Globalstar, Inc.
Form 8-K
May 14, 2008

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): **May 12, 2008**

GLOBALSTAR, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-33117**	**41-2116508**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

461 South Milpitas Blvd. Milpitas, California	**95035**
(Address of Principal Executive Offices)	(Zip Code)

Registrant s telephone number, including area code: **(408) 933-4000**

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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 Principal Officers; Election of Directors; Appointment of Principal Officers.

(c) Appointment of Chief Operating Officer

The Board of Directors of Globalstar, Inc. (the Company or Globalstar) has appointed Thomas M. Colby as Chief Operating Officer of the Company effective May 19, 2008. The principal terms of Mr. Colby s employment are provided below under subsection (e)(1) of this Item. The Company s press release announcing the appointment is filed as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Mr. Colby, age 47, has been Vice President and General Manager of Trimble Navigation Limited (NASDAQ: TRMB), a provider of advanced positioning solutions, since June 2005. From June 2004 to February 2005, he was a consultant to SRI International, an independent, nonprofit research institute conducting client-sponsored research and development for government agencies, commercial businesses, foundations, and other organizations. From July 2002 to April 2004 he was Chief Executive Officer of Eyematic Interfaces Inc., a developer of consumer mobile applications and camera phone software which was sold in 2004.

Mr. Colby does not have any family relationship with any director or executive officer of Globalstar and has not been directly or indirectly involved in any transactions with the Company.

(e)(1) Agreement with Mr. Colby

On May 1, 2008, the Company and Mr. Colby entered into an agreement effective as of May 19, 2008. The principal terms of Mr. Colby s employment are as follows:

- Mr. Colby will receive an annualized base salary of $300,000.

- Mr. Colby will be eligible to receive an annual bonus equal to 50% of his base salary upon the achievement of certain performance criteria approved by the Board or its Compensation Committee from time to time.

- Mr. Colby will be eligible to receive a $500,000 special bonus, payable at the option of the Company in cash or shares of Company common stock, after the Board determines that not less than 24 satellites of Globalstar s second-generation constellation have entered commercial service and are performing satisfactorily in carrying two-way voice and data, revenue capable, traffic.

- Mr. Colby will receive the following equity awards within 90 days of May 19, 2008:

- A restricted stock award consisting of a number of shares of common stock equal to $1,600,000 that will vest on the anniversary of his employment in each of 2011, 2012 and 2013, contingent, with respect to each installment, on his continuous employment with Globalstar through the date of vesting.

- Four nonqualified options to purchase an aggregate of 1,264,744 shares of Globalstar common stock that expire 10 years from the date of grant. The options will be exercisable when the closing price per share of Globalstar common stock reaches certain values, contingent, with respect to each installment, on his continuous employment with Globalstar through the date on which the options become exercisable.

1) An option to purchase 550,661 shares with an exercise price of $5.00 per share that will become exercisable when the closing price of Globalstar common stock equals or exceeds $14.08

2) An option to purchase 335,243 shares with an exercise price of $10.00 per share that will become exercisable when the closing price of Globalstar common stock equals or exceeds $18.18.

3) An option to purchase 202,839 shares with an exercise price of $15.00 per share that will become exercisable when the closing price of Globalstar common stock equals or exceeds $22.18 per share.

4) An option to purchase 176,001 shares with an exercise price of $20.00 per share that will become exercisable when the closing price of Globalstar common stock equals or exceeds $25.83 per share.

The closing price calculations will be based from the average closing price of a share of common stock over any 20 consecutive trading-day period during the five-year period beginning on the grant date as quoted on The NASDAQ Global Select Market or such other national or regional securities exchange or market system constituting the primary market for the common stock.

- Mr. Colby is subject to a 12-month noncompetition restriction and is obligated to assign to the Company any intellectual property related to Globalstar s present or anticipated business developed during his employment.

- Mr. Colby will be eligible to participate in all benefit plans and programs that are generally available to Globalstar senior executive officers, such as employee life, health and disability insurance and 401(k) plan participation.

Mr. Colby s employment is at-will. If the Company terminates Mr. Colby s employment without Cause or after two years following a Change of Control, he will be entitled to the following severance and benefits: (i) any bonus during the previous calendar year earned but not yet paid, (ii) a pro rata bonus attributable to any partial calendar year prior to termination and (iii) 12 monthly installment payments of his then-current base salary.

