

ARI NETWORK SERVICES INC /WI
Form 8-K
December 22, 2010

UNITED STATES
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): **December 16, 2010**

ARI NETWORK SERVICES, INC.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

0-19608
(Commission
File Number)

39-1388360
(IRS Employer
Identification No.)

10850 West Park Place, Suite 1200
Milwaukee, Wisconsin
(Address of principal executive offices)

53224
(Zip Code)

Registrant's telephone number, including area code: **(414) 973-4300**

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:

- .. 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.

At the 2010 Annual Meeting of Shareholders of ARI Network Services, Inc. (ARI) held on December 16, 2010, ARI s shareholders approved the ARI Network Services, Inc. 2010 Equity Incentive Plan (the 2010 Plan) and amendments to the ARI Network Services, Inc. 2000 Employee Stock Purchase Plan (the ESPP).

Awards under the 2010 Plan may include incentive stock options and non-statutory stock options, shares of restricted stock or restricted stock units, or stock appreciation rights. ARI s Compensation Committee is responsible for determining the types of awards to be made to each participant. The terms, conditions and limitations applicable to each award, including any vesting requirements, will be set forth in the related award agreement. However, the exercise price for options and stock appreciation rights cannot be less than 100% of the fair market value of ARI s common stock on the date of grant, and the exercise prices for options or stock appreciation rights cannot be repriced without shareholder approval, except to reflect certain changes in the capital structure of ARI. Except as otherwise provided in an award agreement, in the event of a change of control (as defined in the 2010 Plan), if a participant s employment is involuntarily terminated (other than for cause, as defined under the 2010 Plan) within one year following or three months prior to the change of control, all awards held by the participant will become fully vested and immediately exercisable. The aggregate number of shares of common stock subject to the 2010 Plan is 650,000 shares, which may be treasury shares or authorized but unissued shares of common stock, or a combination of the two, and all of which may be granted in the form of ISOs. No individual may receive options covering or grants of shares consisting of more than 250,000 shares in any calendar year, and ARI may not issue more than 325,000 shares of restricted stock or restricted stock units during the term of the 2010 Plan. The 2010 Plan will terminate on December 16, 2020, subject to early termination by ARI s Board as described in the 2010 Plan, and no awards may be made under the 2010 Plan after such date.

The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended. Eligible employees who elect to participate may have up to 10% of their compensation from ARI withheld pursuant to the ESPP. The amount withheld is then used to purchase shares of common stock on the last day of the offering period, which generally the period commencing on January 1 and ending on December 31 of each year. The price of the common stock purchased under the ESPP during an offering period is equal to the lower of either 85% of the fair market value of ARI s shares on the first day of the offering period, or 85% of the fair market value of ARI s shares on the last day of the offering period. At the Annual Meeting, ARI s shareholders approved amendments to the ESPP for the purposes of (1) increasing the number of shares of common stock authorized for sale under the ESPP from 175,000 to 225,000; (2) amending the term of the ESPP to continue in effect until all of the shares of common stock reserved for issuance under the ESPP, as increased or adjusted from time to time, have been issued, unless sooner terminated in accordance with its terms; (3) removing the prohibition on executive officer participation in the ESPP and providing that no executive officer will be eligible to participate in the ESPP unless otherwise determined by ARI s Compensation Committee prior to an offering period (as described below); and (4) updating the definition of Fair Market Value for offerings commencing on or after January 1, 2011 to relate to the bid and asked prices of ARI s Common Stock on the NASDAQ Over-The-Counter Bulletin Board.

The foregoing descriptions of the 2010 Plan and the ESPP are qualified in their entirety by reference to the text of the 2010 Plan and the ESPP, which are attached hereto as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference.

Item 5.07.

Submission of Matters to a Vote of Security Holders.

The following matters were voted upon at the Annual Meeting:

(1)

Votes were cast for the following individual in the following numbers to serve as a director of ARI:

| | <u>For</u> | <u>Withheld</u> |
|----------------------|------------|-----------------|
| William C. Mortimore | 2,726,639 | 854,953 |

(2)

Votes were cast as follows for the following matters submitted to shareholders for consideration:

a.

Proposal to approve the ARI Network Services, Inc. 2010 Equity Incentive Plan.

| <u>For</u> | <u>Against</u> | <u>Abstain</u> |
|------------|----------------|----------------|
| 2,733,844 | 846,954 | 794 |

b.

Proposal to approve amendments to the ARI Network Services, Inc. 2000 Employee Stock Purchase Plan.

| <u>For</u> | <u>Against</u> | <u>Abstain</u> |
|------------|----------------|----------------|
| 2,742,782 | 835,834 | 2,976 |

c.

Proposal to ratify the appointment of Wipfli LLP as independent auditors for ARI's fiscal year ending July 31, 2011.

| <u>For</u> | <u>Against</u> | <u>Abstain</u> |
|------------|----------------|----------------|
| 5,411,668 | 381,500 | 99,125 |

Item 9.01.

Financial Statements and Exhibits.

(d)

Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 10.1 | ARI Network Services, Inc. 2010 Equity Incentive Plan |
| 10.2 | ARI Network Services, Inc. 2000 Employee Stock Purchase Plan, as Amended and Restated November 4, 2010 |

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: December 21, 2010

ARI NETWORK SERVICES, INC.

By:

/s/ Darin R. Janecek

Darin R. Janecek
Chief Financial Officer

EXHIBIT INDEX

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