

AMERICAN TECHNOLOGY CORP /DE/
Form 8-K
April 01, 2005

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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 1, 2005
(MARCH 29, 2005)

AMERICAN TECHNOLOGY CORPORATION
(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

000-24248
(Commission File Number)

87-0361799
(IRS Employer
Identification No.)

13114 EVENING CREEK DRIVE SOUTH, SAN DIEGO, CALIFORNIA
(Address of Principal Executive Offices)

92128
(Zip Code)

Registrant's Telephone Number, Including Area Code: (858) 679-2114

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 MATERIAL DEFINITIVE AGREEMENT

On March 29, 2005, our Compensation Committee approved an increase in the annual salary of Mr. Carl Gruenler, our Vice President of Government and Force

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Protection Systems Group, from \$185,000 to \$250,000, effective April 1, 2005. This increase reflects an amendment to the letter agreement dated July 30, 2003 under which Mr. Gruenler is employed. The letter agreement also provides for an annual performance bonus of up to 10% of base salary to be determined by the Compensation Committee and the Board of Directors. Mr. Gruenler is now compensated through a broad-based commission arrangement in lieu of an annual performance bonus. Under this arrangement, commissions are awarded for each of our business segments based on achievement of operating plan revenue within the segment, with commissions increasing in percentage if operating plan is exceeded. Executive officers in charge of each business unit recommend an allocation of such commissions amongst sales personnel and themselves, which recommendation is reviewed and approved by the Chairman and the President. All commissions payable to executive officers are then reviewed and approved by the Compensation Committee.

Mr. Gruenler's employment is terminable at-will by us or by Mr. Gruenler for any reason, with or without notice.

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.

AMERICAN TECHNOLOGY CORPORATION

Date: April 1, 2005

By: /s/ MICHAEL A. RUSSELL

Michael A. Russell
Chief Financial Officer