

INTEVAC INC

FORM 8-K (Current report filing)

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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

October 29, 2014
Date of Report (date of earliest event reported)

INTEVAC, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

0-26946
(Commission
File Number)

94-3125814
(I.R.S. Employer
Identification Number)

3560 Bassett Street
Santa Clara, CA 95054
(Address of principal executive offices)

(408) 986-9888
(Registrant's telephone number, including area code)

N/A
(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:

- Written communication 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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On October 30, 2014 Intevac, Inc. (“Intevac”) announced that James P. Moniz would be joining Intevac on November 3, 2014. Mr. Moniz will be appointed Chief Financial Officer and Secretary on November 12, 2014, succeeding Charles Eddy, who has served as interim Chief Financial Officer since September 19, 2014. A copy of the press release announcing Mr. Moniz’s appointment is filed with this Current Report on Form 8-K as Exhibit 99.1.

Mr. Moniz, 57, brings over 30 years of senior financial management experience to Intevac. Most recently, he was Chief Financial Officer of Nanometrics, Inc., a manufacturer of process control metrology and inspection systems, where he served from 2009 until his retirement in 2011. Mr. Moniz has returned from his retirement to take the Chief Financial Officer position at Intevac. Prior to Nanometrics, Mr. Moniz was the Chief Financial Officer of Photon Dynamics, a publicly-traded manufacturer of test equipment for the LCD flat panel display market. From 2000 until 2008, Mr. Moniz was the Chief Financial Officer of Nextest Systems Corporation, a manufacturer of semiconductor test equipment, which was publicly-traded from 2006 until its 2008 sale to Teradyne, Inc. Prior to Nextest, Mr. Moniz held senior financial management positions at Millennia Vision Corporation, Lockheed Martin Corporation, Loral Corporation and Varian Associates. Mr. Moniz holds an MBA, a BS, Accounting and a BS, Marketing from San Jose State University.

Entry into Offer Letter with James P. Moniz

On October 29, 2014, in connection with the appointment of James Moniz as the Chief Financial Officer and Secretary of Intevac, the Company entered into an offer letter (the “Offer Letter”) with Mr. Moniz (the “Executive”), which sets forth the terms and provisions governing the Executive’s employment with the Company. Mr. Moniz’s employment with the Company is effective November 3, 2014, and it is anticipated that the Board will appoint Mr. Moniz as Chief Financial Officer on November 12, 2014. The following summary is qualified in its entirety by reference to the full text of the Offer Letter, which is attached hereto as Exhibit 10.1 and is incorporated by reference.

Salary. The Offer Letter sets the Executive’s annual base salary at \$315,000.

Annual Incentive Bonus. The Offer Letter provides that the Executive will be eligible to receive an annual incentive bonus under the Company’s Senior Executive Incentive Program with a target amount equal to 65% of Executive’s base salary and a maximum annual bonus amount equal to two (2) times the target amount. The actual bonus amount payable to the Executive will be dependent upon the achievement of annual performance objectives established in the discretion of the Company’s Board of Directors (the “Board”) or its Compensation Committee (the “Committee”). For the remainder of 2014, \$34,125 of the Executive’s annual incentive bonus is guaranteed.

Equity Awards. Pursuant to the terms of the Offer Letter, the Company’s CEO will recommend to the Board that it grant the Executive an option to purchase 50,000 shares of the Company’s common stock (the “Option”) and an award of 25,000 restricted stock units (the “RSUs”), both subject to the terms and conditions set forth in the Company’s equity plan and the applicable standard equity award agreement. The Option will have an exercise price equal to the closing price of the Company’s common stock on the date of grant. Subject to the Executive’s continued service through the applicable vesting date, both the Option and the RSUs will be scheduled to vest over a four-year period.

Health and Welfare Benefits. The Executive will be eligible to participate in the Company’s benefit package.

Entry into Change in Control Agreement with James Moniz

On October 29, 2014, in connection with the appointment of the Executive as the Company’s Chief Financial Officer, the Company entered into a Change in Control Agreement (the “Agreement”) with the Executive. The following summary is qualified in its entirety by reference to the full text of the Agreement which is attached hereto as Exhibit 10.2 and is incorporated by reference.

