

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

Filed 09/07/06 for the Period Ending 09/07/06

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, 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 7, 2006

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.)
--	--	---

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 OF A MATERIAL DEFINITIVE AGREEMENT.

On September 7, 2006, the registrant entered into a separation agreement and general release (the "Separation Agreement") with Mark A. Koch, the Principal Accounting Officer of the registrant. The Separation Agreement, which is attached hereto as EXHIBIT 99.01 and incorporated herein by reference, provides that Mr. Koch's last day of employment with the registrant will be the first business day following the filing by the registrant with the SEC of its Annual Report on Form 10-K for the fiscal year ending July 29, 2006 but in no event later than November 30, 2006 unless mutually agreed in writing between the parties (the "Termination Date"). The Separation Agreement also provides for a payment of one (1) year's base salary payable pro-rata over 12 months by the registrant to Mr. Koch commencing with the first pay day following the Termination Date; provided, however, that in the event the registrant sells any of its assets or the assets of any of its U.S. subsidiaries for cash and such sale results in net cash proceeds to the registrant of at least \$5.0 million, then the registrant shall pay to Mr. Koch any balance outstanding of the severance payment within ten (10) days after receipt by the registrant of such net cash proceeds from such asset sale. Mr. Koch agreed to release and discharge the registrant, as more fully described in the Separation Agreement. This summary of the Separation 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.

ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

The Separation Agreement supersedes the Severance Benefits Agreement, dated May 23, 2005, between the registrant and Mr. Koch (the "Severance Benefits Agreement"), except that the terms and conditions of Article IV of the Severance Benefits Agreement survive and remain in full force and effect.

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS.

On September 7, 2006, Mark A. Koch, age 48, voluntarily resigned as Principal Accounting Officer and Treasurer of the registrant effective the first business day following the filing by the registrant with the SEC of its Annual Report on Form 10-K for the fiscal year ending July 29, 2006 but in no event later than November 30, 2006 unless mutually agreed in writing between Mr. Koch and the registrant.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial Statements of Businesses Acquired.

Not Applicable.

- (b) Pro Forma Financial Information.

Not Applicable.

- (c) Shell Company Transactions.

Not Applicable.

- (d) Exhibits.

99.01 Separation Agreement and General Releases dated as of
September 7, 2006.

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 7, 2006

By: /s/ James A. Risher

James A. Risher
President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.01	Separation Agreement and General Releases dated as of September 7, 2006

SEPARATION AGREEMENT AND GENERAL RELEASES

This Separation Agreement and General Releases (the "Agreement") is dated as of September 7, 2006, by and between Del Global Technologies Corp., a New York corporation (who along with its subsidiaries is referred to herein as the "Company"), and Mark A. Koch ("Koch").

WHEREAS, this Agreement governs the terms of Koch's separation from the Company and the Company's financial and other obligations to Koch.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **TERMINATION DATE.** Koch and the Company agree that his last day of employment with the Company will be the first business day following the filing by the Company with the U.S. Securities and Exchange Commission of its Annual Report on Form 10-K for the fiscal year ending July 29, 2006 but in no event later than November 30, 2006 unless mutually agreed in writing between the parties (the "Termination Date"). Koch understands and agrees that, as of the Termination Date, he will no longer be authorized to incur any expenses, obligations, or liabilities on behalf of the Company, and agrees that he shall submit for reimbursement any outstanding expenses incurred with appropriate documentation for which he seeks reimbursement within four (4) weeks following the Termination Date. Koch further understands and agrees that, as of the Termination Date, he will no longer be authorized to conduct any business on behalf of the Company or to hold himself out as an employee, agent or representative of the Company. Effective on the Termination Date, Koch resigns from any executive positions he holds with the Company and any Company subsidiaries and/or affiliates including, without limitation, Villa Sistemi Medicali, S.p.A. It is further understood and agreed that after September 30, 2006, when the lease on the Company's offices in Valhalla, New York terminates, Koch shall work from his home office, except when necessary to travel on Company business; provided, however, that any such travel shall be reasonable in nature and scope, Koch shall be paid or reimbursed for his reasonable and necessary travel, lodging, meal and incidental expenses in accordance with Company policy if required to travel, and Koch shall be excused from work when needed to interview or otherwise engage in activities in pursuit of employment to begin with another employer following the Termination Date so long as such absence from work does not interfere with the performance by Koch of his duties to the Company.

2. **SEVERANCE BENEFITS AND OTHER PAYMENTS DUE.**

(a) Separate and apart from the severance benefits described below, the Company shall continue to pay Koch his full base salary through the Termination Date at the rate currently in effect, and shall pay Koch for his earned but unused vacation pay for no more than 10 earned but unused vacation days or \$6,505. Such vacation pay shall be paid to Koch as required by law on the next payday following the Termination Date.

