

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) November 1, 2005

DEL GLOBAL TECHNOLOGIES CORP.

(Exact name of registrant as specified in charter)

New York	0-3319	13-1784308
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
One Commerce Park, Valhalla, NY		10595
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code (914) 686-3650

(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 into a Material Definitive Agreement.

On November 1, 2005, in connection with the appointment of Christopher N. Japp as President of the Medical Systems Group of Del Global Technologies Corp., a New York corporation (the "Company"),

the Company entered into an employment letter (the "Japp Letter") with Mr. Japp, which sets forth terms and provisions governing Mr. Japp's employment as President of the Medical Systems Group of the Company. A copy of the Japp Letter is attached hereto as Exhibit 10.1 and incorporated herein by reference. The following summary of the Japp Letter does not purport to be complete and is subject to and qualified in its entirety by reference to the actual text of such letter.

The Japp Letter provides for an annual salary of \$225,000. In connection with his employment, Mr. Japp received an option grant to purchase 50,000 shares of the Company's common stock, \$.10 par value, at an exercise price of \$3.05 per share pursuant to and in accordance with the Company's Amended and Restated Stock Option Plan. Such stock option shall vest and become exercisable as to one-fourth of such shares on each of November 1, 2005, the date of the grant, November 1, 2006, November 1, 2007 and November 1, 2008. Mr. Japp will be provided with an automobile allowance of \$850 per month and will be eligible for twenty paid vacation days per year. In addition, Mr. Japp will be eligible to receive an annual bonus with a target of 40% of his annual base salary based upon objectives mutually agreed upon by Mr. Japp and the Company.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On November 4, 2005, the Company issued a press release announcing the appointment of Christopher N. Japp as President of the Medical Systems Group of the Company, a copy of which press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A summary description of the material terms of Mr. Japp's letter agreement are discussed in Item 1.01 above and are incorporated herein by reference.

Christopher N. Japp, 44, brings significant medical technology, global marketing and leadership experience to the Company. From 2003 to 2005, Mr. Japp served as Vice President, Cardiac Surgery and Vice President, Marketing at St. Jude Medical International, a global cardiovascular device manufacturing company. From 1990 to 2003, Mr. Japp held various positions at GE Healthcare related to the company's Computed Tomography business.

Item 8.01. Other Events.

On November 4, 2005, the Company issued a press release announcing (i) the appointment of Christopher N. Japp as President of the Company's Medical Systems Group, and (ii) that the Company has launched a new global strategy to more closely align the sales and marketing operations of its Del Medical Imaging subsidiary and its 80%-owned Villa Sistemi Medicali subsidiary.

For additional information, reference is made to the press release attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Exhibits</u>
10.1	Employment Letter dated as of November 1, 2005 between Del Global Technologies Corp. and Christopher N. Japp.
99.1	Press Release dated November 4, 2005 announcing appointment of Christopher N. Japp as President of the Medical Systems Group of the Company.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Letter dated as of November 1, 2005 between Del Global Technologies Corp. and Christopher N. Japp.
99.1	Press Release dated November 4, 2005 announcing appointment of Christopher N. Japp as President of the Medical Systems Group of the Company.

[Letterhead of Del Global Technologies Corp.]

November 1, 2005

Chris Japp
10093 Bridgewater Bay
Woodbury, MN 55129

Re: Employment Offer

Dear Chris:

I am pleased to extend you an offer of employment as President of the Medical Systems Group of Del Global Technologies Corp., a New York corporation (the "Company"). The following sets forth the terms of employment as President of the Medical Systems Group of the Company.

Your employment is conditioned upon and will commence upon the satisfaction of all the conditions set forth in this letter. Your compensation will include an annual salary of \$225,000. You will be eligible to receive an annual bonus with a target of 40% of your annual base salary based upon objectives to be mutually agreed to by you and the Company (the "Bonus"). Therefore, the Bonus is not guaranteed and may range from 0% to 40% of your base salary.

Management of the Company will recommend to the Board of Directors of the Company a grant to you of a stock option to purchase 50,000 shares (the "Shares") of common stock, \$.10 par value, of the Company pursuant to and in accordance with the Company's Amended and Restated Stock Option Plan.

