

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): December 31, 2005

Sypris Solutions, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-24020
(Commission
File Number)

61-1321992
(I.R.S. Employer
Identification No.)

101 Bullitt Lane, Suite 450
Louisville, Kentucky
(Address of Principal
Executive Offices)

40222
(Zip Code)

Registrant's telephone number, including area code: (502) 329-2000

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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Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Effective as of December 31, 2005, the Company acted to vest all "underwater" stock options with exercise prices equal to or greater than \$9.98 per share, held by executive officers and other employees in order to reduce compensation expenses in future years by amounts which are immaterial. An amendment to each affected stock option award agreement substantially in the form of Exhibit 10.1 to this Form 8-K will be executed, effective as of December 31, 2005, including the affected agreements of officers.

Item 9.01. Financial Statements and Exhibits

(d) The following exhibit is furnished as a part of this report.

10.01 Form of Amendment to Stock Option Agreements to Accelerate Vesting Periods for Certain Underwater Options

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.

Dated: January 6, 2006

Sypris Solutions, Inc.

By: /s/ John R. McGeeney

John R. McGeeney
General Counsel and Secretary

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Amendment to Stock Option Agreements to Accelerate Vesting Periods for Certain Underwater Options.

**SYPRIS SOLUTIONS, INC.
AMENDMENT TO STOCK OPTION AGREEMENTS
TO ACCELERATE VESTING PERIODS
FOR CERTAIN "UNDERWATER" OPTIONS**

THIS AMENDMENT ("Amendment") to your Stock Option Agreements is made by and between Sypris Solutions, Inc. a Delaware corporation located at 101 Bullitt Lane, Suite 450, Louisville, KY ("**Company**") and the undersigned Optionee, effective as of December 31, 2005.

1. For Unvested Options with Option Prices above or equal to \$9.98 (the "**Accelerated Options**"), the Vesting Periods are hereby amended to allow each such Accelerated Option to be exercised at any time after December 31, 2005, until its expiration under the terms of the Plan and your Agreements.
2. "**Option Price**" means the price to be paid for Common Stock upon the exercise of an Unvested Option, as set forth in the Plan and your Agreements.
3. "**Plan**" means the 2004 Sypris Equity Plan.
4. "**Stock Option Agreements**" or the "**Agreements**" includes each of your stock option award agreements under the Plan.
5. "**Unvested Options**" means only those unvested stock option grants made to you under the Plan which have not been exercised, forfeited or terminated as of December 31, 2005.
6. "**You**" or "**your**" means the undersigned Optionee.
7. All other capitalized terms herein shall have the meanings given to them in the Plan and the Agreements, whether capitalized in the Plan and the Agreements or not.

IN WITNESS WHEREOF, the parties have executed this Amendment in duplicate to be effective as of the date first above written.

SYPRIS SOLUTIONS, INC.

OPTIONEE

By _____
Jeffrey T. Gill
President & CEO

(Printed Name)