

SUNTRUST BANKS INC
Form 8-K/A
April 02, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 10, 2009

SunTrust Banks, Inc.

(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction

001-08918
(Commission

58-1575035
(IRS Employer

of incorporation)

File Number)

Identification No.)

303 Peachtree St., N.E., Atlanta, Georgia
(Address of principal executive offices)

30308
(Zip Code)

Registrant's telephone number, including area code (404) 588-7711

Not Applicable

(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 (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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) *Compensatory Arrangements of Certain Officers.* On February 10, 2009, the Compensation Committee of the Board of Directors of SunTrust Banks, Inc. (the Company or the Registrant) made annual grants to the Company s senior executives at a regularly-scheduled meeting of the Board of Directors. The Company disclosed those grants in a Current Report on Form 8-K filed on February 17, 2009.

Subsequent to such grants, several events occurred which change the information in that report. The Company files this amended Current Report on Form 8-K/A to report the changed information. Except as noted in this amended report, the information in the Company s Current Report on Form 8-K filed February 17, 2009 remains in effect.

In summary, certain named executive officers, in consultation with the Compensation Committee of the Company s Board of Directors, initiated the following actions believed to be appropriate in light of a meaningful alteration in the overall financial services industry executive compensation environment that evolved subsequent to February 10, 2009:

James M. Wells III, the Company s Chairman and Chief Executive Officer, declined to accept 552,941 stock options. This, along with the addition of performance-vesting requirements mentioned below, increases from 0% to 55% the proportion of his stock option award which is performance-vested.

James M. Wells III requested that performance-vesting restrictions be placed on 50,150 shares of restricted stock. This increases from 50% to 67% the proportion of his restricted stock award which is performance-vested.

James M. Wells III, William H. Rogers, Jr., the Company s President, and Mark A. Chancy, the Company s Chief Financial Officer, requested that performance-vesting restrictions be placed on a substantial portion of the stock options that were granted to them (James M. Wells III - 300,000; William H. Rogers, Jr., - 209,559; and Mark A. Chancy - 153,347). Previously, these options vested 100% after 3 years without regard to the Company s total relative shareholder return.

James M. Wells III, William R. Rogers, Jr. and Mark A. Chancy requested that a cap be placed on the total number of stock options that may be finally awarded to them upon the performance-vesting of stock options granted to them. As a result, the total number of shares to be granted upon vesting will not exceed the amounts listed below even if our total shareholder return exceeds the 50th percentile.

The chart below summarizes these changes and reflects the total grants made to each of Messrs. Wells, Rogers and Chancy in 2009, as revised:

	Stock Options		Restricted Stock	
	Time Vested	Performance Vested	Time Vested	Performance Vested
James M. Wells, III	250,000	300,000 ¹	50,000	100,150 ²
William H. Rogers, Jr.	250,000	209,559 ¹	31,300	31,300
Mark A. Chancy	250,000	153,347 ¹	27,600	27,600

¹ Includes the following stock options which were granted under the SunTrust Banks, Inc. 2009 Stock Plan and which grants are contingent upon approval by our shareholders at our annual meeting of shareholders which is scheduled to be held on April 28, 2009: Mr. Wells 300,000; Mr. Rogers 209,559; and Mr. Chancy 153, 347.

² Includes 50,150 shares of performance-vested restricted stock granted to Mr. Wells which is to be granted under the SunTrust Banks, Inc. 2009 Stock Plan and which grant is contingent upon approval by our shareholders at our annual meeting of shareholders which is scheduled to be held on April 28, 2009.

Vesting of Performance-Vested Stock Options. Vesting of performance-vested stock options will be determined based on our total shareholder return (TSR) measured relative to a peer group. We define TSR as stock price gains plus the value of dividends as if reinvested in our stock, measured over a 3-year period. The peer group will consist of the 25 largest (by assets) bank holding companies, with adjustments made to the group as needed, and with performance measured for the calendar years 2009 through 2011. In the table above, we report the number of stock options awarded. However, the number of stock options that will vest, if any, is variable and can range from 0% and 100% of the initial number of stock options. The actual number which will vest depends upon our performance as measured by our TSR after 3 years relative to the peer group. Performance vested stock options and restricted stock are also subject to normal time-vesting requirements.

Relative Performance	Stock Options That Vest
below 25 th percentile	none
at the 25 th percentile	50% (Minimum payout)
at or above the 50 th percentile	100% (Target payout; Maximum payout)

We will use straight-line interpolation to determine the number of shares to be awarded if our TSR falls between the 25th and 50th percentiles. Messrs. Wells, Rogers, and Chancy have agreed to a cap of 100% of the initial award amount with no potential for an increased payout based upon superior performance.

Other Vesting. Time-vested restricted stock cliff vests after 3 years. Time-vested stock options cliff vest after 3 years and have an exercise price of \$9.06. Performance-vested restricted stock will vest as described in our Current Report filed February 17, 2009.

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, thereunto duly authorized.

SUNTRUST BANKS, INC.

(Registrant)

Date: April 2, 2009

By: /s/ David A. Wisniewski
David A. Wisniewski,
Associate General Counsel

and Group Vice President