

# DGT HOLDINGS CORP.

## FORM 8-K (Current report filing)

Filed 08/27/04 for the Period Ending 08/24/04

Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
CIK	0000027748
Symbol	DGTC
SIC Code	3679 - Electronic Components, Not Elsewhere Classified
Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

UNITED STATES  
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) August 24, 2004

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DEL GLOBAL TECHNOLOGIES CORP.  
(Exact name of registrant as specified in charter)

New York ----- (State or other jurisdiction of incorporation)	0-3319 ----- (Commission File Number)	13-1784308 ----- (IRS Employer Identification No.)
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One Commerce Park, Valhalla, NY ----- (Address of Principal Executive Offices)	10595 ----- (Zip Code)
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Registrant's telephone number, including area code (914) 686-3600  
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(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 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS;  
APPOINTMENT OF PRINCIPAL OFFICERS.

On August 24, 2004, Thomas V. Gilboy, age 50, voluntarily resigned as Chief Financial Officer, Secretary and Treasurer of the registrant effective on August 31, 2004. The Board of Directors of the registrant has appointed Mark A. Koch, age 46, as the new Principal Accounting Officer and Treasurer effective August 25, 2004. Mr. Koch will report to Walter F. Schneider, the Chief Executive Officer of the registrant.

Prior to his appointment as Treasurer and Principal Accounting Officer, Mr. Koch has served as the registrant's Corporate Controller and Assistant Secretary since February 2003. His responsibilities have included internal and external financial reporting, domestic working capital management, and treasury functions. From 1998 through January 2003, Mr. Koch was Corporate Controller, Secretary and Treasurer of SEMX Corporation ("SEMX"), a public corporation listed on NASDAQ providing specialty materials and thermal management solutions to the wireless, internet infrastructure and electronics industries. SEMX is not an affiliate of the registrant.

Mr. Koch does not have any family relationships with any of the directors, executive officers, or any people nominated or chosen by the registrant to become a director or executive officer.

Mr. Koch is not a party to any transactions listed in Reg. S-K Item 404(a).

Mr. Koch and the registrant are party to a letter agreement dated February 10, 2003 that contains certain employment provisions, which is attached hereto as Exhibit 99.01 and incorporated herein by reference (the "Change in Control Agreement"). The following summary of the Change in Control Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the actual text of such agreement. The terms of Mr. Koch's agreement provide that, in the event of a change in control that results in the termination of Mr. Koch's employment, the registrant is obligated to pay him the sum of (i) his base salary for the calendar year in which the termination occurs, plus (ii) any bonus declared payable for the year immediately preceding the termination (or if no bonus was declared, the target bonus for the year of the termination), plus (iii) any amount credited to him as deferred compensation for the year immediately preceding the termination. In addition, in the event of a termination following a change of control, the registrant is obligated to pay to Mr. Koch an amount equal to his unvested balances in the registrant's profit sharing plan and 401(k) plan. These change of control payments are conditioned upon the execution of a mutual release of claims, and must be made as soon as practicable (but no more than five (5) days) following Mr. Koch's termination.

Upon a change of control termination, the registrant is obligated to pay to Mr. Koch an amount equal to his unused vacation days and a pro-rata portion of his accrued but unpaid target bonus for the year in which the termination occurs. In addition, upon a change of control termination, Mr. Koch may participate in the registrant's hospitalization, group health benefit and disability plans for twelve (12) months from the date of the termination. If our plans do not allow such participation, the registrant is obligated to reimburse him for the cost of equivalent coverage. If the payments to be received by Mr. Koch under the Change in Control Agreement, together with any other perquisites or payments, are subject to excise taxes, the registrant is obligated to make a

gross-up payment equal to the total amount of all taxes imposed on the change of control payments, including income and excise taxes imposed on the gross-up payment.

The termination of Mr. Koch's employment shall be deemed a change of control termination if such employment is terminated by the registrant within twenty-four (24) months after a change of control, or Mr. Koch's voluntarily terminates his employment, within twenty-four (24) months of a change of

control, due to a decrease in Mr. Koch's salary, bonus or benefits, or if the registrant has substantially changed the executive's duties, moved his work location by more than forty (40) miles or the registrant's principal business has substantially changed.

ITEM 8.01. OTHER EVENTS

On August 27, 2004, the registrant announced the resignation of Thomas V. Gilboy as Chief Financial Officer, Secretary and Treasurer and the appointment of Mark A. Koch as Principal Accounting Officer and Treasurer. For additional information, reference is made to the press release which is attached hereto as Exhibit 99.02 and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial Statements of Businesses Acquired.

Not Applicable

- (b) Pro Forma Financial Information.

Not Applicable

- (c) Exhibits.

99.01 Change in Control Agreement between Mark A. Koch and the registrant, dated February 10, 2003.

99.02 Press Release dated August 27, 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.

DEL GLOBAL TECHNOLOGIES CORP.

