

SEACHANGE INTERNATIONAL INC
Form 8-K
April 15, 2009

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 13, 2009

SEACHANGE INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

0-21393
(Commission File Number)

04-3197974
(I.R.S. Employer
Identification No.)

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50 Nagog Park, Acton, MA
(Address of Principal Executive Offices)

01720
(Zip Code)

Registrant's telephone number including area code: (978) 897-0100

(Former Name or 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.

SeaChange International, Inc. (SeaChange) today announced that Ed Dunbar will be joining SeaChange as its President and Chief Operating Officer, effective April 13, 2009. William C. Styslinger, III, founder of SeaChange, continues as CEO and Chairman of the Board. A copy of the press release issued by SeaChange today is filed herewith as Exhibit 99.1.

Mr. Dunbar, 57, was previously a Vice President at Comcast Cable Communications from 2007 to the present and, from 2002 to 2007, served as Group Vice President, West and Corporate Integration of Comcast Spotlight. Mr. Dunbar has no family relationship with any director or executive officer of SeaChange.

Pursuant to the terms of an offer letter made by SeaChange to Mr. Dunbar, Mr. Dunbar will be employed by SeaChange on an at-will basis as its President and Chief Operating Officer. Mr. Dunbar will receive an annualized salary of \$450,000, a one-time cash bonus of \$450,000 to be earned and paid over a three year period commencing from employment with SeaChange, and, subject to approval of the Compensation Committee of the Board of Directors, an option to purchase 60,000 shares of SeaChange's common stock at the fair market value as of the date of grant and to vest over a period of three years. Should Mr. Dunbar voluntarily terminate his employment with SeaChange prior to completing three years of service to SeaChange, Mr. Dunbar will be required to repay to SeaChange any such bonus payment received by Mr. Dunbar in excess of the proportionate share of the total bonus earned during Mr. Dunbar's employment with SeaChange. In addition, should SeaChange terminate Mr. Dunbar's employment for any reason other than for Cause (as defined in the Change-in-Control Agreement, discussed below) or a change in control (as defined in the Change-in-Control Agreement) within the first two years of Mr. Dunbar's employment with SeaChange, then SeaChange shall continue to provide Mr. Dunbar with his then current monthly base salary until two years from Mr. Dunbar's employment start date. Subject to approval of the Compensation Committee of the Board of Directors, Mr. Dunbar will also be eligible for a fiscal 2010 target bonus of a \$100,000 cash payment and a grant of 30,000 restricted stock units.

As an employee of SeaChange, Mr. Dunbar will also be eligible to participate in the benefits offered to SeaChange's employees, generally, including medical and dental coverage, life and accidental death and disability (AD&D) insurance, SeaChange's Employee Stock Purchase Plan, and SeaChange's 401(k) plan with a matching contribution of up to 50% of the first 6% of compensation contributed by the participant to the 401(k) plan.

Change-In-Control Agreement

In connection with assuming this position, Mr. Dunbar and SeaChange will enter into a Change-In-Control Severance Agreement (the Change-in-Control Agreement) effective April 13, 2009, the terms of which are substantially similar to those agreements previously entered into by SeaChange with its executive officers. Mr. Dunbar's Change-In-Control Agreement is filed as Exhibit 10.1 attached hereto.

The Change-In-Control Agreement is designed to provide an incentive to Mr. Dunbar to remain with SeaChange leading up to and following a Change in Control. For purposes of the Change-In-Control Agreement, Change in Control means (i) the members of the Board of

Directors of SeaChange at the beginning of any consecutive 12-calendar month period (Incumbent Directors) ceasing for any reason other than death to constitute at least a majority of the Board, provided that any director whose election, or nomination for election, was approved by at least a majority of the members of the Board then still in office who were members of the Board at the beginning of the 12-calendar month period shall be deemed to be an Incumbent Director; (ii) any consolidation or merger whereby the stockholders of SeaChange immediately prior to the consolidation or merger do not, immediately after the consolidation or merger, beneficially own shares representing 50% or more of the combined voting power of the securities of the corporation (or its ultimate parent corporation) issuing cash or securities in the consolidation or merger; (iii) any sale or other transfer of all or substantially all of the assets of SeaChange to another entity, other than an entity of which at least 50% of the combined voting power is owned by stockholders in substantially the same proportion as their ownership of SeaChange prior to the transaction; (iv) any approval by the stockholders of SeaChange of a plan for liquidation or dissolution of SeaChange; or (v) any corporation or other person acquiring 40% or more of the combined voting power of SeaChange.

Upon a Change in Control, all of Mr. Dunbar's unvested stock options and stock appreciation rights automatically vest and become immediately exercisable and any and all restricted stock and restricted stock rights then held by Mr. Dunbar shall fully vest and become immediately transferable free of restriction, other than those imposed by applicable law. In the event of a subsequent termination of Mr. Dunbar's employment for any reason, all of Mr. Dunbar's stock options become exercisable for the lesser of (i) the remaining applicable term of the particular stock option or (ii) three years from the date of termination. If within one year following a Change in Control the employment of Mr. Dunbar is terminated (i) by SeaChange other than for specified cause, death or disability, or (ii) by Mr. Dunbar for specified good reason, Mr. Dunbar shall be entitled to the following: (a) two times Mr. Dunbar's annual base salary plus one times Mr. Dunbar's bonus for the preceding year; (b) for a period of two years, continued health, life and disability benefits; (c) outplacement services for up to one year following termination; (d) up to \$5,000 of financial planning services; and (e) accrued vacation pay. If all or any portion of the benefits and payments provided to Mr. Dunbar would constitute an excess parachute payment within the meaning of Section 280G of the Internal Revenue Code resulting in the imposition on Mr. Dunbar of an excise tax, the payments and benefits will be grossed-up so as to place Mr. Dunbar in the same after-tax position as if no excise tax had been imposed.

Noncompetition, Nondisclosure and Developments Agreement

Mr. Dunbar will also execute SeaChange's standard form of Employee Noncompetition, Nondisclosure and Developments Agreement, providing for a one year noncompetition and nonsolicitation period following Mr. Dunbar ceasing to be an employee of SeaChange. The agreement also contains an undertaking of confidentiality by Mr. Dunbar and an assignment of inventions provision, among other things.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(b) See Item 1.01 above.

(c) See Item 1.01 above.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Change-In-Control Severance Agreement between the Company and Ed Dunbar, to be dated April 13, 2009
99.1	Press Release of the Company dated April 13, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEACHANGE INTERNATIONAL, INC.

By: /s/ Kevin M. Bisson
Kevin M. Bisson
Chief Financial Officer, Treasurer, Secretary and
Senior Vice President, Finance and Administration

Dated: April 15, 2009

EXHIBIT INDEX

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