DCT Industrial Trust Inc.
Form 8-K
October 13, 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):

October 9, 2009

DCT INDUSTRIAL TRUST INC.

(Exact Name of Registrant as Specified in Charter)

Maryland	**001-33201**	**82-0538520**
(State or Other Jurisdiction	**(Commission File Number)**	**(IRS Employer**

of Incorporation)	**Identification No.)**

518 17th Street, Suite 800

Denver, CO	**80202**
(Address of Principal Executive offices)	**(Zip Code)**

Registrants telephone number, including area code: (303) 597-2400

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 Instructions A.2.):

¨ 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 9, 2009, DCT Industrial Trust Inc. (the Company) entered into new employment agreements with each of Philip L. Hawkins, Stuart B. Brown, Daryl H. Mechem and Michael J. Ruen, which supersede their previous employment agreements with the Company which were scheduled to expire on October 9, 2009. The discussion below describes the terms of these new employment agreements. This discussion is qualified in its entirety by reference to the copies of these employment agreements, which are being filed with this Current Report on Form 8-K as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and are incorporated herein by reference.

Philip L. Hawkins

Under Mr. Hawkins new employment agreement he will serve as the Chief Executive Officer of the Company. Mr. Hawkins employment agreement has a term of three years commencing on October 10, 2009 and ending on October 9, 2012. The agreement provides for an annual salary of at least $600,000, annual cash bonuses with a target cash bonus of at least 100% of Mr. Hawkins annual salary for the applicable fiscal year and annual equity awards with a target value of at least $1,150,000; provided that the amount of the actual cash bonuses paid and the value of the actual equity awards granted will be made by the Company, in its sole discretion, based on such factors relating to the performance of Mr. Hawkins or the Company as it deems relevant and, in each case, may be more or less than the target amount. If Mr. Hawkins is terminated for any reason, under the employment agreement he will be subject to the following continuing obligations after termination: (1) noncompetition with the Company for one year (unless employment is terminated (i) upon or after termination of the term of employment or (ii) by the Company without Cause or Mr. Hawkins for Good Reason in connection with or within 18 months after a Change in Control, in which case the noncompetition provision will not extend beyond termination of employment); (2) nonsolicitation and non-hiring of the Company s employees for one year; (3) non-interference with the Company s business for one year; (4) nondisparagement of the Company for one year; and (5) cooperation with the Company in connection with future claims or investigations. The employment agreement also provides for the following payments and benefits to Mr. Hawkins in connection with the termination of his employment with the Company or a Change in Control of the Company:

Change in Control without termination. Upon a Change in Control while Mr. Hawkins is employed by the Company that occurs during or after the expiration of the term of employment under the agreement, all of Mr. Hawkins outstanding unvested equity awards subject to time-based vesting conditions will fully vest upon a Change in Control; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms.

Termination without Cause or for Good Reason. If Mr. Hawkins employment is terminated by the Company without Cause or by Mr. Hawkins for Good Reason during the term of employment or within 18 months of a Change in Control that occurs during the term of employment or thereafter, Mr. Hawkins will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment, (2) a lump sum payment equal to the sum of (i) two times annual salary plus (ii) two times the greater of the target cash bonus for the year of termination or the average of actual cash bonuses for the two years preceding the year of termination and (3) a pro-rata cash bonus for the year in which Mr. Hawkins employment was terminated based on the target annual cash bonus. Mr. Hawkins will also continue to receive his medical and welfare benefits for two years, and all of his outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Hawkins receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with the Company.

Termination upon death or disability. If Mr. Hawkins employment is terminated by the Company upon Mr. Hawkins death or disability, Mr. Hawkins will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment and (2) a pro-rata cash bonus for the year in which Mr. Hawkins employment was terminated based on the target annual cash bonus. In addition, all of Mr. Hawkins outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Hawkins receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination upon disability is subject to his execution of a general release of claims with the Company.

Additionally, under the employment agreement, in the event that any payment or benefit constitutes an excess parachute payment under Section 280G of the Internal Revenue Code subject to an excise tax, Mr. Hawkins is entitled to receive a tax gross-up payment in an amount sufficient to put him in the same after-tax position (assuming the highest possible applicable tax rates applied) that he would have been in if such payment or benefit did not constitute an excess parachute payment. The terms Cause, Good Reason and Change in Control are specifically defined in Mr. Hawkins employment agreement.

