

KEYSTONE AUTOMOTIVE INDUSTRIES INC
Form 8-K
June 06, 2007

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: June 1, 2007

(Date of earliest event reported)

KEYSTONE AUTOMOTIVE INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

California
(State of
Incorporation)

0-28568
(Commission File Number)

95-2920557
(IRS Employer

Identification No.)

700 E. Bonita Avenue

Pomona, California 91767

(Address of principal executive offices, including zip code)

(909) 624-8041

(Registrant's telephone number, including area code)

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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 communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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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

(e) On June 1, 2007, Registrant and Jeffrey T. Gray (Executive) entered into a Change-in-Control Agreement (the Agreement). The Agreement provides that if Executive s employment is terminated by the Registrant following a Change in Control and during the Term of the Agreement, other than by the Registrant for Cause, by reason of death or Disability, or by Executive without Good Reason, Executive will be entitled to, among other things: (i) a lump sum cash amount equal to Executive s unpaid base salary, accrued vacation pay, unreimbursed business expenses and all other items earned by Executive through the Date of Termination; (ii) a lump sum cash amount equal to the prorated portion at the target award level of any unpaid incentive compensation allocated or awarded to Executive preceding the Date of Termination; (iii) a lump sum cash amount equal to two times Executive s annual base salary in effect immediately prior to the Date of Termination or, if higher, immediately prior to the first occurrence of an event constituting Good Reason; (iv) a lump sum cash amount equal to two times the greater of (A) Executive s target bonus percentage times his then current annual base salary and (B) the average annual bonus earned by Executive with respect to the three fiscal years (or, if Executive has been employed for less than three fiscal years, the average bonus for the number of full fiscal years of Executive s employment) ending immediately prior to the fiscal year in which the Date of Termination occurs or, if higher, immediately prior to the fiscal year in which the first event constituting Good Reason occurs; (v) continuation coverage under Registrant s health care and life insurance plans at the same cost and coverage level as in effect as of the Date of Termination; and (vi) subject to certain exceptions, the immediate vesting of all stock options, restricted stock and performance share awards as of the date of a Change in Control. The Agreement provides that Executive would be eligible for payments in reimbursement for excise taxes imposed on the severance payments and benefits. Executive will also be subject to a post-termination non-competition covenant, non-disclosure covenant and a post-termination non-solicitation covenant. Defined terms used in this Form 8-K but not otherwise defined have the meanings set forth in the Agreement.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

None.

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.

Dated: June 6, 2007

KEYSTONE AUTOMOTIVE INDUSTRIES, INC.

By: /s/ John G. Arena
John G. Arena
Vice President and Secretary