

NightHawk Radiology Holdings Inc
Form 8-K
December 24, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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)

December 23, 2008

NIGHTHAWK RADIOLOGY HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-51786
(Commission File Number)

87-0722777
(IRS Employer
Identification No.)

601 Front Avenue, Suite 502

Coeur d Alene, Idaho 83814

(Address of principal executive offices, including zip code)

(208) 676-8321

(Registrant's telephone number, including area code)

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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 (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 a Material Definitive Agreement

Item 5.02 Compensatory Arrangements of Certain Officers.

On December 23, 2008, NightHawk Radiology Holdings, Inc. (the Company) and Mr. David Engert entered into an employment agreement that superseded in its entirety the offer letter previously filed by the Company in its Current Report on Form 8-K filed with the SEC on November 26, 2008. The Company previously announced Mr. Engert's appointment as its chief executive officer in the Company's Current Report on Form 8-K filed with the SEC on November 17, 2008 (which is incorporated herein by reference).

Consistent with the terms of the offer letter previously disclosed, pursuant to the terms of the Employment Agreement, Mr. Engert's cash compensation shall consist of (i) an annual base salary of \$450,000, and (ii) subject to the terms and conditions of the employment agreement, a target annual bonus of 60% of his base salary and a maximum bonus of 100% of his base salary. In connection with the execution of the employment agreement, the Company's board of directors approved for Mr. Engert an option to purchase 300,000 shares of the Company's common stock. In addition, pursuant to the terms of the Employment Agreement, the compensation committee of the board of directors of the Company will recommend to the full board that the Company grant Mr. Engert an additional option to purchase up to an additional 450,000 shares of the Company's common stock. In accordance with the terms of the employment agreement, one-eighth (1/8) of the shares subject to these options shall vest six months following the commencement of Mr. Engert's employment, with the remaining shares vesting ratably each month over the following forty-two (42) months. Finally, at the first meeting of the board after January 1, 2010, the compensation committee of the board of directors will recommend to the full board that the Company grant an additional option to purchase up to 50,000 shares of the Company's common stock, which shall vest ratably each month over forty-eight (48) months. Each of the option grants shall be made in accordance with the terms and conditions of the Company's 2006 Equity Incentive Plan and the historical option grant practices of the Company's board of directors.

In addition, if at any time during the first six (6) months of Mr. Engert's employment he is terminated without cause or if he resigns for good reason (each as defined in the employment agreement), Mr. Engert will be entitled to receive: (i) cash severance payments for a period of three (3) months following the termination of his employment; (ii) reimbursement for health insurance premiums for a period of six (6) months following the termination of his employment; and (iii) the acceleration of six (6) months worth of vesting under each of his outstanding option grants (including grants previously made to him in his capacity as a director of the Company).

If at any time following the completion of his first six (6) months of employment with the Company Mr. Engert is terminated without cause or if he resigns for good reason, Mr. Engert will be entitled to receive: (i) cash severance payments for a period of twelve (12) months following the termination of his employment; (ii) reimbursement for health insurance premiums for a period of twelve (12) months following the termination of his employment; and (iii) the acceleration of twelve (12) months worth of vesting under each of his outstanding option grants (including grants previously made to him in his capacity as a director of the Company).

In the event that Mr. Engert is terminated without cause or resigns for good reason within twelve (12) months of a change of control (as defined in the employment agreement) of the Company, the remaining unvested shares under all of Mr. Engert's outstanding option grants and other equity incentive grants then held by him shall become immediately vested and exercisable.

Mr. Engert is also entitled to: (i) participate in the employee benefit plans currently and hereafter maintained by the Company of general applicability to other senior executives of the Company, including, without limitation, the Company's health and welfare plans; (ii) receive twenty (20) days of paid vacation per year; and (iii) be reimbursed for reasonable and documented travel, entertainment or other expenses incurred by him in the furtherance of or in connection with the performance of his duties as the chief executive officer, in accordance with the Company's expense reimbursement policy as in effect from time to time.

A copy of the employment agreement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description |
|-----------------------|---|
| 99.1 | Employment Agreement between the Company and Mr. David Engert dated December 23, 2008 |

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.

Date: December 24, 2008

NIGHTHAWK RADIOLOGY HOLDINGS, INC.

By: /s/ Paul E. Cartee
Paul E. Cartee
Vice President and General Counsel

EXHIBIT INDEX

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