

**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): January 31, 2006

**CB RICHARD ELLIS GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction of  
incorporation)

**001-32205**  
(Commission File Number)

**94-3391143**  
(IRS Employer  
Identification No.)

**100 North Sepulveda Blvd., Suite 1050, El Segundo,  
California**  
(Address of Principal Executive Offices)

**90245**  
(Zip Code)

**(310) 606-4700**  
Registrant's Telephone Number, Including Area Code

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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(b))
- 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))

This Current Report on Form 8-K is filed by CB Richard Ellis Group, Inc., a Delaware corporation (the "Company"), in connection with the matters described herein.

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

2005 Cash Bonuses:

On January 31, 2006, the Compensation Committee of our Board of Directors (the "Compensation Committee") approved cash bonuses for fiscal year 2005 performance to the following individuals who are among those expected to be named executive officers in the proxy statement for the Company's 2006 annual meeting:

<u>Name</u>	<u>2005 Bonus Award</u>
Calvin W. Frese, Jr. Senior Executive Vice President and President, Americas	\$ 762,000
Laurence H. Midler Executive Vice President and General Counsel	\$ 214,700

The bonuses were awarded based on achievement of Company financial performance and individual operational objectives and calculated in accordance with formulas under our previously filed Executive Bonus Plan (the "Current Plan"). Our other current executives who are named executive officers (Brett White, Kenneth J. Kay, and Robert Blain) were awarded cash bonuses in accordance with targets previously disclosed with respect to such individuals and formulas under the Current Plan.

The Company intends to provide additional information regarding the compensation awarded to its named executive officers for the year ended December 31, 2005 in the proxy statement for the Company's 2006 annual meeting.

New Executive Bonus Plan:

On January 31, 2006, the Compensation Committee amended the Current Plan (the "Amended Plan"), which will apply to periods after December 31, 2005. A copy of the Amended Plan is attached to this report as Exhibit 10.1. Under the Amended Plan, eligible employees, including each named executive officer, would be eligible for the award of a cash bonus based on performance during the prior fiscal year. Bonus awards for named executive officers shall be based on the following factors: (a) financial measures for the Company, business unit or line of business depending on the individual's scope of responsibility, and (b) individual achievement of predetermined Company or individual objectives. Awards for the CEO, global regional presidents and line of business leaders will be weighted 80% on financial measures and 20% on achievement of individual objectives. Awards for the CFO, Global Controller, General Counsel and others in executive staff positions will be weighted 60% on financial measures and 40%

on achievement of individual objectives. Under the Amended Plan, targets and performance goals for named executive officers are established at the beginning of the fiscal year by the Compensation Committee. Actual awards may exceed previously established targets based on formulas included in the Amended Plan, but shall not exceed 200% of the individual's target. The Amended Plan will be submitted to our stockholders at the 2006 annual meeting and described more fully in our 2006 proxy statement.

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2006 Bonus Award Targets:

On January 31, 2006, the Compensation Committee approved performance goal target amounts for 2006 bonus awards in accordance with the Amended Plan for those expected to be named executive officers. In 2006, the financial measure portion of the performance goals will be based on earnings before interest, taxes, depreciation and amortization. The targets approved by the Compensation Committee are as follows:

<u>Name</u>	<u>2006 Bonus Target</u>
Robert Blain President, Asia-Pacific Region	\$ 375,000
Calvin W. Frese, Jr. Senior Executive Vice President and President, Americas	\$ 500,000
Kenneth J. Kay Senior Executive Vice President and Chief Financial Officer	\$ 500,000
Laurence H. Midler Executive Vice President and General Counsel	\$ 200,000
Brett White President and Chief Executive Officer	\$ 1,300,000

2006 Base Annual Salary Increase

On January 31, 2006, the Compensation Committee approved a change to the base annual salary of Laurence H. Midler, our Executive Vice President and General Counsel, after due consideration of his performance. Mr. Midler's base annual salary was increased to \$400,000, effective as of January 1, 2006.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

Exhibit  
Number

10.1 Executive Bonus Plan, amended as of January 1, 2006.

**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.

Date: February 6, 2006

CB RICHARD ELLIS GROUP, INC.

