



## Edgar Filing: REX STORES CORP - Form 8-K

alternative energy investments of the Company ("Energy Investment EBT") equal to 3% of the Energy Investment EBT for the fiscal year, provided that Mr. Rose will in no event receive a total cash bonus exceeding \$1 million in any fiscal year. Mr. Rose is also eligible to participate in all employee benefit plans.

Mr. Rose's employment agreement is for a term of two years and one month commencing January 1, 2006 and continuing through January 31, 2008 and is automatically renewed for additional one-year terms unless earlier terminated by resignation, death, total disability or termination for cause, or unless terminated by either party upon 180 days notice. Termination for "cause" means Mr. Rose's repeated failure or refusal to perform his duties under the agreement, violation of any material provision of the agreement, or clear and intentional violation of law involving a felony which has a materially adverse effect on the Company. If Mr. Rose's employment is terminated by the Company without cause, he is entitled to the balance of his annual salary plus all rights to the bonuses based on Retail EBT and Energy Investment EBT for the remainder of the employment period. If Mr. Rose's employment is terminated for any other reason, he is entitled to a pro rata portion of his annual salary and cash bonuses based upon the date of termination.

The foregoing description is qualified in its entirety by reference to the employment agreement which is filed as an exhibit to this report.

### Item 8.01 Other Events.

On November 28, 2005, Rex Radio and Television, Inc., a wholly-owned subsidiary of the Company, entered into an agreement to purchase a convertible secured promissory note. The proceeds of the note will be used to capitalize a limited liability company that intends to construct and, subsequently, operate an ethanol producing facility. The purchase of the note is expected to occur before June 1, 2006, subject to the limited liability company obtaining additional financing and certain other conditions. The note purchase agreement will require the Company to obtain an irrevocable letter of credit of \$5 million, the principal amount of the convertible secured promissory note, to secure the Company's obligation to purchase the note.

The note will allow the Company, at its sole discretion, to convert the note into an equity interest in the limited liability company.

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### Item 9.01 Financial Statements and Exhibits.

#### (c) Exhibits

- 10(a) Employment Agreement dated November 29, 2005 between Rex Radio and Television, Inc. and Stuart A. Rose

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SIGNATURES

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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.

REX STORES CORPORATION

Date: November 29, 2005

By: /s/ DOUGLAS L. BRUGGEMAN

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Name: Douglas L. Bruggeman  
Title: Vice President-Finance,  
Chief Financial Officer and  
Treasurer