
**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)
December 14, 2012

Pacific Biosciences of California, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34899
(Commission
File Number)

16-1590339
(IRS Employer
Identification No.)

1380 Willow Road
Menlo Park, California 94025
(Address of principal executive offices, including zip code)

(650) 521-8000
(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):

- 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 CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On December 14, 2012, Pacific Biosciences of California, Inc. (the “Company”) entered into letter agreements with each of Michael Hunkapiller, the Company’s Chairman, President and Chief Executive Officer, and Susan K. Barnes, the Company’s Executive Vice President and Chief Financial Officer, to provide that Dr. Hunkapiller and Ms. Barnes will each receive a base salary of \$1 per year commencing January 1, 2013 through December 31, 2013 (the “Salary Reduction”). Dr. Hunkapiller and Ms. Barnes also waived 100% of the amount of any bonus otherwise payable by the Company to them with respect to the calendar year 2012 performance period. For purposes of any salary severance that Dr. Hunkapiller and Ms. Barnes may be entitled to as a result of a change of control, such severance will be determined without regard to the Salary Reduction and instead will be calculated based on their respective base salaries in effect immediately prior to the effectiveness of the Salary Reduction.

The foregoing summary of the letter agreements does not purport to be complete and is qualified in its entirety by reference to the letter agreements filed herewith as exhibits to this Current Report on Form 8-K.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

- 10.1 Letter Agreement between the Company and Michael Hunkapiller, dated December 14, 2012
- 10.2 Letter Agreement between the Company and Susan K. Barnes, dated December 14, 2012

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.

Pacific Biosciences of California, Inc.

By: _____ /s/ Brian B. Dow
Brian B. Dow
Vice President and Principal Accounting Officer

Date: December 14, 2012

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter Agreement between the Company and Michael Hunkapiller, dated December 14, 2012
10.2	Letter Agreement between the Company and Susan K. Barnes, dated December 14, 2012

December 14, 2012

Michael Hunkapiller

Re: Base Salary Compensation

Dear Michael:

This Letter Agreement is in reference to your voluntary waiver of your annual base salary ("*Base Salary*") and your annual performance bonus (the "*Bonus*"), as previously discussed between you and Pacific Biosciences of California, Inc. (the "*Company*").

This Letter Agreement serves to confirm your acknowledgement and agreement, that you will be waiving: (a) your Base Salary such that your Base Salary payable by the Company to you will be equal to \$1 per year (the "*Reduced Salary*"), commencing January 1, 2013, through December 31, 2013 (the "*Reduction Period*"), and (b) one hundred percent (100%) of the amount of any Bonus otherwise payable by the Company to you with respect to the calendar year 2012 performance period (together with the Reduced Salary, the "*Reductions*"). Unless the Reduction Period is extended by mutual agreement between the Company and you, then effective as of January 1, 2014, your Base Salary payable by the Company to you will be equal to the amount of your Base Salary in effect immediately prior to the effectiveness of the Reduced Salary.

In addition, for purposes of the Employment Agreement entered into between you and the Company, dated January 5, 2012 (the "*Employment Agreement*"), and the Change in Control Severance Agreement entered into between you and the Company, dated January 5, 2012 (the "*Severance Agreement*"), you acknowledge and agree that the Reductions will not constitute "Good Reason," as defined in Section 13(e) of the Employment Agreement and Section 7(d) of the Severance Agreement.

During the period that your Reduced Salary remains in effect, the amount of any salary severance that you may become entitled to receive under Section 9(a)(i) of the Employment Agreement or Section 3(a)(i) of the Severance Agreement will be determined without regard to the Reduced Salary and instead will be calculated based on your Base Salary in effect immediately prior to the effectiveness of such Reduced Salary.

Except as expressed modified by the terms of this Letter Agreement, your Employment Agreement and Severance Agreement will remain in full force and effect in accordance with their terms.

Sincerely,

PACIFIC BIOSCIENCES OF CALIFORNIA, INC.By: /s/ Susan K. Barnes

Susan K. Barnes

Executive Vice President and Chief Financial Officer

Acknowledged and Agreed:

/s/ Michael Hunkapiller

Michael Hunkapiller

December 14, 2012

Date

December 14, 2012

Susan K. Barnes

Re: Base Salary Compensation

Dear Susan:

This Letter Agreement is in reference to your voluntary waiver of your annual base salary ("*Base Salary*") and your annual performance bonus (the "*Bonus*"), as previously discussed between you and Pacific Biosciences of California, Inc. (the "*Company*").

This Letter Agreement serves to confirm your acknowledgement and agreement, that you will be waiving: (a) your Base Salary such that your Base Salary payable by the Company to you will be equal to \$1 per year (the "*Reduced Salary*"), commencing January 1, 2013, through December 31, 2013 (the "*Reduction Period*"), and (b) one hundred percent (100%) of the amount of any Bonus otherwise payable by the Company to you with respect to the calendar year 2012 performance period (together with the Reduced Salary, the "*Reductions*"). Unless the Reduction Period is extended by mutual agreement between you and the Company, then effective as of January 1, 2014, your Base Salary payable by the Company to you will be equal to the amount of your Base Salary in effect immediately prior to the effectiveness of the Reduced Salary.

In addition, for purposes of the Change in Control Severance Agreement entered into between you and the Company, dated September 9, 2010 (the "*Severance Agreement*"), you acknowledge and agree that such Reductions will not constitute "Good Reason," as defined in Section 6(d) of the Severance Agreement.

During the period that your Reduced Salary remains in effect, the amount of any salary severance that you may become entitled to receive under Section 3(a)(i) of the Severance Agreement will be determined without regard to the Reduced Salary and instead will be calculated based on your Base Salary in effect immediately prior to the effectiveness of such Reduced Salary.

Except as expressed modified by the terms of this Letter Agreement, your employment letter agreement entered into between you and the Company, dated September 15, 2010, and the Severance Agreement will remain in full force and effect in accordance with their terms.

Sincerely,

PACIFIC BIOSCIENCES OF CALIFORNIA, INC.

By: /s/ Michael Hunkapiller
 Michael Hunkapiller
 Chairman, President and Chief Executive Officer

Acknowledged and Agreed:

/s/ Susan K. Barnes

Susan K. Barnes

December 14, 2012

Date