

GNC CORP
Form 8-K
November 14, 2005

**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): November 10, 2005

GNC Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

333-116040
(Commission File Number)

72-1575170
(I.R.S. Employer
Identification No.)

300 Sixth Avenue, Pittsburgh, Pennsylvania 15222
(Address of principal executive offices) (Zip Code)

(412) 288-4600

(Registrant's telephone number, including area code)

Not Applicable

(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 (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))

Item 1.01 Entry into a
Material
Definitive
Agreement.

Bruce E. Barkus resigned as the President and Chief Executive Officer of GNC Corporation ("GNC"), General Nutrition Centers, Inc. ("Centers"), and each of their affiliates (collectively, the "Company") effective as of November 10, 2005.

On November 10, 2005, GNC and Centers entered into a Separation Agreement and General Release (the "Separation Agreement") with Mr. Barkus (collectively, the "Parties"). Mr. Barkus was employed by Centers as President and Chief Executive Officer pursuant to an Employment Agreement, dated as of May 27, 2005. Pursuant to this Separation Agreement, Mr. Barkus' s employment with Centers was terminated effective as of November 10, 2005, and, in connection with the termination, the Parties agreed to settle any and all related agreements between the Parties and their affiliates. Mr. Barkus resigned all of his director, officer, and other positions with the Company, effective as of November 10, 2005. This Separation Agreement included a mutual release between the Parties.

Pursuant to this Separation Agreement, Centers agreed to certain termination benefits. Mr. Barkus will be paid his annual base salary of \$550,000 through July 1, 2006. During the same period, Centers will reimburse Mr. Barkus for the amount of his monthly COBRA costs that exceed the monthly amount he was paying for health, dental, and prescription coverage immediately prior to his termination. Centers agreed to shorten the period in which Mr. Barkus will be subject to noncompetition restrictions to the period ending July 1, 2006. Centers also agreed to reimburse or indemnify Mr. Barkus in connection with certain expenses relating to the sale of his personal residences, the termination of a residential lease, and relocation from Pittsburgh, Pennsylvania where the Company' s corporate headquarters is located.

A copy of the Separation Agreement is attached to this report as Exhibit 10.1 and incorporated herein by reference.

Item 5.02 Departure of
Directors or
Principal
Officers;
Election of
Directors;
Appointment of
Principal
Officers.

(b) Bruce E. Barkus resigned as the President and Chief Executive Officer of the Company effective as of November 10, 2005. A press release announcing the resignation is attached to this report as Exhibit 99.1 and incorporated herein by reference.

(c) Effective November 10, 2005, Joseph Fortunato was appointed to serve as the President and Chief Executive Officer of the Company. A press release announcing the appointment is attached to this report as Exhibit 99.1 and incorporated herein by reference.

Mr. Fortunato, age 52, has most recently served as Senior Executive Vice President (since June 22, 2005) and Chief Operating Officer. He became Executive Vice President and Chief Operating Officer of the Company in December 2003. Since November 2001, Mr. Fortunato has also served as Executive Vice President and Chief Operating Officer of General Nutrition Companies, Inc. From October 2000 until November 2001, Mr. Fortunato served as its Executive Vice President of Retail Operations and Store Development. Mr. Fortunato began his employment with General Nutrition Companies, Inc. in October 1990 and has held various positions, including Senior Vice President of Store Development and Operations from 1998 until 2000, Vice President of Financial Operations from 1997 until 1998 and Director of Financial Operations from 1990 until 1997. From 1984 to 1988, Mr. Fortunato was President of Fortunato & Associates Financial Consulting Group. From 1975 to 1984, Mr. Fortunato was the Controller of Motor Coils Manufacturing Company, a manufacturer of traction motors for locomotives and oil drilling rigs.

Edgar Filing: GNC CORP - Form 8-K

Mr. Fortunato, as a holder of shares of common stock of GNC, is a party to a stockholders' agreement with GNC and other shareholders, as previously disclosed by GNC in its annual report on Form 10-K for the year ended December 31, 2004 (Annual Report).

Centers intends to enter into a new or modified employment agreement with Mr. Fortunato, the terms of which have not yet been finalized. GNC will file an amendment to this report when the new employment terms have been finalized.

Centers currently has an Employment Agreement with Mr. Fortunato, which was entered into on December 15, 2004, as previously disclosed in the Annual Report, and amended as of June 22, 2005, as previously disclosed by GNC in a Current Report on Form 8-K filed with the SEC on June 23, 2005. The Employment Agreement, as amended, provides for an employment term up to December 31, 2007, subject to automatic annual one-year renewals commencing on December 15, 2006 and each December 15th thereafter, unless Centers or Mr. Fortunato provides advance notice of termination. The Employment Agreement, as amended, provides for an annual base salary of \$425,000 for Mr. Fortunato. The Employment Agreement, as amended, provides for an incentive bonus, stock options, employee benefits, and certain severance benefits upon termination of his employment. An additional option to purchase a total of 50,000 shares of GNC's common stock was granted at the same time the Employment Agreement was amended.

Item 9.01 Financial
 Statements and
 Exhibits.

(c) Exhibits.

10.1 Separation Agreement and General Release, dated as of November 10, 2005, by and among Bruce E. Barkus, General Nutrition Centers, Inc., and GNC Corporation.

99.1 Press Release of GNC Corporation dated November 11, 2005.

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: November 14, 2005

GNC CORPORATION

By: /s/ Curtis J. Larrimer

Name: Curtis J. Larrimer

Title: Executive Vice President and Chief
Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Separation Agreement and General Release, dated as of November 10, 2005, by and among Bruce E. Barkus, General Nutrition Centers, Inc., and GNC Corporation.
99.1	Press Release of GNC Corporation dated November 11, 2005.