consolidated financial statements included in quarterly reports.
- (2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit of our consolidated annual financial statements and review of the interim consolidated financial statements in quarterly reports and are not reported under Audit Fees.
- (3) Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- Our audit committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services. The independent auditor and management are required to periodically report to the audit committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval. All Audit-Related Fees and Tax Fees listed in the table above were approved by the audit committee pursuant to its pre-approval policies and procedures.

Item 15. Exhibits, Financial Statement Schedules

(b) Exhibits:

| Exhibit Number | Description of Documents |
|----------------|---|
| 31.1 | Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934. |
| 31.2 | Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934. |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

April 29, 2010

Cogent, Inc.

By /s/ MING HSIEH
Ming Hsieh
President and Chief Executive Officer
(Principal Executive Officer)