

# ZAGG INC

## FORM 8-K (Current report filing)

Filed 08/20/12 for the Period Ending 08/20/12

Address	3855 S 500 W. SUITE J SALT LAKE CITY, UT 84115
Telephone	801-263-0699
CIK	0001296205
Symbol	ZAGG
SIC Code	5900 - Retail-Miscellaneous Retail
Industry	Containers & Packaging
Sector	Basic Materials
Fiscal Year	12/31

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 20, 2012

ZAGG Inc

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

001-34528

(Commission File Number)

20-2559624

(I.R.S. Employer Identification No.)

3855 South 500 West, Suite J

Salt Lake City, Utah

(Address of principal executive offices)

Registrant's telephone number, including area code: (801) 263-0699

(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 communications pursuant to Rule 425 under the Securities Act (17CFR 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; Compensation Arrangements of Certain Officers.**

*Departure of Director and Officer; Appointment of New Chairperson of Board, Officer*

On August 17, 2012, the Board of Directors of ZAGG Inc (the “Registrant”), accepted the resignation of Robert G. Pedersen II as Chairman and Chief Executive Officer of the Registrant, as well as from any and all other roles or positions within the Registrant and as an officer, director, employee or any and all other roles or positions within any subsidiary or affiliate of the Company, except that Mr. Pedersen will continue to serve as the Chairman of Board of HzO, Inc. The Registrant’s Board of Directors has appointed Cheryl Larabee as the new Chairperson of the Board, and Randy Hales as the interim Chief Executive Officer of the Registrant.

Prior to his resignation, Mr. Pedersen had not served on any committees of the Board of Directors of the Registrant.

The following information is incorporated by reference herein from the Registrant’s Definitive Proxy Statement, filed with the Commission on April 27, 2012: information regarding Mr. Pedersen’s background and business experience under the caption “Composition of the Board;” and related party transactions involving Mr. Pedersen under the caption “Certain Relationships and Related Transactions, and Director Independence.”

In connection with his resignation, the Registrant and Mr. Pedersen entered into a preliminary agreement relating to the terms of Mr. Pedersen’s departure from the Registrant, including the following:

- *Consulting Agreement* – The Registrant and Mr. Pedersen plan to enter into a one-year consulting agreement, pursuant to which Mr. Pedersen will provide consulting services related to the current and historical finances and operations of the Registrant; relationships with investors, customers and vendors; product development; marketing and distribution; representing the Registrant at public appearances; participation in Registrant meetings as an independent contractor on projects and matters; and serve as the Chairman of Board of HzO, Inc.. For these services, the Registrant will pay compensation in an amount to be determined.
- *Separation and Release Agreement* – The Registrant and Mr. Pedersen also plan to enter into a form of separation and release agreement, pursuant to which certain of Mr. Pedersen’s unvested options would accelerate and vest on August 16, 2013; certain personal property items would be transferred to Mr. Pedersen; and Mr. Pedersen would continue to abide by his duties and obligations contained in his Employee Non-Disclosure and Invention Assignment Agreement.

The Registrant will disclose the definitive versions of the Consulting Agreement and the Separation and Release Agreement once they have been executed. The descriptions of such documents in this Current Report are subject to and qualified by the disclosures relating to the final definitive agreements.

The Registrant has provided a copy of this Report to Mr. Pedersen for his review and consideration prior to its filing with the Commission, and provided him with the opportunity to furnish to the Registrant a letter stating whether he agrees with the statements made herein. Mr. Pedersen received the report and has advised the Registrant that he will not provide a letter in response.

*Appointment of New Chairperson, Officer*

As noted above, the Board of Directors has appointed Cheryl Larabee to serve as the new Chairperson of the Board of Directors. Prior to her appointment as Chairperson, Ms. Larabee was serving as Chair of the Audit Committee; a Member of Nominating and Corporate Governance Committee; and a Member of Compensation and Stock Option Committee. It is anticipated that she will continue to hold such positions following her appointment as Chairperson.

The following information is incorporated by reference herein from the Registrant’s Definitive Proxy Statement, filed with the Commission on April 27, 2012: information regarding Ms. Larabee’s background and business experience under the caption “Composition of the Board;” information regarding her service on committees of the board under the caption “Meetings and Committees of the Board;” and compensation she has received as a director under the caption “Director Compensation.”

Additionally, the Board of Directors appointed Randall L. Hales, the Registrant's current President and COO, as the interim Chief Executive Officer. While Mr. Hales serves as interim CEO his salary shall be increased from \$500,000 per annum to \$600,000 per annum.

The following information is incorporated by reference herein from the Registrant's Definitive Proxy Statement, filed with the Commission on April 27, 2012: information regarding Mr. Hales's background and business experience under the caption "Composition of the Board;" and information regarding his compensation, including his employment agreement, under the caption "Executive Compensation."