Change in Control Benefits. If within twelve (12) months following a Change in Control (as such term is defined in the Agreement), the Company terminates the Executive's employment for a reason other than Cause (as such term is defined in the Agreement) or if the Executive resigns for Good Reason (as such term is defined in the Agreement), the Executive will receive severance from the Company in the amount of twelve (12) months of the Executive's base salary in effect on the date of the Executive's termination, payable at the Company's discretion either in a lump sum or at equal intervals over a period of time not longer than twelve (12) months. In addition, all stock options and restricted stock held by Executive shall have their vesting fully accelerated. The receipt of severance under the Agreement is contingent upon the Executive signing and not revoking a release of claims in favor of the Company.

Excise Tax. In the event that the severance payments and other benefits payable to the Executive constitute "parachute payments" under Section 280G of the U.S. tax code and would be subject to the applicable excise tax, then such benefits will be either (i) delivered in full or (ii) delivered to such lesser extent which would result in no portion of such benefits being subject to the excise tax, whichever results in the receipt by the Executive on an after-tax basis of the greatest amount of benefits.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Offer Letter with James Moniz
- 10.2 Change in Control Agreement with James Moniz
- 99.1 Press Release issued by Intevac, Inc. on October 30, 2014

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.

INTEVAC, INC.

Date: October 31, 2014

By: /s/ CHARLES B. EDDY
Charles B. Eddy
Interim Chief Financial Officer, Treasurer and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter with James Moniz
10.2	Change in Control Agreement with James Moniz
99.1	Press Release issued by Intevac, Inc. on October 30, 2014

October 29, 2014

Mr. James P. Moniz

Dear Jim:

I am pleased to confirm our offer for the position of Chief Financial Officer reporting to Wendell Blonigan, Chief Executive Officer and President. Your starting base salary will be \$315,000 on an annualized basis. Wendell Blonigan, CEO will recommend to the Board of Directors that you be granted options on 50,000 shares of Intevac stock and 25,000 restricted stock units, vested over a four-year period. The option price will be set based on the stock value on the day the option is granted.

In addition, you are eligible to participate in Intevac's Senior Executive Incentive Program. Your 2014 target incentive compensation is 65% of your annual base pay and is based on:

- the Company meeting its financial targets for Profitability, and
- accomplishment of your Divisional/Individual MBO's

For 2014, the company guarantees 2 months of your target Annual Incentive bonus (\$34,125).

To the extent that you or the Company exceed or fall short of the target performance, the actual bonus payment may be more or less than the target bonus. The maximum bonus is 2x of your target percent.

As a regular employee of Intevac you will be eligible to participate in a benefit package, which includes medical/dental/vision/life/disability insurance, 401(k) plan, stock purchase plan, and educational reimbursement for approved courses. This package also provides for 10 paid holidays' each year and accrual of Personal Time-Off (PTO) at a rate of 18 days per year for the first three years. *If you would like to view our benefits online please go to: www.arlengroup.com/benefits1. User ID : **intevac** and Password: **XXXX**. (case sensitive)*

This offer of employment does not imply or give cause for any claim to employment tenure, rights, or benefits not stated herein or specifically provided for in writing hereafter. Either party to this agreement may terminate the agreement at any time for any reason or no reason. This at will nature of employment can not be altered, except upon written agreement signed by the president of Intevac.

This offer is contingent on your execution of the Company's standard Proprietary Information and Inventions Agreement, which is attached. If you accept this offer, the terms described in this letter and the Proprietary Information and Inventions Agreement shall be the terms of your employment. No other promises, representations or terms have been agreed to by Intevac.

In order to comply with the Federal Immigration Reform Act, your employment pursuant to this offer is contingent on you providing the legally required proof of your identity and authorization to work in the United States.

We look forward to having you join the Intevac Team on Monday, November 3rd. Please sign the enclosed copy in the space provided, execute the enclosed Proprietary Information Agreement and return to me.