Stuart B. Brown

Under Mr. Brown s new employment agreement he will serve as the Chief Financial Officer of the Company. Mr. Brown s employment agreement has a term of three years commencing on October 10, 2009 and ending on October 9, 2012. The agreement provides for an annual salary of at least $265,000, annual cash bonuses with a target cash bonus of at least $225,000 and annual equity awards with a target value of at least $325,000; provided that the amount of the actual cash bonuses paid and the value of the actual equity awards granted will be made by the Company, in its sole discretion, based on such factors relating to the performance of Mr. Brown or the Company as it deems relevant and, in each case, may be more or less than the target amount. If Mr. Brown is terminated for any reason, under the employment agreement he will be subject to the following continuing obligations after termination: (1) noncompetition with the Company for one year (unless employment is terminated (i) upon or after termination of the term of employment or (ii) by the Company without Cause or Mr. Brown for Good Reason in connection with or within 18 months after a Change in Control, in which case the noncompetition provision will not extend beyond termination of employment); (2) nonsolicitation and non-hiring of the Company s employees for one year; (3) non-interference with the Company s business for one year; (4) nondisparagement of the Company for one year; and (5) cooperation with the Company in connection with future claims or investigations. The employment agreement also provides for the following payments and benefits to Mr. Brown in connection with the termination of his employment with the Company or a Change in Control of the Company:

Change in Control without termination. Upon a Change in Control while Mr. Brown is employed by the Company that occurs during or after the expiration of the term of employment under the agreement, all of Mr. Brown s outstanding unvested equity awards subject to time-based vesting conditions will fully vest upon a Change in Control; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms.

Termination without Cause or for Good Reason. If Mr. Brown s employment is terminated by the Company without Cause or by Mr. Brown for Good Reason during the term of employment or within 12 months of a Change in Control that occurs during the term of employment or thereafter, Mr. Brown will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment, (2) a lump sum payment equal to the sum of (i) one times (or, in the event of a termination within 12 months after a Change of Control, two times) annual salary plus (ii) one times (or, in the event of a termination within 12 months after a Change of Control, two times) the greater of the target cash bonus for the year of termination or the average of actual cash bonuses for the two years preceding the year of termination and (3) a pro-rata cash bonus for the year in which Mr. Brown s employment was terminated based on the target annual cash bonus. Mr. Brown will also continue to receive his medical and welfare benefits for two years, and all of his outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Brown s receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with the Company.

Termination upon death or disability. If Mr. Brown s employment is terminated by the Company upon Mr. Brown s death or disability, Mr. Brown will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment and (2) a pro-rata cash bonus for the year in which Mr. Brown s employment was terminated based on the target annual cash bonus. In addition, all of Mr. Brown s outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Brown s receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination upon disability is subject to his execution of a general release of claims with the Company.

Additionally, under the employment agreement, in the event that any payment or benefit constitutes an excess parachute payment under Section 280G of the Internal Revenue Code subject to an excise tax, Mr. Brown is entitled to receive a tax gross-up payment in an amount sufficient to put him in the same after-tax position (assuming the highest possible applicable tax rates applied) that he would have been in if such payment or benefit did not constitute an excess parachute payment. The terms Cause, Good Reason and Change in Control are specifically defined in Mr. Brown s employment agreement.

Daryl H. Mechem

Under Mr. Mechem s new employment agreement he will serve as Managing Director, West Region, of the Company. Mr. Mechem s employment agreement has a term of three years commencing on October 10, 2009 and ending on October 9, 2012. The agreement provides for an annual salary of at least $260,000, annual cash bonuses with a target cash bonus of at least $200,000 and annual equity awards with a target value of at least $450,000; provided that the amount of the actual cash bonuses paid and the value of the actual equity awards granted will be made by the Company, in its sole discretion, based on such factors relating to the performance of Mr. Mechem or the Company as it deems relevant and, in each case, may be more or less than the target amount. If Mr. Mechem is terminated for any reason, under the employment agreement he will be subject to the following continuing obligations after termination: (1) noncompetition with the Company for one year, or, if employment is terminated by the Company without Cause or Mr. Mechem for Good Reason, six months, (unless employment is terminated (i) upon or after termination of the term of employment or (ii) by the Company without Cause or Mr. Mechem for Good Reason in connection with or within 18 months after a Change in Control, in which case the noncompetition provision will not extend beyond termination of employment); (2) nonsolicitation and non-hiring of the Company s employees for one year; (3) non-interference with the Company s business for one year; (4) nondisparagement of the Company for one year; and (5) cooperation with the Company in connection with future claims or investigations. The employment agreement also provides for the following payments and benefits to Mr. Mechem in connection with the termination of his employment with the Company or a Change in Control of the Company:

Change in Control without termination. Upon a Change in Control while Mr. Mechem is employed by the Company that occurs during or after the expiration of the term of employment under the agreement, all of Mr. Mechem s outstanding unvested equity awards subject to time-based vesting conditions will fully vest upon a Change in Control; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms.

Termination without Cause or for Good Reason. If Mr. Mechem s employment is terminated by the Company without Cause or by Mr. Mechem for Good Reason during the term of employment or within 12 months of a Change in Control that occurs during the term of employment or thereafter, Mr. Mechem will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment, (2) a lump sum payment equal to the sum of (i) one times (or, in the event of a termination within 12 months after a Change of Control, two times) annual salary plus (ii) one times (or, in the event of a termination within 12 months after a Change of Control, two times) the greater of the target cash bonus for the year of termination or the average of actual cash bonuses for the two years preceding the year of termination and (3) a pro-rata cash bonus for the year in which Mr. Mechem s employment was terminated based on the target annual cash bonus. Mr. Mechem will also continue to receive his medical and welfare benefits for two years, and all of his outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Mechem s receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with the Company.