(b) The Company will pay Koch a severance payment (the "Severance Payment") equal to \$165,000 which is one (1) times Koch's annual base salary currently in effect. The Severance Payment shall be paid to Koch in

pro-rata equal installments pursuant to the Company's standard payroll practices over a twelve-month period commencing with the first payday following the Termination Date; provided, however, that in the event the Company sells any of its assets or the assets of any of its U.S. subsidiaries for cash and such sale

results in net cash proceeds to the Company of at least \$5.0 million, then the Company shall pay to Koch any balance outstanding of the Severance Payment within ten (10) days after the receipt by the Company of such net cash proceeds from such asset sale.

(c) Koch will also be entitled to receive health insurance coverage for himself and his dependents under the same plan or plans under which he was covered prior to the Termination Date or substantially similar group medical plan(s) established by the Company or any one of its subsidiaries thereafter. Such health insurance coverage shall be paid for by the Company to the same extent as if Koch was still employed by the Company, and Koch will be required to make such payments as he would be required to make if he was still employed by the Company. This coverage will continue for a period of one (1) year following the Termination Date.

(d) The Company shall withhold from any amounts payable under subparagraphs (a) and (b) above all federal, state, city or other taxes required by applicable law to be withheld by the Company and shall make all required employer payments for Social Security and Medicare.

(e) In the event that the Company fails to make any of the payments required by subparagraph (b) above on the date due or within five (5) business days after a written notice of such failure to pay is provided (the "Notice Period"), then any and all unpaid amounts due shall accelerate and be payable to Koch. For each day after the date of such Notice Period has expired, and for every day thereafter that the unpaid amount is not paid in full to Koch, then the total of all unpaid amounts of the Severance Payment shall accelerate and be payable to Koch immediately and all such unpaid amounts shall accrue interest at the rate of 9% per annum. If payments due have not been made prior to the time that the Notice Period has expired, then Koch may commence a lawsuit for any and all unpaid amounts required by subparagraph (b) above, including the amounts accelerated, plus interest on all such amounts, and the Company agrees to pay the full amount of Koch's reasonable attorneys fees and expenses in such lawsuit. Further, the Company agrees that in any such lawsuit, the Company will not assert any affirmative defenses, setoffs, or counterclaims; provided, however, that nothing shall prohibit the Company from bringing a separate action against Koch for breach of this Agreement or of any other legal obligation that Koch may have to the Company. In any such lawsuit against Koch, the party who substantially prevails in such action shall be entitled to payment from the other party for all of its or his costs and expenses incurred in such action, including reasonable attorneys fees.

(f) Koch acknowledges and agrees that he is not otherwise due any other monies from the Company including any unpaid salary, benefits, change in control payments, or other compensation other than outstanding expenses for which he will submit for reimbursement as provided in Section 1 hereof, any unpaid base salary in the current payroll period through the Termination Date, any unpaid vacation pay as set forth above and any vested amounts under any employee benefit plan governed by ERISA that have not yet been paid to him (including group medical benefits). Koch understands that he is not entitled to

2

any payments from the Company of any kind or nature pursuant to any other agreement or agreements with the Company other than the payment and benefits described or referred to within this Agreement. Koch further understands that aside from the foregoing, he is not entitled to and will not receive any further payment or benefits of any kind from the Company. This is not intended to be a declination of COBRA coverage or a waiver of any rights under COBRA.

3. RELEASES. In exchange for the consideration provided for in this Agreement, without any further deed or action, Koch irrevocably and unconditionally releases the Company, its predecessors, parents, subsidiaries, affiliates, and past, present and future officers, directors, agents,

consultants, employees, representatives, and insurers, as applicable, together with all successors and assigns of any of the foregoing (collectively, the "Releasees"), of and from all claims, demands, actions, causes of action, rights of action, contracts, controversies, covenants, obligations, agreements, damages, penalties, interest, fees, expenses, costs, remedies, reckonings, extents, responsibilities, liabilities, suits, and proceedings of whatsoever kind, nature, or description, direct or indirect, vested or contingent, known or unknown, suspected or unsuspected, in contract, tort, law, equity, or otherwise, under the laws of any jurisdiction, that Koch or his legal representatives, successors or assigns, ever had, now has, or hereafter can, shall, or may have, against the Releasees, as set forth above, jointly or severally, for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of the world through, and including, the date of this Agreement ("Claims"), arising out of Koch's employment with the Company.

It is understood and agreed that Koch hereby expressly waives any and all laws or statutes, of any jurisdiction whatsoever, which may provide that a general release does not extend to claims not known or suspected to exist at the time of executing a release which if known would have materially affected the decision to give said release. It is expressly intended and agreed that this Release does in fact extend to such unknown or unsuspected Claims arising out of Koch's employment with the Company, related to anything which has happened to the date hereof even if knowledge thereof would have materially affected the decision to give said release.