By: /s/ KENNETH J. KAY  
Kenneth J. Kay  
Chief Financial Officer



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**1. PLAN OBJECTIVE**

The Executive Bonus Plan (“**EBP**” or “**the Plan**”) has been designed to reward and incent the efforts of certain key employees of CB Richard Ellis (“**CBRE**” or “**the Company**”) to successfully attain the Company’s goals by directly tying the Participant’s compensation to Company and individual results. The EBP is also designed to:

- (a) provide competitive compensation opportunities for key executive employees; and

- (b) assist in retaining and attracting key employees for CBRE.

## 2. EFFECTIVE DATE AND PLAN YEAR

This amended Plan shall be effective January 1, 2006 and supersedes and replaces, in total, all prior versions of this Plan or any other bonus guarantees. A **Plan Year** starts on January 1 and ends December 31 of the same year.

## 3. PLAN ADMINISTRATION

Human Resources will administer the Plan, including participation, eligibility criteria and payment of Awards, subject to final review and approval by the Chief Executive Officer and the Board of Directors. The Board of Directors may delegate any of its duties hereunder in its discretion to its Compensation Committee.

## 4. ELIGIBILITY

- 4.1 Eligible employees (“**Participants**”) must be specifically designated and approved by the Chief Executive Officer each year. Eligibility for participation in the EBP and receipt of bonus awards pursuant to the terms and conditions of the Plan (“**Awards**”) will be limited to those employees whose position affords the opportunity to materially affect the Company’s overall profitability. Unless otherwise specifically approved by the Chief Executive Officer, employees who participate in any other Company bonus plan, including without limitation the PRP or the SMBP plan, and employees who are paid on a commission basis or participate in the bonus plan for commissioned salespersons, are not eligible to participate in the EBP.
- 4.2 Participation for a Participant begins the first day of employment or the designated effective date of an employee’s eligibility to participate in the EBP. Eligibility for the Plan does not guarantee payment of an Award, since payment is dependent upon earning the Award and the other provisions of the EBP, including both individual and Company performance.
- 4.3 Participants who are newly hired, transfer to a new position or become eligible to participate during a Plan Year are eligible to earn an Award as follows:

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- (a) Newly-hired participants will be eligible for a pro-rated award based on the number of full calendar weeks worked in the eligible position from the first date of employment or the designated effective date during the Plan Year.
  - (b) Employees who transfer to a new position that is not currently eligible for the Plan will be eligible for a prorated Award based on the number of full calendar weeks worked in the eligible position during the Plan Year.
  - (c) Employees who transfer or are promoted to another position and remain eligible for another bonus plan, will be eligible to earn a prorated Award for each position based on the number of full weeks worked in each position during the Plan Year. Eligibility to earn Awards will be based on the number of full weeks an employee worked in each position and the applicable Target Awards and/or ratings for each position.
- 4.4 If the employment status of a Participant changes prior to the Payment Date (defined below), eligibility for an Award will depend on the reason for the status change:
- (a) **Resignation or termination for any reason:** Eligibility for Awards is forfeited on resignation or termination for cause before the Payment Date.
  - (b) **Retirement:** If a Participant retires under the Company retirement plan (currently age 55 or older with at least 15 years of service or 65 years of age with at least 10 years of service) and participated in the Plan for at least six months of the Plan Year, eligibility for an Award may be prorated based on the number of full weeks of participation in the Plan Year. A prorated Award will be paid at the time Awards are paid to all Participants. If participation in the Plan is less than six months during the Plan Year, the employee is not eligible for an Award for that Plan Year.
  - (c) **Death or disability:** Eligibility to earn an Award for Participants who dies or becomes disabled during a Plan Year will be prorated based on the number of full weeks of participation in the Plan Year. Any Award will be paid at the time other Awards and bonuses are paid to all Participants. A Participant will be considered “disabled” if the Participant is disabled as defined under the provisions of the Company’s Long-Term Disability Plan then in effect. For a Participant who dies prior to the Payment Date, the Award will be paid to the Participant’s beneficiary as designated in the Participant’s group term life insurance at the time of death.