Termination upon death or disability. If Mr. Mechem s employment is terminated by the Company upon Mr. Mechem s death or disability, Mr. Mechem will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment and (2) a pro-rata cash bonus for the year in which Mr. Mechem s employment was terminated based on the target annual cash bonus. In addition, all of Mr. Mechem s outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Mechem s receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination upon disability is subject to his execution of a general release of claims with the Company.

The terms Cause, Good Reason and Change in Control are specifically defined in Mr. Mechem s employment agreement.

Michael J. Ruen

Under Mr. Ruen s new employment agreement he will serve as Managing Director, East Region, of the Company. Mr. Ruen s employment agreement has a term of two years commencing on October 10, 2009 and ending on October 9, 2011. The agreement provides for an annual salary of at least $260,000, annual cash bonuses with a target cash bonus of at least $200,000 and annual equity awards with a target value of at least $450,000; provided that the amount of the actual cash bonuses paid and the value of the actual equity awards granted will be made by the Company, in its sole discretion, based on such factors relating to the performance of Mr. Ruen or the Company as it deems relevant and, in each case, may be more or less than the target amount. If Mr. Ruen is terminated for any reason, under the employment agreement he will be subject to the following continuing obligations after termination: (1) noncompetition with the Company for one year, or, if employment is terminated by the Company without Cause or Mr. Ruen for Good Reason, six months, (unless employment is terminated (i) upon or after termination of the term of employment or (ii) by the Company without Cause or Mr. Ruen for Good Reason in connection with or within 18 months after a Change in Control, in which case the noncompetition provision will not extend beyond termination of employment); (2) nonsolicitation and non-hiring of the Company s employees for one year; (3) non-interference with the Company s business for one year; (4) nondisparagement of the Company for one year; and (5) cooperation with the Company in connection with future claims or investigations. The employment agreement also provides for the following payments and benefits to Mr. Ruen in connection with the termination of his employment with the Company or a Change in Control of the Company:

Change in Control without termination. Upon a Change in Control while Mr. Ruen is employed by the Company that occurs during or after the expiration of the term of employment under the agreement, all of Mr. Ruen s outstanding unvested equity awards subject to time-based vesting conditions will fully vest upon a Change in Control; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms.

Termination without Cause or for Good Reason. If Mr. Ruen s employment is terminated by the Company without Cause or by Mr. Ruen for Good Reason during the term of employment or within 12 months of a Change in Control that occurs during the term of employment or thereafter, Mr. Ruen will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment, (2) a lump sum payment equal to the sum of (i) one times (or, in the event of a termination within 12 months after a Change of Control, one and one half times) annual salary plus (ii) one times (or, in the event of a termination within 12 months after a Change of Control, one and one half times) the greater of the target cash bonus for the year of termination or the average of actual cash bonuses for the two years preceding the year of termination and (3) a pro-rata cash bonus for the year in which Mr. Ruen s employment was terminated based on the target annual cash bonus. Mr. Ruen will also continue to receive his medical and welfare benefits for one year (or, in the event of a termination within 12 months after a Change of Control, one and one half years), and all of his outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Ruen s receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination without Cause or for Good Reason is subject to his execution of a general release of claims with the Company.

Termination upon death or disability. If Mr. Ruen s employment is terminated by the Company upon Mr. Ruen s death or disability, Mr. Ruen will receive (1) annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment and (2) a pro-rata cash bonus for the year in which Mr. Ruen s employment was terminated based on the target annual cash bonus. In addition, all of Mr. Ruen s outstanding unvested equity awards subject to time-based vesting conditions will fully vest; provided that any performance-based vesting conditions applicable to such awards will continue to apply in accordance with their terms. Mr. Ruen s receipt of these payments and benefits (other than the annual salary, cash bonus and other benefits earned and accrued under the agreement prior to the termination of employment) in connection with a termination upon disability is subject to his execution of a general release of claims with the Company.

The terms Cause, Good Reason and Change in Control are specifically defined in Mr. Ruen s employment agreement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	**Description of Exhibits**
10.1	Employment Agreement, dated as of October 9, 2009, by and between the Company and Philip L. Hawkins.
10.2	Employment Agreement, dated as of October 9, 2009, by and between the Company and Stuart B. Brown.
10.3	Employment Agreement, dated as of October 9, 2009, by and between the Company and Daryl H. Mechem.
10.4	Employment Agreement, dated as of October 9, 2009, by and between the Company and Michael J. Ruen.

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.

DCT INDUSTRIAL TRUST INC.

By:	/s/ PHILIP L. HAWKINS
Name:	**Philip L. Hawkins**
Title:	**Chief Executive Officer**

Date: October 13, 2009