

ENDOCARE INC
Form 8-K
April 10, 2006

Table of Contents

**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): **April 7, 2006**

ENDOCARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-15063
(Commission
File Number)

33-0618093
(I.R.S. Employer
Identification Number)

**201 Technology Drive
Irvine, California 92618**
(Address of Principal Executive Offices, including zip code)

(949) 450-5400

(Registrant's telephone number, including area code)

N/A

(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))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 8.01 Other Events.
SIGNATURES

Table of Contents

Item 8.01 Other Events.

As previously reported, we have been in settlement discussions with the staff of the SEC regarding the terms of a settlement of the previously announced investigation commenced by the SEC in January 2003. The proposed settlement, which has been agreed upon by the staff of the SEC and remains subject to final approval by both the SEC and court, includes the following principal terms: (i) we would pay a total of \$750,001 in civil penalties and disgorgement; and (ii) we would agree to a stipulated judgment enjoining future violations of securities laws. On April 7, 2006, we entered into an escrow agreement with Morrison & Foerster LLP, our outside counsel, pursuant to which we agreed to place \$750,001 in escrow with Morrison & Foerster LLP at the request of the SEC staff. As a matter of practice, the SEC generally requires that, when an offer of settlement includes payment of disgorgement or civil penalties, the funds be placed in escrow prior to the determination by the SEC to accept or reject the offer of settlement.

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.

ENDOCARE, INC.

April 10, 2006

By: /s/ Michael R. Rodriguez
Michael R. Rodriguez
Senior Vice President, Finance
and Chief Financial Officer