

**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 7, 2010 (October 1, 2010)**

ACCURAY INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-33301

(Commission File Number)

20-8370041

(IRS Employer Identification No.)

**1310 Chesapeake Terrace
Sunnyvale, California 94089**

(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: **(408) 716-4600**

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))

Item 1.01. Entry into a Material Definitive Agreement.

On October 1, 2010, Accuray Incorporated (the "**Company**") entered into a General Release and Separation Agreement with Eric Lindquist, its former Senior Vice President, Chief Marketing Officer, in connection with Mr. Lindquist's resignation as of September 2, 2010 (the "**Lindquist Separation Agreement**"). The Lindquist Separation Agreement provides that Mr. Lindquist will receive severance benefits in accordance with the terms of his employment agreement with the Company, a copy of which is on file with the Commission, in consideration for a general release of claims against the Company. Pursuant to the Lindquist Separation Agreement, the Company agreed to pay Mr. Lindquist a severance payment in the amount of \$383,926.01, which amount is equal to the sum of: (a) eight months of his annual base salary, or \$210,833.33, (b) 100% of his target annual bonus for fiscal year 2011, which target annual bonus was 65% of Mr. Lindquist's annual base salary for fiscal year 2011, prorated by the number of days elapsed in the current fiscal year, or \$36,044.16, and (c) 66.6% of his target annual bonus for fiscal year 2011, or \$137,048.52. In addition, the Company agreed to pay for COBRA continuation coverage for Mr. Lindquist and his eligible dependents for the period commencing on the date on which Mr. Lindquist's Company sponsored healthcare coverage would otherwise terminate (absent COBRA) and ending on the earlier to occur of the eight month anniversary of such date or the expiration of the period during which Mr. Lindquist would be entitled to continuation coverage under COBRA.

In addition, on October 1, 2010, the Company entered into an amended and restated employment letter with Theresa Dadone (the "**Dadone Employment Letter**"), which amends and restates in its entirety, the letter agreement between the Company and Ms. Dadone dated October 22, 2008, and pursuant to which Ms. Dadone agreed to continue to serve as the Company's Senior Vice President, Human Resources.

There is no other arrangement or understanding pursuant to which Ms. Dadone was appointed as Senior Vice President, Human Resources. Ms. Dadone has no familial relationship with any director, executive officer or person nominated or chosen by the Company to become a director or executive officer.

