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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**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): January 31, 2006**

**T. Rowe Price Group, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**000-32191**  
(Commission  
File Number)

**52-2264646**  
(IRS Employer  
Identification No.)

**100 East Pratt Street, Baltimore, Maryland 21202**  
(Address of principal executive offices)

(ZIP Code)

Registrant's telephone number, including area code: **(410) 345-2000**

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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**Item 1.01 Entry into a Material Definitive Agreement.**

On January 31, 2006, we entered into a consulting agreement with James S. Riepe. Mr. Riepe is currently a member of our Board of Directors and is the Chairman of 57 of the mutual funds organized and advised by our subsidiaries. As previously disclosed, he has indicated that he does not intend to stand for re-election at our 2006 annual meeting of stockholders and that he will step down from his positions with the mutual funds around that same time. Mr. Riepe was our Vice Chairman and the director of our Investment Services Division prior to his retirement at the end of 2005.

Pursuant to the consulting agreement, Mr. Riepe will provide strategic and other consulting services to us, as mutually agreed between Mr. Riepe and our Chief Executive Officer, over an aggregate of up to eight weeks of full-time days in each calendar year. The consulting agreement is effective as of January 1, 2006, and thereafter is automatically renewed on January 1 of each year. However, after April 30, 2006, it can be terminated by either party for any reason upon at least 30 days prior written notice. In consideration of his consulting services we have agreed to pay Mr. Riepe \$116,667 for the period ending April 30, 2006, \$66,667 for the period from May 1 through December 31, 2006, and \$100,000 per year for subsequent years, plus reimbursement for reasonable out-of-pocket expenses.

A copy of the consulting agreement is attached as Exhibit 10 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

10 Consulting Agreement dated January 31, 2006

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**T. Rowe Price Group, Inc.**

/s/ George A. Roche, Chairman and President

Date: February 2, 2006

[Letterhead of T. Rowe Price Group, Inc.]

January 31, 2006

James S. Riepe  
Conclusion Farm  
1330 Western Run Road  
Cockeysville, MD 21030

Dear Jim:

This will confirm that you have agreed to act as a consultant to T. Rowe Price Group, Inc. (**the "Company"**) commencing as of January 1, 2006 in accordance with the following terms and conditions:

1. **Services.** During the term of this engagement, you will provide strategic and other consulting services to the Chief Executive Officer and other senior management of the Company as mutually agreed between you and the Chief Executive Officer. It is expected that these services will be provided telephonically and through in-person meetings as we determine to be appropriate. In no event, will you be engaged for assignments which would require activity by you for four consecutive weeks of full-time days or for cumulative time of more than eight weeks of full-time days in any calendar year. In addition, for the period from January 1, 2006 through the end of your term in April 2006 as Chairman of the Company advised Fund boards you will continue to perform services for the Company and the Funds as required by your position as Chairman and on a basis consistent with past practice. You will not have access to the Company's investment research information, and your consulting activities will not include assisting portfolio managers with respect to investment selections or related investment activities (although you may provide general guidance with respect to capital markets and market trends and their impact on the Company's business).
  2. **Compensation.** Your compensation for these services will be \$116,667.00 for the period from January 1, 2006 until April 30, 2006, \$66,667.00 for the period from May 1, 2006 until December 31, 2006 and at a rate of \$100,000 per year thereafter. You will be paid quarterly. You will be reimbursed for your reasonable out-of-pocket expenses, including any required travel to the Company or elsewhere. For purposes of this engagement, you will be an independent contractor and not an employee of the Company, and will not be entitled to any benefits or other compensation beyond the consulting payments set forth in this paragraph. You will also be responsible for payment of all taxes associated with your compensation hereunder.
  3. **Term.** This arrangement shall be automatically renewed on January 1 of each year for an additional one-year period unless either party provides prior written notice to the other party that it wishes to terminate this arrangement at any time prior to such
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January 1. In addition, this arrangement may be terminated by either party at any time after April 30, 2006 for any reason upon at least thirty (30) days prior written notice to the other party.

4. **Confidentiality.** During your engagement hereunder, you will maintain the confidentiality of any non-public information relating to the Company that you obtain as a result of your consulting activity. In addition, unless otherwise agreed in writing by the Chair of the Company's Ethics Committee, you will continue to be bound by the Company's policies with respect to the trading in Company stock, including its prior clearance and reporting procedures for employees. Provided that you do not obtain information about the Company's investment research, recommendations, or transactions, subsequent to the end of your term in April 2006 as Chairman of the Company advised Fund boards, you will no longer be subject to the Company's policies with respect to the prior clearance and reporting of your personal securities transactions involving securities other than stock of the Company.
5. **Office Space.** The Company will provide you with appropriate office spaces and equipment, secretarial assistance and computer access and support.
6. **Other Employment.** Should you accept a position as an employee, officer, director or consultant, or an appointment to the board, of a federally registered investment advisor or a registered investment company, you will provide written notice of such employment or appointment to the Chief Executive Officer of the Company (and recognize that we may need to modify this relationship or establish protocols or procedures relating to such position to avoid any potential conflicts, or appearance of conflicts, arising therefrom).
7. **Entire Agreement.** This letter represents the entire agreement relating to your engagement by the Company, and shall be governed by and constructed in accordance with the laws of the State of Maryland.

If the foregoing accurately reflects our agreement, please acknowledge by signing and returning the enclosed copy of this letter.

Very truly yours,

/s/ George A. Roche

George A. Roche

/s/ James S. Riepe

James S. Riepe

[T. Rowe Price Second Sheet]