**Item 8.01 Other Events**

*Policy regarding holding Company securities in Executive and Directors margin accounts*

On August 16, 2012, the Board of Directors of the Registrant adopted a policy (the "Policy") relating to short-term or speculative transactions in the Registrant's securities by directors, officers, and 10% holders of the Registrant's securities. Specifically, the policy states that such individuals are prohibited from engaging in short-term or speculative transactions involving the Registrant's securities, such as publicly traded options, short sales, puts, and calls, hedging transactions and holding the Registrant's securities in a margin account.

A copy of the Policy is attached hereto as Exhibit 99.1.

*Press release regarding change in Directors and Officers*

On August 17, 2012, the Registrant issued a press release relating to the above-listed changes in its directors and officers. A copy of the press release is filed as Exhibit 99.2 hereto.

The information furnished under Item 9.01 of this Current Report on Form 8-K, including Exhibit 99.2, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any registration statement or other filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit No.	Description
99.1	Policy on Short-Term or Speculative Transactions
99.2	Press Release Dated August 17, 2012

**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.

**ZAGG Inc**

**/s/ BRANDON T. O'BRIEN**

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Brandon T. O'Brien  
Chief Financial Officer  
Date: August 20, 2012

**ZAGG Inc****Short-Term or Speculative Transactions Policy**

All Directors, Officers, and 10% Holders (as each term is defined in the Policy) are prohibited from engaging in short-term or speculative transactions involving Company securities, such as publicly traded options, short sales, puts, and calls, and hedging transactions. This prohibition also applies to holding Company securities in a margin account and “short sales against the box”, which are sales of Company securities where a person does not deliver the shares he or she owns to settle the transaction but instead delivers other shares that his or her broker has borrowed from others. Notwithstanding the terms of the Policy, the Company’s Board of Directors may waive this Short-Term or Speculative Transaction Policy on a case-by-case basis if: (i) the Board of Directors forms the opinion that such waiver is not adverse to the interests of the Company or its shareholders; (ii) where the Director, Officer, or 10% Holder seeking such waiver has demonstrated to the satisfaction of the Board of Directors that he or she has sufficient assets to pay the obligation without resort to Company securities; and (iii) the Director, Officer, or 10% Holder seeking such waiver otherwise is in compliance with Section 16(c) of the Securities Exchange Act of 1934, as amended. All other employees must obtain the specific prior written authorization of the Chief Executive Officer and the Chief Financial Officer before engaging in short-term or speculative transactions involving Company securities.

**ZAGG CEO Steps Down**

**Board Appoints Randy Hales as Interim CEO**

**ZAGG Board Appoints Cheryl Larabee as Chairman of the Board of Directors**

**Company Reaffirms 2012 Guidance**

SALT LAKE CITY--August 17, 2012-- ZAGG Inc. (NASDAQ:ZAGG), a leading mobile device accessories and technology company, announced today that Robert G. Pedersen II has stepped down as CEO and Chairman. ZAGG President and COO Randall Hales has been appointed interim CEO by the Board of Directors, and Cheryl Larabee has been appointed to serve as Chairperson of the Board of Directors, effective immediately.

"We thank our founder, Robert Pedersen, for his contribution in building ZAGG Inc. into a leading company in the mobile device accessories market and we wish him well in his future endeavors," said Cheryl Larabee, ZAGG Chairman. "Since joining ZAGG, Randy has built strong relationships across our employee and customer base, and has streamlined the company's focus and improved operational structure."

"I am committed to executing on the business strategy we have put in place at ZAGG. We have an excellent team in place that will continue to advance our objectives of building the preferred brand, introducing creative product solutions and extending both through targeted global distribution," said Mr. Hales. "I see ZAGG as a company that is poised to enter its next phase of development and growth. I have enjoyed my time working with Robert and wish him success in his next venture."

The board of directors will conduct a search for a new permanent CEO. Mr. Hales will retain his board seat and Ms. Larabee remains Chair of the Audit Committee, as well as member of the Nominating and Governance Committee, and the Compensation Committee. No further changes in leadership are expected.

The Company reiterates its full year guidance for 2012 revenue of \$256 million and Adjusted EBITDA of \$56 million - \$61 million.

For more information about ZAGG and its product offerings, visit [ZAGG.com](http://ZAGG.com) .

**About ZAGG Inc:**

ZAGG Inc, based in Salt Lake City, UT, with offices in Logan, UT and Shannon, Ireland, prides itself on offering premium quality and superior service. ZAGG is a market leader in innovative mobile device accessories that protect, personalize, and enhance the mobile experience. The company designs, produces, and distributes branded screen protection under the invisibleSHIELD® brand, keyboards, keyboard cases, earbuds, mobile power solutions and device cleaning accessories under the family of ZAGG® brands. In addition, the company designs, produces and distributes cases, earbuds and headphones under the iFrogz™ brands in the value-priced lifestyle sector. The company's products are sold worldwide in leading consumer and electronics retailers, wireless retailers and their affiliates, and through the ZAGG website. For more information, visit [ZAGG.com](http://ZAGG.com) .

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