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CSS INDUSTRIES INC
Form 8-K
April 25, 2006

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): March 10, 2006

CSS Industries, Inc.

(Exact name of registrant as specified in its charter)

| | | |
|--|--|--|
| Delaware ----- (State or other jurisdiction of incorporation) | 1-2661 ----- (Commission File Number) | 13-920657 ----- (IRS Employee Identification No.) |
|--|--|--|

| | |
|---|------------------------------|
| 1845 Walnut Street, Philadelphia, PA ----- (Address of principal executive offices) | 19103 ----- (Zip Code) |
|---|------------------------------|

Registrant's telephone number, including area code: (215) 569-9900

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)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

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[] 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

Based upon actions taken by the Human Resources Committee of the Board of Directors of CSS Industries, Inc. ("CSS") on April 19, 2006, the following base salaries are in effect from April 1, 2006 (the beginning of CSS' 2007 fiscal year) for CSS' named executive officers:

| EXECUTIVE OFFICER NAME AND TITLE ----- | BASE SALARY ----- |
|--|-------------------------|
| David J. M. Erskine, President and Chief Executive Officer | \$468,000 Per year |
| Jack Farber, Chairman | \$400,000 Per year |
| Frank Macero, Jr., President, Paper Magic Group, Inc. | \$14,423 Bi-weekly* |
| Christopher J. Munyan, Executive Vice President and Chief Operating Officer | \$350,000 Per year |
| Clifford E. Pietrafitta, Vice President - Finance, and Chief Financial Officer | \$254,100 Per year |

*Mr. Macero has indicated that he intends to retire effective May 31, 2006. The foregoing bi-weekly salary was approved by the Human Resources Committee of the Board of Directors of CSS on March 10, 2006, and it reflects the compensation to be paid to Mr. Macero from April 1, 2006 (the beginning of CSS' 2007 fiscal year) until the date of Mr. Macero's retirement.

On April 19, 2006, the Board of Directors of CSS approved the following as the basis upon which cash compensation will be paid to each non-employee director of CSS commencing August 2, 2006:

| | |
|--|------------|
| Annual Retainer: | \$25,000 |
| Annual Retainer for Committee Chairmen: | |
| - Audit: | \$10,000 |
| - Human Resources: | \$ 5,000 |
| - Nominating and Governance: | \$ 5,000 |
| Attendance Fees: | \$ 1,000** |

**Attendance fees reflect the amount paid to each non-employee director for each meeting of the Board of Directors and of any of its committees attended by such member, and for each consultation undertaken with either the management of CSS or with another member of the Board of Directors or with an advisor or consultant thereof to the extent that such consultation pertains to the activities of the Board of Directors or any of its committees of which such director is a member, except that in the case of any such meetings or consultations that are telephonic and of not more than one hour in duration, the applicable fee was set at \$500 per meeting or consultation.

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ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS;
APPOINTMENT OF PRINCIPAL OFFICERS

- (d) (1) On April 19, 2006, the Board of Directors of CSS increased the number of directors of CSS from seven to eight and filled the resulting vacancy by electing Christopher J. Munyan as a member of the Board of Directors of CSS. Mr. Munyan, age 40, presently serves as Executive Vice President and Chief Operating Officer of CSS, and he has served in such capacity since October 2005. He will become President and Chief Executive Officer of CSS effective upon the retirement of David J. M. Erskine on June 30, 2006. From November 1999 until October 2005, Mr. Munyan served as President of Berwick Offray LLC, a subsidiary of CSS. Prior to his appointment as President of Berwick Offray, Mr. Munyan served as Berwick Offray's Senior Vice President-Finance and Administration and in various other capacities since 1993. Berwick Offray designs, manufactures, imports and sells decorative ribbon and bow products and related items.
- (2) There are no arrangements or understandings between Mr. Munyan and any other person pursuant to which Mr. Munyan was selected as a director.
- (3) As an employee member of the CSS Board of Directors, Mr. Munyan is automatically a member of the Stock Option Committees under CSS' 1995 Stock Option Plan for Non-employee Directors and CSS' 2000 Stock Option Plan for Non-employee Directors.
- (4) With respect to Mr. Munyan, there have been no past transactions and there are no currently proposed transactions described in Item 404(a) of Regulation S-K, except as follows:
- (a) Mr. Munyan and CSS are parties to an employment agreement dated October 25, 2005, the material terms of which are described in Item 1.01 of the Current Report on Form 8-K filed by CSS on October 27, 2005 and are hereby incorporated by reference herein; and
- (b) Pursuant to the provisions of CSS' 2004 Equity Compensation Program, the following stock options to purchase shares of CSS Common Stock were granted to Mr. Munyan since the beginning of CSS' most recently completed fiscal year:

| Grant Date | Number of Securities Underlying Options Granted* | Exercise Price | Expiration Date |
|------------|--|----------------|-----------------|
| 4/21/2005 | 11,500 | \$33.20 | 4/21/2010 |
| 10/25/2005 | 15,000 | \$35.98 | 10/25/2010 |
| 4/19/2006 | 10,000 | \$30.73 | 4/19/2011 |

*These options become exercisable at the rate of 25% of the optioned securities per year on each of the first four anniversaries of the

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grant date.

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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.

CSS Industries, Inc.
(Registrant)

By: /s/ William G. Kiesling

William G. Kiesling
Vice President and
General Counsel

Date: April 25, 2006

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