Sincerely,

/s/ Kimberly Burk

Kimberly Burk
Vice President of Human Resources

I have read and accept this offer of employment:

/s/ James P. Moniz 10/29/14
signature date

Change in Control Agreement

- 1.1 **Definition:** For purposes of this Agreement, “Change of Control” means occurrence in a single transaction or in a series of related transactions of any one or more of the following events:
- (a) Any person (within the meaning of Section 13 (d) or 14(d) of the Securities Exchange Act of 1934, as amended) other than Intevac, Inc. or a company, partnership or entity in which Intevac holds, directly or indirectly, at least a 50% equity interest (an “Intevac Entity”) becomes the owner, directly or indirectly, of securities of the Company representing more than fifty (50%) of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction;
 - (b) there is consummated a merger, consolidation or similar transactions involving (directly or indirectly) the Company and not involving Intevac, Inc. or an Intevac, Inc. Entity, and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction; or
 - (c) there is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to (i) Intevac, Inc. or an Intevac Inc. Entity or (ii) any entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale, lease, license or other disposition.
- 1.2 **Termination after a Change in Control.** In the event that within twelve (12) months following a Change in Control, the Company terminates your employment without Cause (as defined below) or you resign for Good Reason (as defined below) (a Change in Control Termination), (a) the Company will provide you with severance in the amount of twelve (12) months of your then existing base salary, less payroll deductions and all required withholdings, paid either (at the Company’s discretion) in a lump sum or in a regular payments at equal intervals over a period of time not longer than twelve (12) months, and (b) all options (stock Options, Restricted Stock) held by you shall have their vesting accelerated such that all options (Stock Options, Restricted Stock) are fully vested and exercisable as of the date of the Change of Control Termination (the “Acceleration”). As a precondition of receiving the payments and benefits under this paragraph, you must first sign and allow to become effective a general release of claims in favor of the Company in a form acceptable to the Company. Notwithstanding the foregoing, you shall not be entitled to any of the payments and benefits under this paragraph upon the termination your employment with the company in connection with your becoming an employee of Intevac, Inc.

or an Intevac, Inc. Entity and the terms of this Section 1.2 with respect to the termination of your employment with the Company shall apply to your employment with Intevac Inc. or such Intevac Inc. Entity, mutatis mutandis.

- 1.3 Definition of "Cause". For purposes of this Agreement, "Cause" shall mean the occurrence of one or more of the following: (a) your indictment or conviction of any felony or crime involving moral turpitude or dishonesty; (b) your participation in any fraud against the company or its successor; (c) breach of your duties to the Company or its successor, including, without limitation, persistent unsatisfactory performance of job duties; (d) intentional damage to any property of the company or its successor; (e) willful conduct that is demonstrably injurious to the Company or its successor, monetarily or otherwise; (f) breach of any agreement with the Company or its successor, including your Proprietary information and Inventions Agreement; or (g) conduct by you that in the good faith and reasonable determination of the company demonstrates gross unfitness to serve. Physical or mental disability or death shall not constitute Cause hereunder.
- 1.4 Definition of "Good Reason". For purposes of this Agreement, your voluntary termination of employment with the company will be considered a termination for "Good Reason" if you resign your employment because one of the following events occurs without your consent: (a) a reduction of your then existing annual base salary by more than ten percent (10%), unless the then existing base salaries of other executive officers of the Company are accordingly reduced; (b) a material reduction in the package of benefits and incentives, taken as a whole, provided to you (not including raising of employee contributions to the extent of any cost increases imposed by third parties), except to the extent that such benefits and incentives of the other executive officers of the Company are similarly reduced; (c) assignment to you of any duties or any limitation of your responsibilities substantially inconsistent with your position, duties, responsibilities and status with the company immediately prior to the date of the Change in Control; or (d) relocation of the principal place of your employment to a location that is more than sixty (60) miles from your principal place of employment immediately prior to the date of the Change of Control.
- 1.5 Limitation on Payments. If any payment or benefit you would receive pursuant to a Change in Control from the company or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be equal to the Reduced Amount, the "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on the after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a

reduction in payments or benefits constituting “parachute payments” is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order unless you elect in writing a different order (provided, however, that such election shall be subject to Board approval if made on or after the effective date of the event that triggers the Payment): reduction of cash payments; cancellation of Acceleration; reduction of employee benefits. In the event that Acceleration is to be reduced, it shall be cancelled in the reverse order of the date of grant of your Options (i.e., earliest granted Option cancelled last) unless you elect in writing a different order for cancellation.