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(Registrant)

Date: August 27, 2004

By: /s/ Walter Schneider

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Walter Schneider  
Chief Executive Officer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.01	Change in Control Agreement between Mark A. Koch and the registrant, dated February 10, 2003.
99.02	Press Release dated August 27, 2004

Exhibit 99.01

February 10, 2003

Mark A. Koch, CPA  
54 Beekman Avenue  
Croton-on-Hudson, NY 10520

Dear Mark:

Del Global Technologies Corp. (the "Corporation") acknowledges that the maintenance of strong and experienced employees is essential in protecting and enhancing the best interest of the Corporation and its stockholders. In this connection the Corporation recognizes that, as is the case with many corporations, the possibility of a change in control may arise and may result in the departure or distraction of key employees to the detriment of the Corporation and its stockholders.

In order to assure that it will have the continued dedication of its key employees and the availability of their advice and counsel notwithstanding the possibility or occurrence of a Change in Control (as hereinafter defined), and to induce key employees to remain in the employ of the Corporation, and for other good and valuable consideration, the Corporation is taking the following action:

1. In the event of a Change in Control of the Corporation at any time during the period in which you are an employee of the Corporation, and your employment with the Corporation is terminated as a result of such Change in Control ("Change in Control Termination"), the Corporation and/or its successor shall be obligated to pay to you an amount equal to one (1) times the sum of (i) your base salary for the calendar year in which the Change in Control Termination occurs, plus (ii) the bonus, if any, declared payable to you for the year immediately preceding the Change in Control Termination, [or if none declared, the bonus for the year of the Change in Control Termination (based on a full year) pursuant to targets or goals]; plus (iii) the amount, if any, credited to you as deferred compensation for the year immediately preceding the Change in Control Termination. In addition, upon a Change in Control Termination the Corporation shall pay you an amount in cash equal to your unvested balances in the Corporation Profit

Sharing Plan and any matching contributions to the Corporation's 401(k) Plan that are foregone or not vested as of the Change in Control Termination (the foregoing payments and benefit collectively referred to hereinafter as "Change in Control Payments"). The Change

Mark A. Koch  
February 10, 2003  
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in Control Payments shall be conditioned upon the execution of a mutual release of claims by you and the Corporation, and shall otherwise be made as soon as practicable after the termination of your employment as a result of the Change in Control, but in no event more than five (5) days after the Change in Control Termination.

2. The Corporation shall also pay to you your base salary for unused vacation days and, pursuant to a bonus plan adopted by the Corporation, a pro-rata portion of your accrued but unpaid bonus for the year in which a Change in Control Termination occurs, at a level consistent with 100% pay-out versus set targets or goals.
3. In addition, the Corporation shall continue to allow you to participate in the hospitalization, group health benefit and disability plans of the Corporation for twelve (12) months from the date of the Change in Control Termination on the same terms and conditions as immediately prior to such Change in Control Termination. If such plans do not allow such participation, the Corporation will reimburse you for the costs of providing equivalent coverage by some other means.
4. You will not be required to seek other employment or to attempt in any way to reduce the Change in Control Payments payable to you. Further, the Change in Control payments shall not be reduced by any compensation earned by you as a result of employment by another employer. The Change in Control Payments shall be in lieu of any other severance payments to which you may be entitled pursuant to any severance plan of the Corporation or otherwise, and shall be reduced by all other payments made by the Corporation that are in the nature of severance, including, without limitation, payments required under the WARN Act (or equivalent state law) that are made in lieu of an advance notice of a mass termination.
5. In the event it shall be determined that Change in Control Payments shall, together with any perquisites or payment received by you (whether paid or payable or distributed or distributable pursuant to the terms of this letter or otherwise, is subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then you shall be entitled to receive an additional payment (a "Gross-Up Payment") from the Corporation in an amount such that after payment by you of all taxes including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and any Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments.

6. A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this letter of any of the following events:
  - (a) Acquisition of Stock by Third Party: Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities beneficially owned by such Person any securities acquired directly from the Corporation or its Affiliates) representing thirty (30%) percent or more of the combined voting power of the Corporation's then outstanding securities;
  - (b) Change in Board of Directors: The date when Continuing Directors cease to be a majority of the Directors then in office;
  - (c) Corporate Transactions: The shareholders of the Corporation approve a merger or consolidation of the Corporation with any other corporation, which merger or consolidation is consummated, other than (i) a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with newly acquired ownership acquired in such transaction by any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or an Affiliate, at least 50% of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Corporation (or similar transaction) in which no Person acquires more than 50% of the combined voting power of the Corporation's then outstanding securities; or
  - (d) Liquidation: The approval by the shareholders of the Corporation of a complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets, which liquidation, sale or disposition is consummated.
7. The termination of your employment shall be deemed a Change in Control Termination if (i) your employment is terminated by the Corporation (except by reason of your death) within twenty-four (24) months after the Change in Control or (ii) you voluntarily terminate your employment within twenty-four (24) months after the Change in Control because (i) your salary, bonus potential and/or benefits have been decreased (ii) your duties, functions, responsibilities or authorities have substantially changed, (iii) your work location has changed by forty (40) miles or more or (iv) the principal business of the Corporation has substantially changed.