Such release includes, but is not limited to, the violation of any express or implied contract; any federal, state or local laws, restricting an employer's right to terminate employees, or otherwise regulating employment; workers compensation, wage and hour, or other employee relations statutes, executive orders, ordinance, or regulations, including any rights or claims under Title VII of the Civil Rights Act of 1964, as amended the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Family and Medical Leave Act of 1993, the Civil Rights Act of 1866, the Age Discrimination in Employment Act of 1967, the Fair Labor Standards Act, the WARN Act, or any state or local laws covering the same subject matter; tort (including, without limitation, negligent conduct, invasion of privacy and defamation); any federal, state, or local laws providing recourse for retaliation, wrongful discharge, dismissal or other obligations arising out of public policy, physical or personal injury, fraud, negligent misrepresentations, and similar or related claims. The laws referred to in this section include statutes, regulations, other administrative guidance, and common law doctrines. Any and all claims and/or disputes arising out of or relating to any of the foregoing shall be, and are, finally compromised, released and settled.

3

Notwithstanding the foregoing, this release does not include Koch's right to enforce the terms of this Agreement, his rights under COBRA, or his rights to vested benefits under ERISA or any other statute whereby a party cannot waive his rights in a private agreement with his employer. Except to enforce this Agreement or as otherwise provided by law, Koch agrees that he will not pursue, file or assert or permit to be pursued, filed or asserted any civil action, suit or legal proceeding seeking equitable or monetary relief (nor will he seek or in any way obtain or accept any such relief in any civil action, suit or legal proceeding) in connection with any matter concerning his employment relationship with the Company and/or the termination thereof with respect to all of the claims released herein arising from the beginning of the world up to and including the date of execution of this Agreement (whether known or unknown to him and including any continuing effects of any acts or practices prior to the date of execution of this Agreement).

If Koch should bring any action arising out of the subject matter covered by this Agreement, except to enforce this Agreement or his rights under law, he understands and recognizes that he will, at the option of the Company, be considered in breach of this Agreement and shall be required to immediately

return any and all funds received pursuant to this Agreement. Furthermore, if the Company should substantially prevail in any such lawsuit, Koch shall pay to the Company all of its costs and expenses incurred in such an action, including reasonable attorney's fees. If Koch should bring any action to enforce this Agreement or defend any action by the Company to enforce this Agreement, and if he substantially prevails in such action, the Company shall pay to Koch all of his costs and expenses incurred in such an action, including reasonable attorney's fees.

In exchange for the consideration provided for in this Agreement, and without any further deed or action, the Company hereby irrevocably and unconditionally releases and forever discharges Koch and his heirs, executors, and representatives of and from all claims, demands, actions, causes of action, rights of action, contracts, controversies, covenants, obligations, agreements, damages, penalties, interest, fees, expenses, costs, remedies, reckonings, extents, responsibilities, liabilities, suits, and proceedings of whatsoever kind, nature, or description, direct or indirect, vested or contingent, which are presently known in contract, tort, law, equity, or otherwise, or under the laws of any jurisdiction, that the Company now has, or hereafter can, shall, or may have, against Koch for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of the world through, and including, the date of this Agreement (the "Koch Claims").

4. COMPANY INFORMATION AND PROPERTY. Koch agrees to immediately return to the Company all Company property and information in his possession including, but not limited to, Company files, financial models, strategies, compilations, studies, manuals, memoranda, client lists or other client information, or other documents or records related to the Company's business and operations, in any form in which they are maintained, and agrees that he will not retain any copies, duplicates, reproductions, or excerpts thereof in any form. Koch also agrees to immediately return any computer equipment, Blackberry equipment, cell phones, access codes, discs, software, or other Company-owned items in his possession.

5. COOPERATION; INDEMNIFICATION. Koch agrees that, upon reasonable request, he will cooperate with the Company so long as such cooperation does not

4

interfere in any material respects with any full-time job he may have or business he is conducting at the time. The obligation to cooperate will extend only to these matters with which Koch may have been involved while he was employed by the Company. The Company agrees to reimburse Koch for any and all expenses reasonably incurred by him in connection with any such request made by the Company. The Company acknowledges and confirms that Koch is entitled to indemnification to the extent provided for in the Company's charter and bylaws, the charter and bylaws of any of the Company's subsidiaries that Koch served as an officer and/or director, including Villa Sistemi Medicali, S.p.A., and any insurance policies of the Company or its subsidiaries providing for indemnification coverage to Koch.

6. CONFIDENTIALITY. Koch agrees that he will not disclose, directly or indirectly, the underlying facts that led up to this Agreement or the terms or amount to be paid under this Agreement. Koch represents that he has not and will not, in any way, publicize the terms of this Agreement and agrees that its terms are confidential and will not be disclosed by him, except that he may discuss the terms of this Agreement with his attorneys, financial or tax advisors, and members of his immediate family, or as otherwise required by law.