The Company will reimburse you for your reasonable out-of-pocket relocation expenses incurred by you in connection with the sale of your current home and your relocation to the Chicago, Illinois area, subject to prior written approval of such expenses by the Company and submission by you of appropriate documentation for such expenses to the Company (the "Relocation Expenses"). The Company will provide to you for the first 90 days residence at a local extended-stay facility that the Company uses (the "Housing Expenses"). You shall be entitled to receive an additional payment (a "Gross-Up Payment") from the Company in an amount such that after payment by you of all taxes including, without limitation, any income taxes, you retain an amount of the Gross-Up Payment equal to the taxes imposed upon the Relocation Expenses and the Housing Expenses. In addition, the Company will reimburse you for airfare and hotel in accordance with the Company's travel policies for you and your spouse to travel from Minnesota to the Chicago, Illinois area up to three (3) times for house hunting. All monies advanced as Relocation Expenses and Housing Expenses are to be reimbursed by you in full should you voluntarily terminate your employment prior to the completion of one year of employment with the Company.

The Company will provide you with an automobile allowance of \$850.00 per month.

You are also eligible for twenty (20) paid vacation days per year. Any vacation days not used cannot be carried forward and will have no cash value.

You will be entitled to severance in the event your employment is terminated by the Company without cause prior to the one-year anniversary of your employment with the Company equal to three (3) months base salary. You will not be entitled to severance in the event your employment is terminated by the Company for cause.

You will be eligible for Del Medical's health benefit and dental programs on the first day of the month following 60 days of employment. Our health and dental insurance is contributory.

Family medical coverage currently costs \$275.00 per month, employee and spouse \$190.00, employee and child \$165.00 and single coverage \$90.00. Dental costs for the PPO plan are \$86.26 per month for primary participant, plus 2 or more dependents, \$58.86 for primary participant, plus one dependent, and \$31.46 for primary participant only. Dental costs for the DMO plan are \$63.67 per month for primary participant, plus 2 or more dependents, \$41.90 for primary participant, plus one dependent, and \$20.08 for primary participant only. A benefits package will be sent to you under separate cover at the time you are eligible and the plan is subject to change.

We also offer a Flexible Spending Account program to allow you to set-aside pre-tax monies to cover certain health and dependent day care expenses. Specific details are available from Human Resources.

You will be covered under our group life insurance at one times your annual base salary to a maximum of \$200,000, and subject to plan rules. Additionally, you will be able to purchase supplemental term life and long-term disability insurance.

Del Global's 401(k) plan provides a vehicle to help you invest for your retirement years with pre-tax dollars. Key features of the plan include:

- A Company-matching contribution of 50% of the first 4% of salary you invest in the plan subject to plan and statutory limits, after twelve (12) months of service,
- Profit Sharing contributions should certain Company financial performance and plan participation goals be met,
- A diversified investment option portfolio sponsored by ING Life Insurance and Annuity Company,
- An accelerated vesting schedule (100% vested in Company contributions after 3 years of service), and
- Immediate eligibility to contribute to the plan.

This offer of employment is contingent on the completion by the Company of a background check on you to the satisfaction of the Company. In addition, this offer of employment is contingent upon approval of this offer by the Board of Directors of the Company.

To comply with Federal Immigration Law, we ask that you provide the Company with proof of your identity and citizenship. This can take the form of any two documents such as a birth certificate or passport, along with your driver's license as photo identification. The Company will copy these documents and immediately return them to you.

You represent and warrant that your employment with the Company and your execution of this letter do not, and that your performance in accordance with this letter will not, violate the provisions of any agreement or instrument to which you are a party or any decree, judgment or order to which you are subject.

The terms of this offer do not and are not intended to create either an expressed or implied contract of employment for a specified period of time. It is understood that you are voluntarily entering into employment at will with the Company and either you or the Company can terminate the employment relationship at any time with or without prior notice for any reason whatsoever or no reason at all. Moreover, both you and the Company acknowledge that there is no agreement express or implied for any specific period of employment, or for continued employment.

During the course of your employment, you may be asked to review and sign documents, including but not limited to, those that concern the non-disclosure of confidential information, and if you should leave the employ of the Company, the prompt return of all Company property then in your possession. Your execution of these confidentiality agreements and adherence to their terms are a condition of your employment.

