

CHOLESTECH CORPORATION

Form 8-K

October 27, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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): October 14, 2006**

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

California  
(State or other jurisdiction of  
incorporation)

000-20198  
(Commission File Number)

94-3065493  
(IRS Employer  
Identification No.)

3347 Investment Boulevard  
Hayward, California 94545  
(Address of principal executive offices, including zip code)  
(510) 732-7200

(Registrant's telephone number, including area code)  
(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 (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))
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**Section 1 Registrant's Business and Operations****Item 1.01 Entry into a Material Definitive Agreement**

The Compensation Committee of the Board of Directors of Cholestech Corporation ( Cholestech ) approved the modification of the cash compensation arrangements for Cholestech's non-employee directors. The new arrangements are as follows:

|  | <b>Prior<br/>Compensation</b> | <b>New<br/>Compensation</b> |
|--|-------------------------------|-----------------------------|
| <b>Chairman of the Board</b>                               |                               |                             |
| Annual Retainer  | \$ 24,000                     | \$ 28,000                   |
| Per Meeting Fee  | \$ 2,000                      | \$ 2,500                    |
| Per Telephonic Meeting Fee                                 | \$ 1,000                      | \$ 1,250                    |
| <b>Non-Chairman Director</b>                               |                               |                             |
| Annual Retainer  | \$ 12,000                     | \$ 16,000                   |
| Per Meeting Fee  | \$ 1,000                      | \$ 1,500                    |
| Per Telephonic Meeting Fee                                 | \$ 500                        | \$ 750                      |
| <b>Committee Chair Retainer:</b>                           |                               |                             |
| Audit Committee  | \$ 6,000                      | \$ 6,000                    |
| Compensation Committee                                     | \$ 3,000                      | \$ 3,000                    |
| Per Meeting Fee (if same day as regular board meeting)     | \$ 1,000                      | \$ 1,250                    |
| Per Meeting Fee (if not same day as regular board meeting) | \$ 2,000                      | \$ 2,500                    |
| Per Telephonic Meeting Fee                                 | \$ 1,000                      | \$ 1,250                    |
| <b>Committee Member (non-chair):</b>                       |                               |                             |
| Per Meeting Fee (if same day as regular board meeting)     | \$ 500                        | \$ 750                      |
| Per Meeting Fee (if not same day as regular board meeting) | \$ 1,000                      | \$ 1,500                    |
| Per Telephonic Meeting Fee                                 | \$ 500                        | \$ 750                      |

The equity compensation program for the Board of Directors remained unchanged.

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**SIGNATURES**

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.

**CHOLESTECH CORPORATION**

By: /s/ John F. Glenn  
John F. Glenn  
Vice President of Finance and Chief  
Financial Officer

Date: October 27, 2006