

L 3 COMMUNICATIONS HOLDINGS INC

Form 8-K

August 21, 2006

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): August 15, 2006

L-3 Communications Holdings, Inc.
L-3 Communications Corporation
(Exact Name of Registrants as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-14141

13-3937434

333-46983

13-3937436

(Commission File Number)

(IRS Employer Identification No.)

600 Third Avenue, New York, New York

10016

(Address of Principal Executive Offices)

(Zip Code)

(212) 697-1111

(Registrants' Telephone Number, Including Area Code)

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 240.13.e-4(c))

Section 1 — Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Change in Control Program

On August 15, 2006, the Company's Board of Directors approved a Change in Control Program (the "Program") for executive officers, non-executive officers and other corporate employees. The Board of Directors based its approval on the recommendation of its Compensation Committee, composed solely of independent directors. The Compensation Committee's recommendation was based, in part, on consultations with its independent compensation consultant, and was not in anticipation of, or in response to, any particular transaction or process.

Under the Program, executive officers, non-executive officers and other corporate employees will be entitled to severance benefits if their employment is terminated in connection with or following a change in control of the Company. The following sets forth the material terms of the Program:

| | |
|---|---|
| Eligible Persons | Executive officers, non-executive officers and other corporate employees |
| Protection Period | Two years following the occurrence of a Change in Control. In addition, the Program will cover terminations that become effective prior to the occurrence of a Change in Control, if such termination has been effected (i) upon the request of the acquiror or (ii) otherwise in anticipation of the Change in Control. |
| Payout Requirements | Severance payments are required following termination by the Company without cause or termination by the eligible officer or employee for good reason during the Protection Period. |
| Severance Benefits | <p>Lump sum payment equal to a multiple of annual salary and 3-year average bonus:</p> <ul style="list-style-type: none"> • Chief Executive Officer, Chief Financial Officer, General Counsel — 3x • Senior Vice Presidents, Chief Operating Officers — 2.5x • Certain other senior employees — 1x to 2x <p>Other corporate employees — Lump sum payment equal to a minimum of 4 weeks of their average annual compensation (base salary plus average bonus), plus 2 or 3 weeks of such compensation for each year of service (the entire amount subject to a 52 week maximum)</p> |
| Bonus for Year of Change in Control/Termination | Pro rata bonus based on number of months worked in the year of termination and 3-year average bonus (or actual, if performance is determinable) |
| Benefits/Perquisites Continuation | Continuation of medical and life insurance benefits (or cash equal to premiums) for the same periods as the severance multiple |

Change in Control Definition

Substantially similar to definitions contained in the

| | |
|-----------------------------------|---|
| | Company's current stock option and supplemental executive retirement plans |
| Restrictive Covenants | Elected Officers will be subject to non-compete and non-solicit covenants for one year periods following the termination of their employment |
| Amendment and Termination of Plan | Prior to the occurrence of a Change in Control, the Compensation Committee may amend or terminate the Program at any time upon 90 days written notice |

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.

L-3 COMMUNICATIONS HOLDINGS, INC.
L-3 COMMUNICATIONS CORPORATION

By: /s/ Christopher C. Cambria
Name: Christopher C. Cambria
Title: Senior Vice President, Secretary and
General Counsel

Dated: August 21, 2006
