

CNET NETWORKS INC  
Form 8-K  
June 02, 2006

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

**FORM 8-K**

**Current Report Pursuant to Section 13 of 15(d) of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): May 30, 2006**

**CNET Networks, Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or Other Jurisdiction of Incorporation)*

**0-20939**

*(Commission File Number)*

**13-3696170**

*(IRS Employer Identification Number)*

**235 Second Street**

**San Francisco, CA 94105**

*(Address of principal executive offices including zip code)*

**(415) 344-2000**

*(Registrant's telephone number, including area code)*

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**Item 1.01 Entry into a Material Definitive Agreement**

As announced on May 22, 2006, the Board of Directors of the Company formed a Special Committee of independent directors to conduct an internal investigation relating to past option grants, the timing of such grants and related accounting matters. On May 30, 2006, the Board of Directors approved compensation of \$50,000 for each of the two members of the Special Committee.

**Item 7.01 Regulation FD Disclosure**

On May 31, 2006, a shareholder derivative complaint was filed against the Company and several of its current and former officers and directors in the Superior Court of the State of California, County of San Francisco. The complaint alleges that, between 1996 and 2004, the Compensation Committee of the board awarded stock option grants to certain executive employees with exercise prices that were lower than the market price

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on the actual grant dates. Plaintiff seeks to recover, on behalf of the Company, unspecified compensatory damages and disgorgement from the individual defendants, as well as an award of attorneys' fees and costs. The Company may be subject to other lawsuits from private plaintiffs concerning this subject area, and the Company does not currently expect to disclose these additional lawsuits.

**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.

Dated: June 2, 2006

**CNET Networks, Inc.**

By: /s/ GEORGE E. MAZZOTTA

Name: George E. Mazzotta  
Title: Executive Vice President and  
Chief Financial Officer