7. NON-DISPARAGEMENT. Koch represents and agrees that he shall refrain from making any written or oral statements to any person or entity with whom the Company or Koch has had or may have a business or social relationship which may reasonably be expected to impugn or degrade the character, integrity, or ethics of the Company, its affiliates, directors, employees, or clients, or

which may reasonably be expected to damage the business, image or reputation of the Company, its affiliates, directors, employees, or clients.

8. APPLICABLE LAW AND JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflicts of law principles. Any dispute regarding this Agreement, or relating to Koch's employment with the Company shall be brought in the courts located in New York County, New York which will be the exclusive jurisdiction for such disputes. The Company and Koch hereby expressly waive a right to a jury trial in any such actions.

9. ENTIRE AGREEMENT. This Agreement may not be changed or altered, except by a writing signed by both parties. Until such time as this Agreement has been executed and subscribed by both parties hereto: (i) its terms and conditions and any discussion relating thereto, without any exception whatsoever, shall not be binding nor enforceable for any purpose upon any party; and (ii) no provision contained herein shall be construed as an inducement to act or to withhold an action, or be relied upon as such. This Agreement constitutes an integrated, written contract, expressing the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, between the parties, including but not limited to the Severance Benefits Agreement dated May 23, 2005 between the Company and you (the "Severance Benefits Agreement") EXCEPT THAT that the terms and conditions of Article IV of the Severance Benefits Agreement shall survive and shall be of full force and effect after the execution of this Agreement, except that Article 4.3 of the Severance Benefits Agreement shall be amended to add the words "property containing any" before the words "Confidential Information."

5

10. ASSIGNMENT. Koch represents and warrants that he has not assigned or transferred any claim he is releasing, nor has he purported to do so. This Agreement binds Koch's heirs, administrators, representatives, executors, successors, and assigns, and will insure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns. This Agreement is binding upon the Company and its successors and assigns. 11. SEVERABILITY. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable.

12. INDEPENDENT LEGAL COUNSEL. Koch acknowledges that he has consulted with independent legal counsel regarding the legal effect of this Agreement, and is entering into this Agreement freely and voluntarily.

13. BINDING EFFECT. This Agreement will be deemed binding and effective immediately upon its execution by Koch; provided, however, that in accordance with the Age Discrimination in Employment Act of 1967 ("ADEA") (29 U.S.C. ss. 626, as amended), Koch's waiver of ADEA claims under this Agreement is subject to the following: Koch may consider the terms of his waiver of claims under the ADEA for twenty-one (21) days before signing it. Koch may revoke his waiver of claims under the ADEA within seven (7) days of the day he executes this Agreement. Koch's waiver of claims under the ADEA will not become effective until the eighth (8th) day following his signing of this Agreement. Koch may revoke his waiver of ADEA claims under this Agreement by delivering written notice of such revocation via facsimile before the end of the seventh (7th) day following his signing of this Agreement to: Del Global Technologies Corp., facsimile number 847-288-7011, Attention: Chairman of the Board. In the event that Koch revokes his waiver of ADEA claims under this Agreement prior to the eighth (8th) day after signing it, the remaining portions of this Agreement shall remain in full force in effect, provided that the obligation of the Company to provide the payments and benefits set forth in Agreement shall be null and void. Koch further understands that if he does not revoke the ADEA waiver in this Agreement within seven (7) days after signing this Agreement, his waiver of ADEA claims will be final, binding, enforceable, and irrevocable.

KOCH UNDERSTANDS THAT FOR ALL PURPOSES OTHER THAN HIS WAIVER OF CLAIMS UNDER THE ADEA, THIS AGREEMENT WILL BE FINAL, EFFECTIVE, BINDING, AND IRREVOCABLE IMMEDIATELY UPON ITS EXECUTION.

14. ACKNOWLEDGEMENT. Koch acknowledges that he: (a) has carefully read this Agreement in its entirety; (b) has had an opportunity to consider it for at least twenty-one (21) days; (c) has been advised to consult and has had an opportunity to consult with legal counsel of his choosing in connection with this Agreement; (d) fully understands the significance of all of the terms and conditions of this Agreement and has discussed them with independent legal counsel; (e) has had answered to his satisfaction any questions asked with regard to the meaning and significance of any of the provisions of this Agreement; and (f) is signing this Agreement voluntarily and of his own free will and agrees to abide by all the terms and conditions contained herein.

6

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first date set forth above.

DEL GLOBAL TECHNOLOGIES CORP.

By: /s/ James Henderson

Name: James Henderson
Title: Chairman of the Board

/s/ Mark A. Koch

Mark A. Koch

8