

Edgar Filing: AVOCENT CORP - Form 8-K

AVOCENT CORP
Form 8-K
May 02, 2007

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) April 27, 2007

AVOCENT CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

000-30575

91-2032368

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

4991 CORPORATE DRIVE

HUNTSVILLE, AL 35805

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (256) 430-4000

n/a

(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:

- ☐ 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))

Edgar Filing: AVOCENT CORP - Form 8-K

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

2007 Executive Bonus Program.

On April 27, 2007, Avocent Corporation's Compensation Committee approved the Avocent Corporation 2007 Executive Bonus Program. A summary of the Avocent Corporation 2007 Executive Bonus Program is incorporated herein by reference and filed as Exhibit 99.9 hereto.

2007 Awards Under the Avocent Corporation 2005 Equity Incentive Plan.

The Avocent Corporation 2005 Equity Incentive Plan (the "2005 Plan") was approved by stockholders and was filed with the Securities and Exchange Commission. The description of the 2005 Plan contained herein is qualified in its entirety by reference to the full text of the amended 2005 Plan (and form of agreements thereunder) filed as Exhibit 99.16 to the Company's Form 8-K on June 15, 2006. The Company's Compensation Committee, which is comprised of three independent non-employee directors, is the Administrator under the 2005 Plan.

2007 Restricted Stock Unit Awards

On April 27, 2007, the Company's Board of Directors approved an award of 4,032 restricted stock units under the 2005 Plan to each of the Company's six non-employee directors (Harold D. Copperman, Francis A. Dramis, Jr., Edwin L. Harper, William H. McAleer, Stephen F. Thornton, and David P. Vieau). These awards vest over two years (one-half will vest on each of January 1, 2008 and January 1, 2009).

On April 27, 2007, the Compensation Committee approved the awards of restricted stock units under the 2005 Plan to the Company's executive officers, including the following awards to the executive officers named in the Company's 2007 Proxy Statement (the "Named Executive Officers"):

Named Executive Officer	Restricted Stock Units Awarded for 2007
John R. Cooper, Chairman of the Board and Chief Executive Officer	25,907
Edward H. Blankenship, Senior Vice President and Chief Financial Officer	9,677
Doyle C. Weeks, President and Chief Operating Officer	19,355
C. David Perry, Executive Vice President and General Manager of Management Systems Division	12,903
Eugene F. Mulligan, Senior Vice President of Global Operations	8,602

These awards vest over three years (one-third will vest on each of January 1, 2008, January 1, 2009, and January 1, 2010), and each award is subject to a Restricted Stock Agreement that provides for forfeiture in certain events, such as voluntary termination of employment, and full vesting upon certain events, including a termination other than for cause or termination following a change

Edgar Filing: AVOCENT CORP - Form 8-K

in control of the Company.

2

2007 Performance Share Awards

The 2005 Plan authorizes the Compensation Committee to determine the goals applicable for performance-based awards using one or more measures that are designed to meet the "performance-based compensations" requirements of Section 162(m) of the Internal Revenue Code. On April 27, 2007, the Compensation Committee awarded performance shares for 2007 under the 2005 Plan to the Company's executive officers at specified targeted levels measured by specific levels of growth in the Company's operational revenue (which is income prior to intangible amortization, stock compensation expense, and acquired in-process research and development expense) and specified levels of growth in the Company's operational earnings per share in 2007 (after deducting executive bonuses net of tax) over the base operational revenue and earnings per share in 2006. There are adjustments for acquisitions on a pro-rata basis, and any transaction expenses from transactions that do not close are excluded from the calculation of operational earnings per share. Depending on the levels of growth in the Company's 2007 operational revenue and 2007 operational earnings per share over 2006, participants would earn a percentage from 0% to 150% of their targeted performance-based awards. Each of the two performance metrics would be weighted equally in calculating the percentage of performance shares actually earned by each participant, and if earned or to the extent earned, would vest over three years (including 2007).

The Compensation Committee awarded the following number of performance-based shares to the Named Executive Officers for 2007:

Named Executive Officer	Estimated Future Payouts for 2007 Performance Share Awards Under the 2005 Equity Incentive Plan	
	Targeted Number at 100%	Maximum Number at 150%
Mr. Cooper	16,774	25,161
Mr. Blankenship	6,290	9,435
Mr. Weeks	12,581	18,871
Mr. Perry	8,387	12,581
Mr. Mulligan	5,591	8,387

As noted above, these performance share awards are "earned" only upon the achievement of certain target minimum financial growth metrics or triggers. All potential payouts of shares under this program are performance driven and completely at risk. Therefore, there is no threshold payout, and the targeted and maximum payouts of performance shares awarded in 2007 to the Named Executive Officers under the 2005 Plan are listed in the two columns above.

The specific levels of operational revenue and earnings per share growth and the related percentages of performance shares earned have been communicated to each eligible executive and represent target levels or other achievements with respect to specific quantitative or qualitative performance related factors, or factors or criteria involving confidential commercial or business information, the disclosure of which would have an adverse effect on the Company.

Item 9.01 Financial Statements and Exhibits.

Edgar Filing: AVOCENT CORP - Form 8-K

(d) Exhibits.

Exhibit Number -----	Description of Exhibit -----
99.9	Summary of Avocent Corporation 2007 Executive Bonus Program

3

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.

AVOCENT CORPORATION

Date: May 2, 2007

By: /s/ Samuel F. Saracino

Samuel F. Saracino
Executive Vice President of Legal and
Corporate Affairs, General Counsel and
Secretary

4

EXHIBIT INDEX -----

Exhibit -----	Description -----
99.9	Summary of Avocent Corporation 2007 Executive Bonus Program

5