

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

August 31, 2006

Date of Report (Date of earliest event reported)

NU SKIN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-12421

(Commission File Number)

87-0565309

(IRS Employer
Identification Number)

75 West Center Street

Provo, UT 84601

(Address of principal executive offices and zip code)

(801) 345-1000

(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))

Item 1.01 Entry into a Material Definitive Agreement.

Stock Awards under the 2006 Stock Incentive Plan

On September 1, 2006, the Compensation Committee of the Board of Directors approved the grant of stock options and restricted stock units to certain executive officers of the Company pursuant to the 2006 Stock Incentive Plan. The following individuals received awards:

<u>Name</u>	<u>Stock Options</u>	<u>Restricted Stock Units</u>
Truman Hunt President and CEO	25,000	
Ritch Wood Chief Financial Officer	22,500	
Dan Chard Executive V.P., Distributor Success	17,500	
Joe Chang Chief Scientific Officer, Executive V.P., Product Development	17,500	
Robert Conlee President, placeNorth Asia	12,250	1,500
Corey Lindley Executive Vice President	17,500	
Scott Schwerdt	12,250	1,500

President, Americas and Europe

Brett Nelson Regional Vice President, South Asia/Pacific	5,000	1,500
Larry Macfarlane President, Big Planet	5,000	1,500
Mark Adams Chief Information Officer	5,000	1,500
Matthew Dorny Chief Legal Officer	5,000	1,500
Jack Peterson Vice President, Corporate Strategy and Development	3,500	1,000
Claire Averett Vice President, Human Resources	3,500	1,000

Each of the stock options issued to the executive officers described above vest and become fully exercisable in four equal annual installments beginning on September 1, 2006, the date of grant. Each of the restricted stock units issued to the executive officers described above vest and become issuable in four equal annual installments beginning on August 10, 2006. The earlier vesting date for the restricted stock units was implemented so that yearly vesting will occur during an open trading window in order to allow the recipients to be able to sell a sufficient number of shares as they vest to cover withholding taxes. All of the stock options described above expire on September 1, 2013; however in the event of the employee's termination of service except for death or disability, all vested and unexercised options expire upon the earlier to occur of 90 days from the date of termination or September 1, 2013. In addition, if any such employee is terminated other than for cause within two years after a change of control of the Company, all unvested options and restricted stock units become immediately vested.

Item 1.02 Termination of a Material Definitive Agreement

On September 5, 2006, the Company executed a Letter of Agreement with Orrin T. Colby, III and Cygnus Resources Inc. (the "Letter of Agreement") regarding the Stock Acquisition Agreement executed between the same parties on August 1, 2003 (the "Stock Acquisition Agreement"). Under the terms of the Stock Acquisition Agreement, Mr. Colby purchased all of the stock of Cygnus Resources, Inc., which was a wholly-owned subsidiary of the Company engaged in the business of a Professional Employer Organization. Mr. Colby had been employed by the Company in a management position with respect to the Cygnus business. The purchase price for the stock was to consist of contingent annual payments over a six year period based on Cygnus earnings calculated in accordance with the terms of the Stock Acquisition Agreement, not to exceed a total of \$880,000. Because the Company believes that it is not likely that the financial results of Cygnus will result in any significant payments going forward, it has agreed to a payment by Mr. Colby of a lump sum of \$12,000 in full satisfaction of the purchase price for the Cygnus Stock and termination of any contingent payment obligations going forward. Certain provisions of the Stock Acquisition Agreement, including indemnification survive the termination of the payment obligation.

The foregoing does not constitute a complete summary of the terms of the Letter of Agreement, and reference is made to the complete text, which is attached hereto as Exhibit 10.1.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On August 31, 2006, Jose Ferreira, Jr., a member of the Company's Board of Directors, resigned from his position on the Board, effective immediately in order to devote more time to his private business ventures.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibit.

