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BLONDER TONGUE LABORATORIES INC

Form 8-K

October 10, 2007

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): October 4, 2007

Blonder Tongue Laboratories, Inc.
(Exact Name of registrant as specified in its charter)

| | | |
|---|--------------------------|---|
| Delaware | 1-14120 | 52-1611421 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

One Jake Brown Road, Old Bridge, New Jersey 08857
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (732) 679-4000

Not Applicable
(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))

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ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

(e) Executive Compensation Arrangement

On October 4, 2007, the Compensation Committee of the Board of Directors of Blonder Tongue (the "Company") reviewed and approved a new compensation arrangement for Peter Daly, Senior Vice-President of Sales and Marketing of the Company. The new compensation arrangement is intended to align Mr. Daly's compensation directly with the results of his performance as the senior executive officer of sales and marketing. Under the new arrangement Mr. Daly's compensation will be variable and determined as a percentage of the Company's Adjusted Net Sales (as defined below) as follows:

| Commission Percentage | Adjusted Net Sales Per Year |
|-----------------------|-------------------------------|
| 0.55% | Up To \$30,000,000 |
| 0.75% | \$30,000,0001 to \$50,000,000 |
| 0.50% | \$50,000,0001 and over |

On an annual base the Company's Chief Executive Officer will determine a baseline gross profit margin for the ensuing fiscal year based on the Company's annual budget, anticipated product mix, prior year's gross margin and other factors. For purposes of Mr. Daly's compensation arrangement, Adjusted Net Sales shall be equal to the Company's actual net sales for the fiscal year multiplied by a gross margin adjustment to take into account certain decreases in the Company's actual gross margin. The gross margin adjustment shall be a fraction, the numerator of which is the actual gross margin on net sales for the fiscal year, and the denominator of which is the baseline gross margin. If the actual gross margin exceeds the baseline gross margin or the decrease in actual gross margin is less than ten percent (10%) of the baseline gross margin, then actual net sales rather than adjusted net sales for the fiscal year will be used to determine Mr. Daly's compensation. Any change in the Company's gross margin resulting from increases or decreases in inventory reserves during the applicable fiscal year will not be included in the calculation of actual gross margin for purposes of calculating Mr. Daly's compensation. Mr. Daly will receive periodic draws against his variable compensation, subject to monthly adjustments, in accordance with the Company's policies relating to variable compensation arrangements with its employees. Mr. Daly's new compensation arrangement will be applied retroactively to begin as of January 1, 2007 and will expire, unless otherwise renewed by the Compensation Committee, on December 31, 2008.

As previously determined by the Compensation Committee and disclosed in a Current Report on Form 8-K filed by the Company on February 6, 2007, Mr. Daly will continue to participate in the Blonder Tongue Executive Officer Bonus Plan for the fiscal year ending December 31, 2007. Mr. Daly is eligible to participate in such Executive Officer Bonus Plan with all other executive officers of the Company in future years to the extent determined by the

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determined by the Compensation Committee, Mr. Daly may be granted equity-based awards including stock purchase options, stock appreciation rights or stock awards. Mr. Daly's total compensation from all sources in any fiscal year will be capped at \$1,000,000.

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SIGNATURE

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.

BLONDER TONGUE LABORATORIES, INC.

By: /s/ Eric Skolnik
Eric Skolnik
Senior Vice President and
Chief Financial Officer

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Date: October 10, 2007