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AVOCENT CORP
Form 8-K
December 02, 2008

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) November 28, 2008

AVOCENT CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE 000-30575 91-2032368

(State or other jurisdiction (Commission File Number) (IRS Employer
of incorporation) 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))

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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

Modification of Performance Share Awards under the Avocent Corporation 2005

Equity Incentive Plan and 2008 Inducement 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 filed as Exhibit 99.16 to the Company's Form 8-K on June 15, 2006 and the form of agreements under the 2005 Plan filed as Exhibit 99.20 to the Company's Form 10-Q on November 5, 2008.

The Avocent Corporation 2008 Inducement Equity Incentive Plan (the "2008 Plan") was approved by the Company's Board of Directors, and was filed with the Securities and Exchange Commission. The description of the 2008 Plan contained herein is qualified in its entirety by reference to the full text of the amended 2008 Plan filed as Exhibit 99.18 to the Company's Form 8-K/A on August 4, 2008 and the form of agreements under the 2008 Plan filed as Exhibit 99.20 to the Company's Form 10-Q on November 5, 2008.

The Company's Compensation Committee, which is comprised of three independent non-employee directors, is the Administrator under both the 2005 Plan and the 2008 Plan.

Both the 2005 Plan and the 2008 Plan authorize the Compensation Committee to determine the goals applicable for performance-based awards. Earlier this year, the Compensation Committee awarded performance shares for 2008 under both the 2005 Plan and the 2008 Plan to the Company's executive officers and other employees at specified targeted levels of the Company's common stock price (as measured on a moving average basis) on specific dates during a two-year period. The targeted price levels designated were absolute based on the economic and financial considerations in effect at the beginning of 2008, and these targeted price levels were not indexed to any peer group or market index. Depending on the Company's stock price levels on specified dates during the two-year period, participants would earn a percentage from 0% to 125% of their targeted performance-based awards. Any performance shares actually earned by a participant, if and to the extent earned, would vest over three years.

Given the current declining economic environment with the accompanying broad-based decline in global corporate stock prices, the Compensation Committee concluded that the originally-specified targeted levels of the Company's common stock price on specified dates during the two-year period did not fairly represent goals for the overall performance of the Company in the current and expected economic environment for 2008 and 2009. Accordingly, the Compensation Committee amended the performance criteria for all performance shares awarded to the Company's executive officers and other employees by indexing the specified targeted levels of the Company's stock price (as measured on a moving average basis) by reference to the decline in the NASDAQ Composite Index (as also measured on a moving average basis) on the specified dates during the two-year period and by requiring that the Company's performance exceed by varying percentage amounts the relative performance of the NASDAQ Composite Index on the specified dates during the two-year period.

The vesting schedule for the performance share awards and all other terms and conditions of the performance share awards remain unchanged.

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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: December 2, 2008

By: /s/ Samuel F. Saracino

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

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