## 5. DISCRETIONARY COMPANY THRESHOLDS

Awards may not be paid to any Participant if the Company fails to achieve one or more minimum financial performance targets (the **Discretionary Company Thresholds**) as

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determined and set by the Company in its sole discretion. The Discretionary Company Thresholds may be set and/or amended by the Company at its sole discretion at any time during the Plan Year and up to the date of payment of the Awards under the Plan. The Company will communicate the Discretionary Company Thresholds to Participants from time to time, but no later than the date on which the Awards are paid.

## 6. TIMING OF CALCULATIONS, PAYMENTS

- 6.1 Awards are earned by performance during the Plan Year and by remaining employed by the Company through the date Awards are paid (**Payment Date**).
- 6.2 Subject to final approval by the Chief Executive Officer and the Board of Directors, the Payment Date will be on or before March 15 following the end of the fiscal year, but not before the completion of the audit of the Company’s financial statements.
- 6.3 If a Participant’s employment terminates prior to the Payment Date, the award is forfeited, unless the termination is caused by retirement, death or disability, in which case payment is governed by Section 4.4 above.
- 6.4 It is intended that all Awards earned will be paid in cash. However, the Company reserves the right to distribute common stock in the Company or other non-cash forms of compensation in lieu of cash in the event economic circumstances dictate such action.
- 6.5 Federal and state income taxes and other required taxes will be withheld from bonuses under applicable law.

## 7. MAXIMUM ANNUAL BONUSES

The maximum Award to be received by any Participant shall not exceed 200% of the Target Award (as defined below), inclusive of CEO Awards.

## 8. CEO AWARDS

The Company reserves the right to award Participants in cases of exceptional and exceedingly deserving circumstances through a supplemental discretionary bonus award to be determined in the Chief Executive Officer's sole discretion (subject, in the case of Section 16 officers to the ratification by the Compensation Committee), referred to as a "CEO's Award."

## 9. AWARD CALCULATION

9.1 Employees are eligible for an Award each Plan Year, based on (a) financial measures ("**Financial Performance Targets**") for the Company, business unit or line of business and (b) individual achievement of important Company or individual

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objectives in each Participant's area of responsibility ("**Strategic Performance Measures**").

### 9.2 Target Awards:

- (a) Each Participant will be assigned a "**Target Award**" by the Company in its sole discretion (generally based on a Participant's position and that position's potential contribution to the Company) by March 1 of each Plan Year. For new hires or newly eligible Participants (whether by transfer or promotion), the Target Award will be set within sixty (60) days of eligibility for the Plan.
- (b) Target Awards will be weighted based on achievement of Financial Performance Targets and Strategic Performance Measures established at or near the beginning of a Plan Year for each Participant. As between Financial Performance Targets and Strategic Performance Measures, Awards will be weighted as follows:
  1. Awards for the Chief Executive Officer, the President of a Global Region or a line of business leader, will be weighted 80% on Financial Performance Targets (of the Company for the Chief Executive Officer, the region for the regional President and LOB for the line of business leader) and 20% on individual achievement of Strategic Performance Measures.
  2. Awards for Participants who serve in Executive Staff positions (e.g., CFO, Controller and General Counsel) will be weighted 60% on Financial Performance Targets and 40% on individual achievement of Strategic Performance Measures.
- (c) In the event that a Target Award amount is changed during a Plan Year, the payment of that year's bonus award will be pro-rated based on the number of full weeks that each respective Target was in force, unless other written agreements supersede this provision.