Please indicate your acceptance of this offer by signing below and returning this letter in its entirety to me within two (2) business days of the date of this letter. Please remember to keep one (1) copy for your records.

Sincerely,

/s/ Walter F. Schneider

Name: Walter F. Schneider

Title: Chief Executive Officer and President

cc: Personnel File

Agreed and Accepted as of the date first written above.

/s/ Chris Japp

Chris Japp

FOR IMMEDIATE RELEASE**DEL GLOBAL TECHNOLOGIES APPOINTS CHRISTOPHER N. JAPP
PRESIDENT OF DEL MEDICAL SYSTEMS GROUP****Mr. Japp To Lead Company's Strategic Global Sales Initiative**

VALHALLA, NY - November 4, 2005 -- Del Global Technologies Corp. (DGTC) ("Del Global" or "the Company") today announced that medical device industry veteran Christopher N. Japp has been appointed president of the Company's Del Medical Systems Group subsidiary.

Mr. Japp will be responsible for the global operations of the Company's Del Medical Imaging subsidiary and its 80% owned Villa Sistemi Medicali ("Villa") subsidiary. Del Medical Imaging is the largest supplier of general purpose radiographic systems to independent distributors in North America. Villa, based in Milan and serving many international markets, is Italy's largest manufacturer of medical and dental X-ray imaging devices. Mr. Japp will report directly to Del Global's President and CEO, Walter F. Schneider, who previously held these positions.

Mr. Japp comes to Del Global from St. Jude Medical International, where he served as Vice President, Cardiac Surgery since 2003. During his tenure, he led efforts to increase international sales, broaden new business opportunities, and develop and implement sales incentive plans. From 1990 - 2003, he held positions of increasing responsibility at GE Healthcare, including management and sales positions in Canada, Tokyo, and Hong Kong. Mr. Japp was promoted to General Manager, CT (Computer Tomography) Advanced Applications Products in 2001.

Mr. Japp is Six Sigma Certified and has a B.Sc. in Electrical Engineering from Queen's University, Kingston, Canada.

Walter F. Schneider, President and CEO of Del Global, stated, "We are extremely pleased that Chris has joined Del Global, returning to his roots in medical imaging. He brings to Del Global an impressive combination of financial, sales, marketing and management expertise. We believe that these attributes, along with his extensive network of industry contacts and international business experience, will become powerful assets as Chris helps lead the development of our new global sales approach. I look forward to working closely with Chris, as well as devoting more time to overall strategy and company direction."

Global Sales Initiative

Del Global also announced that it has launched a new global strategy to more closely align the sales and marketing operations of Del Medical Imaging and Villa. In creating this global sales platform, Del Global believes that it can improve the market penetration of Del Medical Systems Group products in the global marketplace, increase overall product revenues, broaden product applications, and strengthen customer service.

Mr. Schneider commented, "Del Global has a leading position in both film screen imaging and the emerging digital market. Regarding the latter, fiscal 2005 sales of Del Global's digital products surpassed those in fiscal 2004. In addition, we possess a highly regarded brand portfolio, long-standing distributor relationships, manufacturing capabilities, and intellectual capital created by over 70 years of selling medical imaging systems worldwide. The commencement of this global sales initiative represents our commitment to leveraging these core competencies to create a single, cohesive, international sales and marketing organization. Despite the brand equity that both Del Medical Imaging and Villa have built in their respective markets, Del Medical Systems Group lacked a unified global strategy. We hope to change that by, among other actions, realigning sales compensation to reflect our global product catalog and focusing on systems sales.

"Appointing Chris Japp was the last required step before advancing this plan. In addition to Chris, over the next 12 months we plan on hiring regional managers to cultivate sales opportunities in areas of the world that we believe hold significant promise. This includes establishing Del Global's first-ever presence in Asia, the largest and fastest growing market for medical imaging products."

Mr. Schneider concluded, "We foresee a rising demand for lower cost medical equipment in both established markets and emerging nations around the world. Our fortified management team and the commencement of a global sales strategy should send a strong signal that Del Global is committed to strengthening its industry presence."

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. Through its RFI subsidiary, Del Global manufactures electronic filters, high voltage capacitors, pulse modulators, transformers and reactors, and a variety of other products designed for industrial, medical, military and other commercial applications.

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 matters; market and operating risks from foreign currency exchange exposures; 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.