

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

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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) September 8, 2004

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 10595

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (914) 686-3600

(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 1.01. ENTRY IN TO A MATERIAL DEFINITIVE AGREEMENT.

On September 8, 2004, the registrant entered into a non-competition agreement (the "Agreement") with Walter F. Schneider, the Chief Executive Officer and President of the registrant. The Agreement, which is attached hereto as EXHIBIT 99.01 and incorporated herein by reference, provides for a payment of \$225,000 by the registrant to Mr. Schneider upon the occurrence of certain events as specified in the Agreement. In consideration for this payment, Mr. Schneider has agreed to forego certain rights to compete with the registrant, as more fully described in the Agreement.

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 Non-Competition Agreement dated September 8, 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.

(Registrant)

Date: September 10, 2004

By: /s/ Walter Schneider

Walter Schneider
Chief Executive Officer and President

Exhibit No.

Description

99.01	Non-Competition Agreement dated September 8, 2004
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NON-COMPETITION AGREEMENT

THIS NON-COMPETITION AGREEMENT ("AGREEMENT") is entered into as of this 8th day of September, 2004, by and between Del Global Technologies Corp., a New York corporation (the "DEL GLOBAL"), and Walter F. Schneider ("SCHNEIDER").

RECITALS

WHEREAS, Walter F. Schneider is the president and chief executive officer of Del Global ;

WHEREAS, the Company is considering selling its various businesses and, in connection therewith, the Company believes it is advisable to obtain an agreement from Schneider that would restrict his ability to compete with the businesses of the Company;

WHEREAS, in consideration for a payment of \$225,000 by Del Global to Schneider (the "Payment") upon the consummation of the sale by Del Global of the businesses of both Del Medical Imaging Corp. and Villa Sistemi Medicali, S.p.A. (collectively, the "Businesses"), Schneider has agreed to forego certain rights to compete with Del Global, subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises above recited and the obligations and agreements as hereinafter set forth, the parties hereto agree as follows:

1. NON-COMPETE.

Del Global agrees to pay Schneider the Payment upon the consummation of the sale of the Businesses provided that Schneider is employed by Del Global at such time. In consideration for the Payment, Schneider covenants and agrees that for a period of one year after the receipt by Schneider of the Payment, he shall not:

(i) directly or indirectly, own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, member, partner, principal, agent, representative, consultant or otherwise with, or use or permit his name to be used in connection with, any business or enterprise which is engaged in any business that is competitive with any business or enterprise in which Del Global or any affiliate of Del Global is engaged on the date hereof other than the businesses which Del Medical Imaging Corp. is engaged in, or had plans or intentions to engage in as of the date hereof. Schneider acknowledges that Del Global operates on an international basis and that this covenant cannot be limited to a service area in which Del Global and its affiliates do business. The foregoing restrictions shall not be construed to prohibit the ownership by Schneider of less than five percent (5%) of any class of securities or equity interest of any corporation or other business entity which is engaged in a competitive business having a class of securities registered pursuant to the Securities Exchange Act of 1934, as amended, but neither Schneider nor any group of persons including Schneider may in any way, either directly or indirectly, manage or exercise control of any such corporation or entity, guarantee any of its financial obligations, or otherwise take any part in its business other than exercising its or his rights as a stockholder; or

(ii) directly or indirectly, either for himself or any other person (A) solicit or induce, or attempt to solicit or induce any employee of, or sales agent, independent sales organization or other independent contractor providing services to, Del Global or any affiliate of Del Global to leave the employ of or to cease to provide services, in whole or in part to, Del Global or any affiliate of Del Global, or to terminate or fail or refuse to renew or renegotiate, any contract for services with Del Global or any affiliate of Del Global, whether such contract is written or oral, (B) in any way interfere with the relationship between Del Global or any affiliate of Del Global and an

employee of or sales agent, independent sales organization or independent contractor of Del Global or any affiliate of Del Global, (C) employ, or otherwise engage as an employee, sales agent, independent sales organization or independent contractor, consultant or otherwise, any employee, sales agent, independent sales organization or independent contractor of Del Global or any affiliate of Del Global (this subsection (ii) shall not apply to any person after 12 months have elapsed subsequent to the date on which such person's employment by or association with Del Global has terminated), or (D) induce or attempt to induce any customer, supplier, licensee, or business relation of Del Global or any affiliate of Del Global, to cease doing business with Del Global or such affiliate, or in any way interfere with the relationship between any customer, supplier, licensee, or business relation of Del Global or any affiliate of Del Global.