8. For purposes of this letter, the following terms shall have the following meanings:

- (a) "Affiliate" shall mean any entity that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Corporation as determined by the Board of Directors in its discretion.
- (b) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act.
- (c) "Continuing Directors" as used in this letter shall mean the persons who constitute the Board of Directors of the Corporation on the date hereof together with their successors whose nominations were approved by a majority of Continuing Directors.
- (d) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.
- (e) "Person" shall have the meaning as set forth in Section 13(d) and 14(d) of the Exchange Act; provided however, that Person shall exclude (i) the Corporation or any of its Affiliates, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities; and (iv) any corporation owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportion as their ownership of stock of the Corporation.

- 9. EMPLOYMENT. Notwithstanding anything to the contrary contained herein, you and the Corporation agree that you shall be entitled to receive the Change in Control Payments solely in the event of a Change in Control and nothing herein shall be deemed to grant to you any additional rights to continued employment by the Corporation.
- 10. TAX WITHHOLDING. Both the Change in Control Payments and any other payments or benefits provided hereunder will be subject to withholding for all applicable employment and income taxes.
- 11. LEGAL FEES. The Corporation agrees to pay as incurred, to the fullest extent allowed by law, all legal fees and expenses which you may reasonably incur as a result of any contest by the Corporation, you or others of the validity or enforceability of, or liability under, any of the terms of this letter, plus in each case interest on any delayed payment at the applicable federal rate under the Code.

Mark A. Koch  
February 10, 2003  
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This letter sets forth the entire agreement of the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, with respect to the subject matter contained herein, including, without limitation, any prior severance agreements or change in control agreements.

If the foregoing is acceptable to you, please so indicate in the space provided below and return the enclosed copy of this letter to the undersigned.

Very truly yours,

DEL GLOBAL TECHNOLOGIES CORP.

By: /s/ Samuel E. Park

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Samuel E. Park  
President and Chief Executive Officer

Accepted and Agreed to

this 11th day of February, 2003

/s/ Mark A. Koch

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Mark A. Koch

99.02

[DEL GLOBAL TECHNOLOGIES CORP. LOGO]

FOR IMMEDIATE RELEASE

DEL GLOBAL TECHNOLOGIES ANNOUNCES RESIGNATION OF CHIEF FINANCIAL  
OFFICER AND  
APPOINTMENT OF NEW PRINCIPAL ACCOUNTING OFFICER

VALHALLA, NY - Aug. 27, 2004 -- Del Global Technologies Corp. (DGTC) ("Del Global") today announced the voluntary resignation on August 24, 2004 of Thomas V. Gilboy as Chief Financial Officer, Secretary and Treasurer, effective on August 31, 2004. Del Global also announced that the Board of Directors has appointed Mark A. Koch as its Principal Accounting Officer and Treasurer, effective August 25, 2004.

Prior to his appointment as Treasurer and Principal Accounting Officer, Mr. Koch, 46, has served as Del Global's Corporate Controller and Assistant Secretary since February 2003. His responsibilities have included internal and external financial reporting, domestic working capital management, and treasury functions. From 1998 through January 2003, Mr. Koch was Corporate Controller, Secretary and Treasurer of SEMX Corporation ("SEMX"), a public corporation listed on NASDAQ providing specialty materials and thermal management solutions to the wireless, internet infrastructure and electronics industries. SEMX is not an affiliate of Del Global.

Walter F. Schneider, President and Chief Executive Officer, commented, "We congratulate Mark on his appointment as Treasurer and Principal Accounting officer. We are fortunate to have an individual of his experience and ability assume these important positions. His familiarity with Del Global's business and industry should result in a seamless transition of responsibilities."

Del Global Technologies Corp. is primarily engaged in the design, manufacture and marketing of cost-effective medical imaging and diagnostic systems consisting of stationary and portable x-ray systems, radiographic/ fluoroscopic systems, dental imaging systems and proprietary high-voltage power conversion subsystems for medical and other critical industrial applications. Industrial applications for which Del Global supplies power subsystems include airport

explosives detection, analytical instrumentation, semiconductor capital equipment and energy exploration.

Statements about future results made in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. Del Global cautions that these statements are not guarantees of future performance. These statements involve a number of risks and uncertainties that are difficult to predict, including, but not limited to, the ability of Del Global to implement its business plan; retention of management; changing industry and competitive conditions; obtaining anticipated operating efficiencies; securing necessary capital facilities; favorable determinations in various legal and regulatory matters; the ability of Del Global to meet its obligations under the agreement in principle with the US Government regarding the proposed settlement of the DoD matter; the ability of Del Global to avoid a debarment from doing business with the U.S. Government; and favorable general economic conditions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements

are specified in the Company's filings with the Securities and Exchange Commission.

**CONTACT:**

Del Global Technologies Corp.  
Walter F. Schneider, President & Chief Executive Officer  
(914) 686-3600

**INVESTOR RELATIONS:**

The Equity Group Inc.  
Devin Sullivan (212) 836-9608  
Adam Prior (212) 836-9606

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**End of Filing**

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