

CAPITAL ONE FINANCIAL CORP
Form 8-K
December 23, 2004

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

December 20, 2004

Date of Report (Date of earliest event reported)

CAPITAL ONE FINANCIAL CORPORATION

(Exact name of registrant as specified in its chapter)

Delaware
(State or other jurisdiction
of incorporation)

1-13300
(Commission
File Number)

54-1719854
(IRS Employer
Identification No.)

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1680 Capital One Drive,

McLean, Virginia
(Address of principal executive offices)

22102
(Zip Code)

Registrant's telephone number, including area code: (703) 720-1000

(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))

Item 1.01 Entry into a Material Definitive Agreement.

On December 20, 2004, the Compensation Committee and the independent members of the Board of Directors of Capital One Financial Corporation (the Company) approved the 2005 annual compensation of Richard D. Fairbank, its Chairman, Chief Executive Officer and President. Under this compensation arrangement, in lieu of any salary, annual cash incentive, other cash or equity-based long-term incentives, and retirement plan contributions for 2005, Mr. Fairbank received a grant of nonstatutory options to purchase 566,000 shares of the Company's common stock. The stock options have an exercise price of \$82.385, which was the fair market value of the Company's common stock on the grant date, will become exercisable in full on the fifth anniversary of the grant date and will expire ten years from the grant date. The stock options shall also become exercisable in full upon the death, disability or retirement of Mr. Fairbank, or a change in control of the Company (as those terms are defined in the Plan). The stock option shall immediately expire, to the extent not already exercisable, in the event Mr. Fairbank ceases to be employed by the Company for any reason other than death, disability or retirement. The stock options were granted out of the Company's 2004 Stock Incentive Plan.

This arrangement reflects the Company's continued commitment to aligning the interests of its Chairman, Chief Executive Officer and President with those of its stockholders through a compensation program designed to encourage management decisions that increase stockholder value over the long term. The Compensation Committee also believes the 2005 compensation program for Mr. Fairbank is an important component of retaining a successful and highly talented senior executive.

A form of the stock option agreement for this grant is attached to this filing as Exhibit 99.1

Item 7.01 Regulation FD Disclosure.

The Company hereby furnishes the information in Exhibit 99.1 hereto.

Note: Information in this report (including the exhibit) furnished pursuant to Item 7.01 shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Form of Nonstatutory Stock Option Agreement between Capital One Financial Corporation and Richard D. Fairbank pursuant to the Company's 2004 Stock Incentive Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

CAPITAL ONE FINANCIAL CORPORATION

Dated: December 23, 2004

By: /s/ John G. Finneran, Jr.
John G. Finneran, Jr.

Executive Vice President,

General Counsel and Corporate Secretary

EXHIBIT INDEX

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