

**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): **October 29, 2004**

SANGAMO BIOSCIENCES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-30171

(Commission File Number)

68-0359556

(IRS Employer Identification No.)

501 Canal Blvd, Suite A100

(Address of Principal Executive Offices)

Richmond, California 94804

(Zip Code)

(510) 970-6000

(Registrant's Telephone Number, Including Area Code)

(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 October 29, 2004, Sangamo BioSciences, Inc. (the "Company") entered into an Agreement ("Agreement") with Peter Bluford, the Company's Vice President of Corporate Development. The Agreement provides that Mr. Bluford will resign from his positions with the Company on October 31, 2004. However, Mr. Bluford will continue working with the Company as a consultant through January 2005, and he will be paid his base salary during this period and for up to four months thereafter or until he begins full time employment, whichever occurs first. The Company will also provide additional compensation to Mr. Bluford to fund his COBRA coverage for up to one year.

The Agreement is filed as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits. The following material is filed as an exhibit to this Current Report on Form 8-K:

Exhibit No.

99.1 Agreement with Peter Bluford dated October 29, 2004.

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.

DATE: November 4, 2004

SANGAMO BIOSCIENCES, INC.

By: /s/ EDWARD O. LANPHIER II
Edward O. Lanphier II
President, Chief Executive Officer

OCTOBER 29, 2004

CONFIDENTIAL

Dear Pete:

This document, upon your signature, will constitute the agreement between you and Sangamo BioSciences, Inc. (the "Company"), on the terms of your separation from employment (the "Agreement"). It is understood that both you and the Company want to preclude any dispute arising out of your employment, your separation, or any other matter involving you and the Company and also wish to preserve the good will that exists between you and the Company.

Termination of Employment

1. **Termination Date.** You hereby submit your resignation as Vice President of Corporate Development and from all other offices and positions you hold with the Company, effective October 31, 2004 ("Termination Date"). As of this date, your employment relationship with the Company will terminate.

2. **Consulting Services.**

(a) During the period from the Termination Date through the earlier of January 31, 2005 and the date determined in accordance with Section 2(b) below (the "Consulting Period"), you agree to serve as a consultant to the Company. In this capacity, you will provide services as requested from time to time by the Chief Executive Officer including transitioning corporate development matters to the Company's executive officers. During the Consulting Period, you will perform assignments as reasonably requested by the Chief Executive Officer, and use your best efforts to promote the interests of the Company; however, it is not expected that you will devote your full time to your consultancy.

(b) In the event you become an employee or a service provider to or obtain an economic interest in (excluding ownership of less than 1% of the outstanding stock of any publicly held company) a Competitor (as defined below), your service as a consultant to the Company will immediately and automatically be terminated without any action on the part of the Company. A Competitor shall mean any business engaged in any phase of the business of researching, developing, producing or selling nucleic acid binding proteins, gene regulation or gene correction technologies or functional alternatives therefor.

What You Will Receive

3. **Payment.** You will receive payments at the annual rate of \$218,000, less all applicable deductions and withholdings, in accordance with the Company's regular payroll schedule, until the earlier of May 31, 2005 or the date you begin full-time employment or the substantial equivalent thereof with another company, provided however, that if you begin employment with another company prior to January 31, 2005, you will continue to be paid until January 31, 2005.

4. **Benefits.** After the Termination Date, you may elect to continue group health benefits (i.e. medical, health and vision as currently enrolled) under COBRA. You will receive payments at the annual rate of \$20,000 until the earlier of October 31, 2005 or the date you begin full-time employment or the substantial equivalent thereof with another company. Unless otherwise requested, you will be paid on a ratable basis each quarter.

5. **Stock Options.** You will continue to vest in your stock options in accordance with the terms of your Stock Option Agreement and the Company's 2000 Stock Incentive Plan during the Consulting Period.

What You Are Agreeing to Release

6. **General Release.** In consideration for the foregoing benefits, payments and other consideration, you agree to unconditionally and forever release and discharge the Company and all of its related entities, officers, directors, agents and employees, and each of them, of and from any and all debts, claims, liabilities, demands and causes of action of every kind, nature and description, whether known or unknown, including, but not limited to, any claim for salary, stock options, severance, benefits, and any other form of compensation; claims for breach of contract, breach of the covenant of good faith and fair dealing, termination in violation of public policy or wrongful termination; negligence; intentional torts; fraud and misrepresentation; any claim for breach of fiduciary duty, whether as a shareholder or in any other capacity; and any claims under federal, state or local law, including, but not limited to, the Fair Employment and Housing Act, the California Labor Code, the Family Medical Leave Act, the California Family Rights Act, the Age Discrimination in Employment Act ("ADEA"), the Americans with Disabilities Act, and Title VII of the Civil Rights Act of 1964, and any waivable claims under any workers' compensation statute, which you have or may have or could assert against the Company as of the Effective Date of this Agreement, including, but not limited to, any claims arising out of or connected with your employment, the termination of your employment, or your investment in the Company or ownership of the Company's stock, excluding only any claims relating to the 1,200 shares of common stock to which you believe you may be entitled.