In the event of a breach by Schneider of any of the covenants set forth above, the term of such covenant shall be extended by the period of the duration of such breach.

2. REMEDIES.

If Schneider breaches any of the covenants set forth above, Del Global will be entitled to the following remedies:

(a) Damages from Schneider, including the recovery of actual, consequential, incidental, and other damages, as may be appropriate under the circumstances, plus reasonable costs and attorney's fees incurred as a result of the breach; and

(b) In addition to rights to damages and any other legal or equitable remedies, to obtain injunctive or other equitable relief to restrain any breach or threatened breach, and/or otherwise to specifically enforce the provisions of Section 1 of this Agreement, it being agreed that money damages alone would be inadequate to compensate Del Global and would be an inadequate remedy for such breach. Schneider acknowledges and agrees that a violation of any of the provisions of Section 1 of this Agreement would cause irreparable injury to Del Global. Schneider and Del Global acknowledge and agree that any legal requirement that Del Global show or establish the existence of irreparable harm or injury shall be satisfied by the introduction and receipt of this Agreement into evidence.

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(c) The rights and remedies of the parties to this Agreement are cumulative and not alternative.

3. SUCCESSORS AND ASSIGNS.

This Agreement will be binding upon the parties and will inure to the benefit of Del Global and its respective successors and assigns, and Schneider and his heirs, representatives and assigns. Neither party may assign any of its rights under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Del Global may assign this Agreement without Schneider's consent in the event Del Global is merged or consolidated into or with another corporation or in the event such corporation acquires all or substantially all of Del Global's assets.

4. WAIVER.

Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement, and no single or partial exercise of any such right, power, or privilege, will operate as: (i) a waiver of such right, power, or privilege, or (ii) the exercise of any other right,

power, or privilege. To the maximum extent permitted by applicable law:

(a) No claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing and signed by the other party;

(b) No waiver that may be given by a party will be applicable except in the specific instance for which it is given; and

(c) No notice to or demand on one party will be deemed to be a waiver of any obligation of such party, or of the right of the party giving such notice or demand, to take further action without notice or demand as provided in this Agreement.

5. GOVERNING LAW.

This Agreement will be governed by the laws of the State of New York without regard to conflicts of laws principles. Any legal action, including an original complaint or third party claim, by or in the right of any party to this Agreement or any action arising under or related to this Agreement, including but not limited to a claim for payment under this Agreement, and also including any non-contract claim, shall be brought and maintained exclusively in a state or federal court of competent subject matter jurisdiction in New York, New York or its neighboring counties, and the parties hereby submit themselves to the personal jurisdiction and venue of those courts for the purpose of any such actions and hereby waive any defense related to personal jurisdiction, process, or venue.

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6. SEVERABILITY.

Whenever possible, each provision and term of this Agreement will be interpreted in a manner to be effective and valid but if any provision or term of this Agreement is held to be prohibited by or invalid, then such provision or term will be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this Agreement. If any of the covenants set forth in Section 1 of this Agreement are held to be unreasonable, arbitrary, or against public policy or otherwise unenforceable, such covenant(s) will be considered divisible with respect to scope, time, and geographic area, and in such lesser scope, time and geographic area, as will be effective, binding and enforceable against Schneider.

7. SECTION HEADINGS, CONSTRUCTION.

The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All words used in this Agreement will be construed to be of such gender or number as the circumstances require.

8. NOTICES.

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, one day after being delivered to an overnight courier or when telecopied (with a confirmatory copy sent by overnight courier) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Del Global:

Del Global Technologies Corp.

One Commerce Park
Valhalla, New York 10595

(b) if to Schneider:

Walter F. Schneider
45 Poverty Hollow Road
Newton, CT 06470

9. AMENDMENTS.

This Agreement may not be modified or amended, except with the mutual written consent of Del Global and Schneider.

10. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement among the parties with respect to the specific subject matter hereof and supersedes all prior written and oral agreements and understandings between Del Global and Schneider with respect to the subject matter of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Non-Competition Agreement to be executed and delivered as of the day and year first above written.

Del Global Technologies Corp.

By: /s/ Edward Ferris

Name: Edward Ferris
Title: Senior Vice President,
Corporate and Organizational
Development

/s/ Walter F. Schneider

Walter F. Schneider

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