### 9.3 Financial Performance Targets:

Financial Performance Targets are approved by the Chief Executive Officer and the Board of Directors at or near the beginning of each Plan Year. For the 2006 Plan Year, EBITDA will be the metric utilized to set Financial Performance Targets for the Company, regions, business units and lines of business. The Company reserves the right to change the Financial Performance Target metric each year.

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### 9.4 Strategic Performance Measures:

- (a) Participants must have a minimum of three and a maximum of six measurable Strategic Performance Measures set by the Company in writing by March 1 of each Plan Year.
- (b) For new hires or newly eligible Participants (whether by transfer or promotion), the Strategic Performance Measures must be set within sixty (60) days of eligibility for the Plan.
- (c) Non-submission of Strategic Performance Measures to the Chief Executive Officer (or in the case of the Chief Executive Officer's and other Section 16 officers' Strategic Performance Measures, the Board of Directors) will make the Participant ineligible for an Award.
- (d) Each Strategic Performance Measure will be assigned a weight by the Participant's Manager, subject to the approval of the Chief Executive Officer. The weighted Strategic Performance Measures for the Chief Executive Officer and other Section 16 officers will be approved by the Board of Directors. The aggregate weightings of all Strategic Performance Measures must equal 100%.

9.5 **Calculation of Awards:** At the conclusion of the Plan Year, assuming the Discretionary Company Thresholds are satisfied, Awards are calculated by adding the **Financial Performance Award** (as calculated and defined in Section 9.5(a) below) and the **Strategic Performance Measure Award** (as calculated and defined in Section 9.5(b) below).

- (a) **Financial Performance Award:** Actual financial performance is compared to the Financial Performance Targets and an Adjustment Factor is determined as follows:

Achievement Against Financial Performance Target	Adjustment Factor	Example
0 - 70%	0	0% Adjustment Factor
70% - 100%	3.3x for every 1% over 70% up to 100%	90% of target = 66% Adjustment Factor (20% x 3.3)
100% - 200%	100% plus 3.3x for every 1% over 100% up to an additional 100%	120% of target = 166% Adjustment Factor (100% + 3.3 x 20%)

The Adjustment Factor is then multiplied by the dollar amount of the Target Award allocated to Financial Performance Targets (i.e., 80% of the Target Award for the

(b) **Strategic Performance Measure Award:** Performance against each Strategic Performance Measure will be rated on a scorecard using a scale of 1 through 5, with 1 being “far below expectations” or its equivalent and 5 being “far exceeds expectations” or its equivalent. The scorecard will also contain space for qualitative comments regarding the Participant’s performance (e.g., describing special circumstances). The information on the scorecard, taken as a whole, is then used to determine the amount of the Strategic Performance Measure Award, from zero to a maximum of 150% of the dollar amount of the Target Award allocated to Strategic Performance Measures (*i.e.*, 20% of the Target Award for the Chief Executive Officer, the Presidents of a Global Region or line of business leaders, or 40% for the Executive Staff positions). The final Strategic Performance Measure Award payout recommendation will be made by the Participant’s Manager, subject to the approval of the Chief Executive Officer, or in the case of the Chief Executive Officer and the other Section 16 officers, the Board of Directors.

(c) Notwithstanding the foregoing, if Discretionary Company Thresholds are not met, no Award will be paid.

#### **10. SUSPENSION, AMENDMENT OR TERMINATION OF THE PLAN**

The Company reserves the right at any time prior to payment of the Awards to review, interpret, alter, amend, or terminate (discontinue) – with or without notice – the Executive Bonus Plan, including, without limitation, the calculation and method of and eligibility for Award payments. This Plan does not constitute a contract of employment (express or implied) and cannot be relied upon as such. This Plan does not alter the at will employment relationship between the Company and the Plan Participants.