10.1 Letter of Agreement dated September 5, 2006 between Orrin T. Colby, III, Cygnus Resources, Inc. and Nu Skin Enterprises, Inc.

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 hereunto duly authorized.

NU SKIN ENTERPRISES, INC.
(Registrant)

/s/ D. Matthew Dorny
D. Matthew Dorny
Chief Legal Officer

Date: September 7, 2006

EXHIBIT INDEX

Exhibit No.

Exhibit Description

10.1

Letter of Agreement dated September 5, 2006 between Orrin T. Colby, III, Cygnus Resources, Inc. and Nu Skin Enterprises, Inc.

LETTER OF AGREEMENT
RE: CYGNUS STOCK ACQUISITION AGREEMENT

THIS LETTER OF AGREEMENT (hereinafter, this "Agreement") is entered into effective as of September 5, 2006 by and between NU SKIN ENTERPRISES, INC., a Delaware corporation ("NSE"), ORRIN T. COLBY, III, an individual ("Mr. Colby"), and CYGNUS RESOURCES, INC., a Delaware corporation ("Cygnus").

BACKGROUND

The Parties listed above executed a Stock Acquisition Agreement dated August 1, 2003 (the "Acquisition Agreement"), pursuant to which NSE agreed to transfer to Mr. Colby all of the issued and outstanding capital stock of Cygnus. The Acquisition Agreement provided that the purchase price for the stock would consist of annual payments for the years 2004 through 2009 calculated in accordance with the terms of the Acquisition Agreement. In addition, according to the terms of the Acquisition Agreement, Mr. Colby pledged and assigned to NSE, and granted a first priority security interest in, the Cygnus stock as collateral security for payment of the purchase price when due. In light of changing interests of the Parties, the Parties have agreed to modify the purchase price under the Acquisition Agreement, to terminate the pledge and security interest, and certain other actions.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendment. Section 1.03(b) of the Agreement shall be amended and restated in its entirety to read as follows:

"(b) Subject to the terms and conditions set forth herein, in consideration for the assignment, transfer, conveyance and delivery of the Cygnus Shares, Purchaser will pay to NSE a lump sum payment of \$12,000 (the "Purchase Price")."

2. Payment. Mr. Colby agrees to remit payment of the Purchase Price, as defined above, at the time of execution of this Agreement in cash, by check, or by wire transfer, and he acknowledges that effectiveness of this Agreement is conditioned upon such payment. NSE acknowledges that such payment will constitute complete and full payment of Mr. Colby's payment obligation as it relates to the purchase of the Cygnus stock.
3. Release of Security Interest and Pledge. The Parties acknowledge that, as a result of the amendment to the Acquisition Agreement provided above, the previous pledge and security interest in the Cygnus Stock granted by Mr. Colby to NSE, and any other terms or obligations previously contained in Section 1.03 of the Acquisition Agreement (other than the new Purchase Price) are relinquished and terminated as of the effective date of this Agreement. NSE agrees to deliver the certificate(s) representing the Cygnus shares to Mr. Colby at the time of execution of this Agreement, along with the Assignment Separate from Certificate previously delivered by Mr. Colby to NSE, stamped "VOID".
4. Continuing Effectiveness. As herein amended, the Acquisition Agreement shall remain in full force and effect.
5. Counterparts. This Amendment may be executed in any number of counterparts, and delivery of a counterpart signature page hereto by facsimile shall be effective as an original, manually-signed counterpart.
6. Governing Law. This Agreement shall be governed by the laws of the State of Utah, excluding (to the greatest extent permissible by law) any rule of law that would cause the application of the laws of any jurisdiction other than the State of Utah.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the day and year first written above.

NU SKIN ENTERPRISES, INC.

By: /s/ Mark Adams
Name: Mark Adams
Title: Vice President

ORRIN T. COLBY, III.

/s/ Orrin T. Colby, III

CYGNUS RESOURCES, INC.

By: /s/ Orrin T. Colby
Name: Orrin T. Colby
Title: President