The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in control shall perform the foregoing calculations, if the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a Payment is triggered (if requested at the time by you or the Company) or such other time as requested by you or the Company. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish you and the Company with an opinion reasonably acceptable to you that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon you and the Company.

2.0 General Provisions

- 2.1 **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but such invalid, illegal or unenforceable provision will be reformed, construed and enforced in such jurisdiction so as to render it valid, legal and enforceable consistent with the intent of the parties insofar as Possible.
- 2.2 **Entire Agreement.** This Agreement, together with the Proprietary Information and Inventions Agreement, constitutes the entire and exclusive agreement between you and the Company, and it supersedes any prior agreement, promise, representation, or statement, written or otherwise, between you and the Company with regard to this subject matter. It is entered into without reliance on any promise, representation, statement or agreement other than those expressly contained or incorporated herein, and it cannot be modified or amended except in writing signed by you and a duly authorized officer of the Company.

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- 2.3 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you, the company and your and its respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.
- 2.4 Governing Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California as applied to contracts made and to be performed entirely within California.

To indicate your acceptance of the Company's offer of employment, please sign and date this Agreement and Proprietary Information and Inventions Agreement and return the signed documents to me.

Sincerely,

/s/ Kimberly Burk

Kimberly Burk
Vice President, Human Resources
Intevac Inc.

Accepted and agreed:

/s/ James Moniz
James Moniz

10/29/14
Date



3560 Bassett Street, Santa Clara CA 95054

Charles Eddy
Chief Financial Officer
(408) 986-9888

Claire McAdams
Investor Relations
(530) 265-9899

INTEVAC NAMES JAMES P. MONIZ AS CHIEF FINANCIAL OFFICER

Santa Clara, Calif. — October 30, 2014 — Intevac, Inc. (NASDAQ: IVAC) today announced that Mr. James P. Moniz will join the Company on November 3, 2014. Mr. Moniz will succeed Mr. Charles Eddy as the Company's Chief Financial Officer, Treasurer and Secretary on November 12, 2014, after which Mr. Eddy will continue with the Company as needed to assist Mr. Moniz and assure a smooth transition.

James Moniz, 57, brings over 30 years of senior financial management experience to Intevac. Most recently, he was Chief Financial Officer of Nanometrics, Inc., a manufacturer of process control metrology and inspection systems, where he served from 2009 until his retirement in 2011. Mr. Moniz has returned from his retirement to take the CFO position at Intevac. Prior to Nanometrics, Mr. Moniz was the Chief Financial Officer of Photon Dynamics, a publicly-traded manufacturer of test equipment for the LCD flat panel display market. From 2000 until 2008, Mr. Moniz was the Chief Financial Officer of Nextest Systems Corporation, a manufacturer of semiconductor test equipment, which was publicly-traded from 2006 until its 2008 sale to Teradyne, Inc. Prior to Nextest, Mr. Moniz held senior financial management positions at Millennia Vision Corporation, Lockheed Martin Corporation, Loral Corporation and Varian Associates. Mr. Moniz holds an MBA, a BS, Accounting and a BS, Marketing from San Jose State University.

"I have worked with Jim in the past and I am excited to have him join our team," commented Wendell Blonigan, Chief Executive Officer of Intevac. "Jim is a seasoned public company CFO and he brings to Intevac a wealth of experience in high tech, equipment manufacturing and defense. I would also like to thank Charley Eddy for taking a break from his retirement to return as CFO on an interim basis."

About Intevac

Intevac was founded in 1991 and has two businesses: Equipment and Photonics.

In our Equipment business, we are a leader in the design and development of high productivity, thin film processing systems. Our production-proven platforms are designed for high volume manufacturing of substrates with precise thin film properties.

Intevac is the market and technology leader in the hard drive industry with approximately 60% of all magnetic disk media produced worldwide. Our technology solutions improve performance and throughput, and continue to expand into additional markets – including solar and adjacent thin film deposition applications.

In our Photonics business, we are a recognized leading developer of advanced high-sensitivity digital sensors, cameras and systems that primarily serve the defense industry. We are the sole source provider of integrated digital imaging systems for most U.S. military night vision programs.

For more information, call 408.986.9899, or visit www.intevac.com.