

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

Filed 09/17/08 for the Period Ending 09/11/08

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): September 11, 2008

DEL GLOBAL TECHNOLOGIES CORP.

(Exact name of registrant as specified in its charter)

New York	0-3319	13-1784308
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
11550 West King Street, Franklin Park, IL		60131
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (847) 288-7000

(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

See description set forth below under “Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers,” of this Current Report on Form 8-K which is incorporated herein by reference for a description of the 2009 Management Compensation Plan and the Employment Agreement with James A. Risher, the Chief Executive Officer (“CEO”) and President of Del Global Technologies Corp. (the “Company”).

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

1. **2009 Management Compensation Plan.** On September 11, 2008, the board of directors (the “Board”) of the Company approved certain incentive compensation guidelines (the “Compensation Guidelines”) for certain individuals, including the Company’s executive officers, James A. Risher and Mark A. Zorko (referred to herein as the “Executive Officers”).

Pursuant to the Compensation Guidelines, the Board approved fiscal year 2009 bonus ranges for the Executive Officers based on target bonus amounts pre-established by the Board. The target bonus amount (as a percentage of fiscal year 2009 base salary) for each of the Executive Officers is as follows: James A. Risher (70%) and Mark A. Zorko (45%). The Board also approved the use of the following performance metrics under the Compensation Guidelines for fiscal year 2009, which metrics are based on the performance goals of the Company (or specific business unit) established by the Board for fiscal year 2009: Revenue and Operating Income. The calculated bonuses earned by the Executive Officers will be determined by comparing the Company’s actual performance during fiscal year 2009 against the performance goals for the above-mentioned metrics. The fiscal year 2009 calculated incentive bonus threshold and maximum amounts will range from 50% of the target bonus amount to 150% of the target bonus amount for the Executive Officers based on the achievement of between 90% and 150% of the performance goals. No bonus is awarded if actual performance during fiscal year 2009 with respect to the above financial metrics is less than 90% of target.

2. **Risher Employment Agreement.** On September 16, 2008, the Company and Mr. Risher entered into a letter agreement (the “Employment Agreement”) setting forth the terms and provisions governing Mr. Risher’s continued employment as President and CEO of the Company. A copy of the Employment Agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference. The following summary of the Employment Agreement 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 Employment Agreement provides for an annual base salary of \$320,000. Mr. Risher will also be provided with a living allowance of \$6,200.00 per month, which is “grossed up” for tax purposes. Mr. Risher is eligible for three weeks paid vacation during the year. In addition, Mr. Risher will be eligible to receive an annual bonus with a target of 70% of his annual base salary, based on achieving the Company’s annual budget and attaining specific objectives assigned by the Board. The annual bonus can be anywhere from 0% to 150% of the target.

In the event Mr. Risher terminates his employment with the Company for Good Reason (as defined on in the Employment Agreement), or if the Company terminates his employment without Cause (as defined in the Employment Agreement) (and not, in each case, by reason of Mr. Risher's death or disability), Mr. Risher will be entitled to continue receiving his full salary, including the living allowance, subject to applicable withholding tax requirements, until August 31, 2009. Pursuant to the Employment Agreement, Mr. Risher is not entitled to receive any other severance or compensation from the Company in the event his employment with the Company is terminated.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Risher Employment Agreement, dated September 16, 2008.

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 17, 2008

By: /s/ Mark A. Zorko
Mark A. Zorko
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

Description

10.1

Risher Employment Agreement, dated September 16, 2008.

**DEL GLOBAL TECHNOLOGIES CORP.
11550 West King Street
Franklin Park, Illinois 60131**

September 16, 2008

Mr. James A. Risher
111 East Chestnut Street
Apt. 45A

Chicago, IL 60611

Dear Jim:

The following sets forth the terms of your employment as Chief Executive Officer (“CEO”) and President of Del Global Technologies Corp. (the “Company”) The terms set forth in this letter (the “Agreement”) shall be effective as of September 1, 2008.

Your compensation as CEO and President will include a base salary of \$320,000. You will also be eligible to receive an annual bonus (“Annual Bonus”) with a target of 70% of your annual base salary based on achieving the Company’s annual budget and attaining specific objectives assigned by the Board of Directors of the Company. This Annual Bonus can be anywhere from 0% to 150% of your target. Such additional bonus, if any, shall be based on achieving specific targets to be determined exclusively by the Board of Directors. The bonuses, if any, will be paid following the completion of audited financial results. Therefore, the Bonuses, if any, are not guaranteed. Stock options may be granted in the future based on the Company’s performance and Board of Director approval.

The Company will provide you with a monthly living allowance during the Term (as hereinafter defined) of \$6,200.00 per month. This allowance is “grossed up” for tax purposes. This allowance shall be paid for the entire Term even if your employment is terminated by the Company unless the termination is for “Cause”.

You are eligible for three weeks of paid vacation during the Term. Any vacation day not used cannot be carried forward and will have no cash value.

The terms of this Agreement shall be effective as of September 1, 2008 and shall terminate on August 31, 2009 (the “Term”), unless sooner terminated by either yourself of the Company. If you terminate your employment with the Company for Good Reason (as defined on Annex A), or if the Company terminates your employment with the Company without Cause (as defined on Annex A) (and not, in each case, by reason of your death or disability), you shall be entitled to continue receiving your full salary, including living allowance, subject to applicable withholding tax requirements, until August 31, 2009. Other than the foregoing, you will not be entitled to receive severance pay or any other compensation or benefits from the Company.

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 for no reason at all.

During your employment you will 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 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 the terms of this Agreement by signing below and returning this Agreement 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/ James Henderson
James Henderson
Chairman

Agreed and accepted as of the date written above.

/s/ James A. Risher
James A. Risher

cc: Personnel File

ANNEX A

“ **Good Reason** ” means: (a) a material diminution in your duties as customarily performed by you for the Company, including but not limited to the assignment to you of duties inconsistent with the CEO position, duties or responsibilities as in effect after the date of execution of this Agreement and (b) the Company requires you to relocate 50 miles or more from your present place of work, provided, in each case, that you have given prompt notice to the Company of the existence of the condition (but in no event later than 90 days after its initial existence) and you have provided the Company with a minimum of 30 days following such notice to remedy such condition.

“ **Cause** ” means: (i) a material breach, by you, of any written agreement with the Company or its affiliates (after notice and, if capable of being cured, reasonable opportunity of not less than thirty (30) days to cure), (ii) a breach of your fiduciary duty to the Company (after notice and, if capable of being cured, reasonable opportunity of not less than thirty (30) days to cure) or any misappropriation, embezzlement or fraud with respect to the Company or affiliate of the Company, or any of their security holders, customers or suppliers, (iii) the commission by you of a felony, a crime involving dishonesty or moral turpitude or other engaging in material misconduct that has caused or is reasonably expected to cause injury to a the Company or an affiliate thereof, or their interests including, but not limited to, harm to the standing and reputation of, or which otherwise brings public disgrace or disrepute to the Company or any of its affiliates, (iv) your continued failure or refusal to perform any material duty to the Company or any of its affiliates, which is normally attached to your position (after notice and reasonable opportunity of not less than thirty (30) days to cure), (v) your gross negligence or willful misconduct in performing those duties which are normally attached to your position (after notice and reasonable opportunity of not less than thirty (30) to cure if capable of being cured), (vi) any breach of this Agreement, or (vii) a material breach by you of any written code of conduct or other material written policy of the Company or any of its affiliates.