7. **Waiver of Claims.** It is further understood and agreed that as a condition of this Agreement, you expressly waive and relinquish all claims, rights or benefits that you may have under California Civil Code 1542, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.”

Other Agreements

8. **Non-Disparagement.** You agree that you will not make any negative or disparaging statements or comments, either as fact or opinion, about the Company, including but not limited to its employees, officers, directors, shareholders, vendors, products or services, business, technologies, market position, financial statements, financial condition, performance and other similar information.

9. **Proprietary and Confidential Information.** You also agree to preserve as confidential and not to use or disclose any Sangamo trade secrets, confidential knowledge, data or other proprietary information relating to technology customers, products, business plans, financial or organizational information or other subject matter pertaining to any business of the Company or any of its clients, customers, or licensees from this day forward. You agree to execute the Proprietary Information, Inventions and Materials Agreement attached hereto as Exhibit A.

10. **Confidentiality.** You agree that the terms of this Agreement are confidential. It is therefore agreed that, unless compelled by law, you will not reveal, discuss, publish or in any way communicate any of the terms or amount of this Agreement to any person or entity, except to any of your attorneys, tax consultants, professional representatives, spouse or other family member, and any other person with a business need to know information concerning this Agreement.

11. **Waiver, Amendment and Modification of Agreement.** No waiver, amendment or modification of any of the terms of this Agreement shall be effective unless in writing and signed by all parties. No waiver of any term, condition or default of any term of this Agreement shall be construed as a waiver of any other term, condition or default.

12. **California Law Applies.** This Agreement, in all respects, shall be interpreted, enforced, governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed entirely within such state, without regard to the choice-of-law or conflict-of-laws principles of any jurisdiction.

13. **Breach.** You and the Company agree that, in the event of any breach of this Agreement, the non-breaching party shall be entitled to pursue all available legal and equitable remedies, including injunctive relief, and shall have the right to recover reasonable attorneys' fees and costs, unless otherwise provided by law.

14. **Severability.** In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

15. **Headings Are Not Controlling.** The headings used in this Agreement are for the purpose of organization only and are not intended to inform, alter or control the terms of this Agreement.

16. **Facsimile Signature.** Facsimile signatures on this Agreement shall be treated as original signatures.

17. **Complete and Voluntary Agreement.** This Agreement, and any other agreement referenced herein, sets forth the entire agreement between you and the Company relating to the subject matter hereof. You warrant that you have read and fully understood this Agreement; that you have had the opportunity to consult with legal counsel of your own choosing and to have the terms of the Agreement fully explained to you; that you are not executing this Agreement in reliance on any promises, representations or inducements other than those contained herein; and that you are executing this Agreement knowingly and voluntarily, free of any duress and coercion.

Effective Date of the Agreement

18. **Timeline for Considering, Signing and Revoking the Agreement.** You understand and agree that you have been provided a period of twenty-one (21) days within which to consider whether you will execute this Agreement. The offer of this Agreement shall expire on the twenty-second (22nd) day after you have received it. If this day is a Saturday, Sunday or holiday recognized by the U.S. Postal Service, the expiration date is extended to the next business day.

An executed Agreement must be delivered or mailed to Edward Lanphier, at Sangamo BioSciences, Inc. on or before the twenty-first (21st) day after receiving this Agreement. Unless you personally deliver the signed Agreement on or before this date, it must be sent by a traceable overnight delivery service or traceable overnight express

mail and postmarked on or before this date (the end of the twenty-first (21st) day after receiving this Agreement).

You have a limited period of seven (7) calendar days after signing to revoke your acceptance of this Agreement. You must deliver or mail written notification of revocation to Edward Lanphier at Sangamo BioSciences, Inc. Unless you personally deliver the signed revocation within this seven (7) calendar day period, it must be sent by a traceable overnight delivery service or traceable overnight express mail and postmarked on or before the end of the seven (7) calendar day period after signing this Agreement. This deadline will be extended to the next business day should it fall on a Saturday, Sunday or holiday recognized by the U.S. Postal Service.

Because of the revocation period, you understand that the payment requirements of this Agreement shall not become effective or enforceable until the eighth (8th) calendar day after the date you sign this Agreement (the "Effective Date").

Please confirm your agreement to these terms by signing the Agreement below and returning the signed copy to me.

Very truly yours,

By: /s/ Edward O. Lanphier II
Edward O. Lanphier II
President & CEO
Sangamo BioSciences, Inc.

By signing this letter, I acknowledge that I have had twenty-one (21) days to review this Agreement carefully, and to consult with attorneys or advisors of my choice. I understand the terms of this Agreement and the significance of the waivers that I have made, and I am signing this Agreement voluntarily and without coercion.

By: /s/ Peter Bluford
Peter Bluford

October 29, 2004
Date

Exhibit A

Form of Proprietary Information Agreement
