

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): May 12, 2006

PDI, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction
of incorporation)*

0-24249

*(Commission
File Number)*

22-2919486

*(I.R.S. Employer
Identification No.)*

Saddle River Executive Centre

1 Route 17 South

Saddle River, NJ 07458

(Address of principal executive office)

Registrant's telephone number, including area code: (201) 258-8450

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))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(c) On May 12, 2006, PDI, Inc. (the "Company") issued a press release announcing that its Board of Directors has appointed Jeffrey E. Smith as Executive Vice President, Chief Financial Officer and Treasurer of the Company. Mr. Smith joined the Company effective May 15, 2006, and replaced DeLisle Callender, the Company's Interim Chief Financial Officer since April 2006. Mr. Callender will continue to serve as the Company's Corporate Controller. Mr. Smith will receive an annual base salary of \$300,000 and will be eligible to participate in the Company's short term and long term incentive programs. Additionally, Mr. Smith will receive a one-time \$200,000 initial award under the Company's Long Term Incentive Compensation Plan which will be delivered 50% in stock settled stock appreciation rights vesting ratably over a three-year period and 50% in restricted shares of common stock with three-year cliff vesting. In addition, the Company entered into an Employment Separation Agreement with Mr. Smith pursuant to which, in exchange for certain covenants not to compete and not to solicit employees or clients as well as a general release, Mr. Smith shall be entitled to receive a lump-sum payment in the event that his employment is terminated by the Company without cause or by Mr. Smith for good reason (each as defined in the agreement). If the termination event occurs on or before May 15, 2007, the payment shall be equal to the product of twelve times his current base monthly salary plus the average annual cash incentive compensation paid to him during the most recent three years immediately preceding the termination date for which such incentive compensation was paid, or such shorter period, if applicable. For the purposes of the average calculation, any amount paid for 2006 will be annualized. If the termination event occurs after May 15, 2007, the payment shall be equal to the product of eighteen times his current base monthly salary, plus the average cash incentive compensation paid to him during the most recent three years immediately preceding the termination date for which such incentive compensation was paid, or such shorter period, if applicable. For the purposes of the average calculation, any amount paid for 2006 will be annualized.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release dated May 12, 2006.

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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.

PDI, INC.

By: /s/ Michael Marquard

Chief Executive Officer

Date: May 18, 2006

EXHIBIT INDEX

Exhibit No. Description

99.1 Press Release dated May 12, 2006



For more information contact:

Stephen P. Cotugno
Executive Vice President-Corporate Development
PDI, Inc.
201.574.8617

PDI Announces Appointment of Jeffrey E. Smith as Chief Financial Officer

Saddle River, NJ— (May 12, 2006) PDI, Inc. (NASDAQ: PDII), a contract sales and marketing services provider to the biopharmaceutical industry, today announced that its Board of Directors has appointed Jeffrey E. Smith as Executive Vice President, Chief Financial Officer and Treasurer. Mr. Smith will join the Company effective May 15. Mr. Smith has over thirty years of broad based finance, accounting and general management experience including over twenty years in the pharmaceutical industry. Most recently he was Senior Vice President, Finance & Chief Financial Officer of PLIVA, Inc., a generic pharmaceutical Company. From 1985 to 2002 he served in various executive positions with ALPHARMA, Inc., a NYSE listed, global specialty pharmaceutical company. While with ALPHARMA, Mr. Smith was Executive Vice President, Finance & Chief Financial Officer and, for a 3-year period, was responsible for worldwide operations while serving as acting President and member of the Office of the Chief Executive. Mr. Smith is a Certified Public Accountant who began his career with Coopers & Lybrand (now PricewaterhouseCoopers LLC).

Mr. Michael J. Marquard, PDI's CEO stated, "We are extremely pleased to attract an executive with Jeff's breadth of experience. I look forward to working together with Jeff and all of the employees at PDI as we work toward achieving our collective business objectives."

Mr. Smith stated, "Now is a particularly exciting time to be joining PDI. The Company has a strong leadership position within the industry, quality people throughout the organization, a strong financial position and a solid infrastructure. I look forward to being a part of this dynamic company."

About PDI

PDI, Inc. (NASDAQ: PDII) is a diversified sales and marketing services provider to the biopharmaceutical industry offering a comprehensive set of outsourced solutions for established and emerging pharmaceutical companies. PDI is dedicated to maximizing the return on investment for its clients by providing strategic flexibility; sales, marketing, and commercialization expertise; and a philosophy of performance.

Headquartered in Saddle River, NJ, PDI's sales and marketing services include our Performance Sales Teams™, which are dedicated teams for specific clients, and Select Access™, our targeted sales solution that leverages an existing infrastructure. PDI also offers marketing research and consulting services through TVG in Dresher, PA, and medical communications services through Pharmakon in Schaumburg, IL. In addition, PDI is a high quality provider of ACCME-accredited continuing medical education through Vital Issues in Medicine (VIM®) in Dresher, PA. The company's experience extends across multiple therapeutic categories and includes office and hospital-based initiatives.

PDI's commitment is to deliver innovative solutions, unparalleled execution and superior results for its clients. Through strategic partnership and client-driven innovation, PDI maintains some of the longest standing sales and marketing relationships in the industry. Recognized as an industry pioneer, PDI remains committed to continuous innovation and to maintaining the industry's highest quality employees.

For more information, visit the Company's website at www.pdi-inc.com.