(e)(2) Approval of Amended and Restated 2006 Equity Incentive Plan

On May 13, 2008, at the Company s 2008 Annual Meeting of Stockholders, the Company s stockholders approved the Amended and Restated Globalstar, Inc. 2006 Equity Incentive Plan (the Plan). The Plan was amended to increase the aggregate number of shares of Company common stock available for issuance to plan participants by 3,000,000 shares and to preserve the Company s ability to claim tax deductions for compensation paid in accordance with Section 162(m) of the Internal Revenue Code. The Company s Board of Directors had previously approved the amendments to the Plan at a meeting held March 7, 2008. The amended terms of the Plan and the description thereof are set forth in the Company s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 31, 2008.

Item 8.01 Other Events.

On May 12 and 13, 2008, an aggregate of 1,097,275 shares of common stock of Globalstar, previously granted to five executive officers of the Company under Designated Executive Award Agreements and the Plan vested pursuant to the terms of the Agreements and the Plan. All awards under these Agreements are calculated using a fixed dollar amount that is converted to shares based on the fair market value of the Company s common stock on the date of grant.

The stock compensation amounts reflected in the Designated Executive Award Agreements originated from a cash-based Executive Incentive Compensation Plan entered into in 2004. The Company and the executives agreed in August 2007 to redesign the compensation structure to allow Globalstar to conserve its cash for capital expenditures for the procurement and launch of its second-generation satellite constellation and related ground station upgrades. The shares described above represent the first vesting event under these Agreements.

On May 12, 2008, the five executive officers began the sale of a portion of this common stock pursuant to block trades with a national broker dealer. The executives sales were necessary to meet income tax obligations arising upon vesting of the stock and to provide them liquidity for other personal requirements. Each executive has informed the Company that the sales will be reported on Form 4 filings with the Securities and Exchange Commission.

Full descriptions of the 2004 Executive Incentive Compensation Plan and the Designated Executive Award Agreements can be found in the Company s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 31, 2008.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1*	Amended and Restated Globalstar, Inc. 2006 Equity Incentive Plan (Annex A to Definitive Proxy Statement on Schedule 14A filed March 31, 2008)
99.1	Press release dated May 14, 2008

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* Incorporated by reference

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.

GLOBALSTAR, INC.

/s/ James Monroe III
James Monroe III
Chairman and
Chief Executive Officer

Date: May 14, 2008

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SUPPLEMENTAL DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES

The following disclosure supplements, and to the extent inconsistent supersedes, the discussion in the product prospectus supplement dated January 14, 2016 under "Supplemental Discussion of U.S. Federal Income Tax Consequences."

A "dividend equivalent" payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30% U.S. withholding tax if paid to a non-U.S. holder. Under U.S. Treasury Department regulations, payments (including deemed payments) with respect to equity-linked instruments ("ELIs") that are "specified ELIs" may be treated as dividend equivalents if such specified ELIs reference an interest in an "underlying security," which is generally any interest in an entity taxable as a corporation for U.S. federal income tax purposes if a payment with respect to such interest could give rise to a U.S. source dividend. However, the IRS has issued guidance that states that the U.S. Treasury Department and the IRS intend to amend the effective dates of the U.S. Treasury Department regulations to provide that withholding on dividend equivalent payments will not apply to specified ELIs that are not delta-one instruments and that are issued before January 1, 2018. Based on our determination that the notes are not delta-one instruments, non-U.S. holders should not be subject to withholding on dividend equivalent payments, if any, under the notes. However, it is possible that the notes could be treated as deemed reissued for U.S. federal income tax purposes upon the occurrence of certain events affecting the underlier or the notes (for example, upon an underlier rebalancing), and following such occurrence the notes could be treated as subject to withholding on dividend equivalent payments. Non-U.S. holders that enter, or have entered, into other transactions in respect of the underlier or the notes should consult their tax advisors as to the application of the dividend equivalent withholding tax in the context of the notes and their other transactions. If any payments are treated as dividend equivalents subject to withholding, we (or the applicable paying agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld.

SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We will agree to sell to RBCCM, and RBCCM will agree to purchase from us, the principal amount of the notes specified, at the price specified, on the cover page of this pricing supplement. RBCCM has informed us that, as part of its distribution of the notes, it will reoffer them at a purchase price equal to [100.00]% of the principal amount to one or more other dealers who will sell them to their customers. In the future, RBCCM or one of its affiliates, may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices. For more information about the plan of distribution, the distribution agreement and possible market-making activities, see "Supplemental Plan of Distribution" in the accompanying prospectus supplement. For additional information as to the relationship between us and RBCCM, please see the section "Plan of Distribution Conflicts of Interest" in the accompanying prospectus.

If the notes priced on the date of this pricing supplement, RBCCM, acting as agent for Royal Bank of Canada, would not receive an underwriting discount in connection with the sale of the notes.

We expect to deliver the notes against payment therefor in New York, New York on ______, 2017, which is expected to be the fifth scheduled business day following the trade date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on any date prior to three business days before delivery will be required, by virtue of the fact that the notes are initially expected to settle in five business days (T + 5), to specify alternative settlement arrangements to prevent a failed settlement.

RBCCM may use this pricing supplement in the initial sale of the notes. In addition, RBCCM or any other affiliate of Royal Bank of Canada may use this pricing supplement in a market-making transaction in a note after its initial sale. Unless RBCCM or its agent informs the purchaser otherwise in the confirmation of sale, this pricing supplement is being used in a market-making transaction.

RBCCM or another of our affiliates may make a market in the notes after their issuance date; however, it is not obligated to do so. The price that it makes available from time to time after the issue date at which it would be willing to repurchase the notes will generally reflect its estimate of their value. That estimated value will be based upon a variety of factors, including then prevailing market conditions, our creditworthiness and transaction costs. However, for a period of approximately three months after the issue date, the price at which RBCCM may repurchase the notes is expected to be higher than their estimated value at that time. This is because, at the beginning of this period, that price will not include certain costs that were included in the original issue price, particularly our hedging costs and profits. As the period continues, these costs are expected to be gradually included in the price that RBCCM would be willing to pay, and the difference between that price and RBCCM's estimate of the value of the notes will decrease over time until the end of this period. After this period, if RBCCM continues to make a market in the notes, the prices that it would pay for them are expected to reflect its estimated value, as well as customary bid-ask spreads for similar trades. In addition, the value of the notes shown on your account statement may not be identical to the price at which RBCCM would be willing to purchase the notes at that time, and could be lower than RBCCM's price.

STRUCTURING THE NOTES

The notes are our debt securities. As is the case for all of our debt securities, including our structured notes, the economic terms of the notes reflect our actual or perceived creditworthiness. In addition, because structured notes result in increased operational, funding and liability management costs to us, we typically borrow the funds under these notes at a rate that is lower than the rate that we might pay for a conventional fixed or floating rate debt security of comparable maturity. This relatively lower implied borrowing rate, which is reflected in the economic terms of the notes, along with the fees and expenses associated with structured notes, typically reduces the initial estimated value of the notes at the time their terms are set.

In order to satisfy our payment obligations under the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with RBCCM and/or one of our other subsidiaries. The terms of these hedging arrangements take into account a number of factors, including our creditworthiness, interest rate movements, and the tenor of the notes. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements. Our cost of hedging will include the projected profit that such counterparties expect to realize in consideration for assuming the risks inherent in hedging our obligations under the notes. Because hedging our obligations entails risks and may be influenced by market forces beyond the counterparties' control, such hedging may result in a profit that is more or less than expected, or could result in a loss. See "Use of Proceeds and Hedging" on page PS-13 of the accompanying product prospectus supplement PB-1.

The lower implied borrowing rate and the hedging-related costs relating to the notes reduce the economic terms of the notes to you and result in the initial estimated value for the notes on the trade date being less than their original issue price. See "Risk Factors—Our Initial Estimated Value of the Notes Will Be Less than the Original Issue Price."

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this pricing supplement, the accompanying product prospectus supplement PB-1, the accompanying prospectus supplement or the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. These documents are an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in each such document is current only as of its respective date.

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Royal Bank of Canada

Digital S&P 500® Index-Linked Notes, due , 2018

RBC Capital Markets, LLC