SOLECTRON CORP
Form 8-K
August 31, 2001

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 27, 2001

SOLECTRON CORPORATION *(Exact name of registrant as specified in its charter)*

Delaware

(State of Other Jurisdiction of Incorporation)

1-11098	**94-2447045**
(Commission File Number)	*(IRS Employer Identification Number)*

777 Gibraltar Drive
Milpitas, California 95035
(Address of principal executive offices including zip code)

408-957-8500
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

ITEM 5. Other Events

On August 27, 2001, the Registrant issued a press release regarding its appointment of new Chief Financial Officer and Senior Vice President Kiran Patel. The press release in its entirety follows:

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For Immediate Release: August 27, 2001

MILPITAS, Calif. -- Solectron Corporation (NYSE: SLR), the world's leading provider of electronics manufacturing and supply-chain management services, announced today that Kiran Patel has joined the company as a senior vice president and officer. Effective Sept. 1, Patel will become Solectron's chief financial officer and assume responsibility for Solectron's legal department.

Susan Wang, senior vice president and current chief financial officer, will transition her financial and legal duties to Patel and will focus her full-time attention on the company's increasing new business development activities, which include negotiating customer outsourcing agreements, mergers and acquisitions. Wang, an officer of the company and corporate secretary, will take on a new role as senior vice president, business development, and will report directly to the chief executive officer. Wang currently leads both the global finance and business development functions, as well as the company's legal department.

"This is another step in meeting our ongoing objective to further deepen our leadership team as the needs and scope of our business continue to grow," said Ko Nishimura, Solectron chairman, president and chief executive officer. "Susan has done an absolutely tremendous job of building a strong finance organization and of helping develop and execute our business strategy. She will continue her vital role in the company by dedicating her energies to Solectron's increasing business development initiatives, which are key elements of our growth strategy.

"Kiran's strong leadership record gives us the confidence to make these changes. In addition to being an experienced chief financial officer of a global company, he has expertise in logistics, strategic planning, international operations and electrical engineering, and he has worked extensively with the financial community," Nishimura said. "He has the skills, experience and perspective required to help ensure Solectron's continued success, and he will be an excellent addition to our senior team."

Patel joins Solectron after an extensive career with Cummins Inc., a worldwide designer and manufacturer of diesel and natural gas engines, engine components and subsystems. In 27 years with that company, Patel held leadership positions in finance and operations. He also led a number of business operating units, including the company's Brazil subsidiary, and its Atlas Inc. and Fleetguard Inc. units. Most recently, Patel was executive vice president and chief financial officer from 1996 through 2000. He left Cummins last fall to become chief financial officer of iMotors, Inc., a privately held online seller of pre-owned automobiles. Patel, a certified public accountant, earned a bachelor's degree in electrical engineering and a master's degree in business administration from the University of Tennessee.

Wang joined Solectron in 1984 as manager of finance, after serving as manager of financial services for Xerox Corporation. In 1986, she was promoted to vice president of finance and chief financial officer, and she was instrumental in taking Solectron public in 1989. In 1990, Wang became senior vice president and she has served as corporate secretary since 1992. Among Wang's many major accomplishments at Solectron, she took a leadership role in developing the electronic manufacturing services industry's first asset divestiture model in 1992 - an approach that has helped drive Solectron's significant growth over the last decade.

About Solectron

Solectron (www.solectron.com), the world's leading supply-chain facilitator, provides a full range of manufacturing and supply-chain management services to the world's premier high-tech electronics companies. Solectron's offerings include new-product design and introduction services, materials management, high-tech product manufacturing, and product warranty and end-of-life support. Solectron, based in Milpitas, Calif., is the first two-time winner of the Malcolm Baldrige National Quality Award for manufacturing.

SOLECTRON CORPORATION

SIGNATURE

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 thereunto duly authorized.

SOLECTRON CORPORATION (Registrant)

By: /s/ Susan S. Wang

Susan S. Wang
Senior Vice President, Chief Financial Officer and Secretary
(Principal Financial and Accounting Officer)

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g-left: 4px; padding-bottom: 3pt; margin-top: 0pt; margin-right: 0pt; margin-left: 0pt; margin-bottom: 0pt">A RIP Participant is entitled to benefits under the Supplemental Plan upon normal retirement on or after age 65, early retirement after age 60 with at least five years of service, disability retirement after at least five years of service and other termination of employment after at least five years of service. A graduated vesting schedule, which provides for 50% vesting after five years of service and an additional 10% for each year of service thereafter, applies in the case of termination of employment before completing ten years of service or qualifying for normal, early or disability retirement.

The Supplemental Plan provides that the retirement benefits to which Mr. Stephen Marcus, who is a RIP Participant, is entitled upon his separation from service with us commenced effective January 1, 2009 and we calculate such benefits as if Mr. Stephen Marcus had terminated his employment with us on December 31, 2008. As a result, Mr. Stephen Marcus receives approximately $300,127 in payments under our Supplemental Plan each fiscal year until his death. The Supplemental Plan also provides that the retirement benefits to which Mr. Olson, who is a RIP Participant, is entitled upon his separation from service with us commenced effective September 27, 2013. As a result Mr. Olson will receive approximately $224,000 in payments under our Supplemental Plan each fiscal year until his death.

The SRP Participants in the Supplemental Plan as of December 31, 2008 had their nonqualified supplemental pension benefits converted into an account balance benefit. The opening account balance for each of these individuals equaled the present value of his or her vested accrued supplemental pension benefit calculated under the Supplemental Plan as if such participant terminated employment on December 31, 2008. Each new SRP Participant in the Supplemental Plan will have an account balance benefit with an opening balance of zero.

Each SRP Participant s account is credited with an allocation as of the last day of each calendar year if (1) the participant is considered a highly compensated employee for such year (for 2014, had annual

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compensation in excess of $115,000 during the prior year) or the participant is the president of our hotels division, and (2) the participant has been credited with 1,000 hours of service during such year and is employed by us on the last day of such year, or has terminated employment during such year as a result of death, total and permanent disability, or retirement on or after age 65 with five years of service.

Each SRP Participant s annual allocation depends on his or her employment status as of the last day of the calendar year. A SRP Participant who is a member of our corporate executive committee (group one), or who is a senior vice president, vice president, senior corporate associate or hotel general manager (group two), receives an allocation equal to a percentage of such participant s compensation depending on such participant s number of points. Points are determined by combining a participant s age (as of his or her most recent birthday) and years of service as of the last day of a calendar year. The participant s compensation for this purpose is his or her total direct compensation, but excluding long-term performance cash amounts for periods after July 1, 2013. Each participant in group one or group two is eligible for an allocation equal to the percentage of compensation as forth in the following table:

Points	Group One Percentage of Compensation	Group Two Percentage of Compensation
<60	4%	2.0%
60 - 69	5%	2.5%
70 - 79	6%	3.0%
80+	7%	3.5%

Each other SRP Participant, other than the president of our hotels division, receives an allocation equal to 0.5% of his or her compensation, without regard to points. The president of our hotels division receives an annual allocation equal to 7% of his compensation, without regard to points. All accounts are credited quarterly with simple interest at the reference rate declared by Chase Bank N.A.

Each SRP Participant is 100% vested in his or her account upon termination of employment due to death, total and permanent disability, or retirement on or after age 65 with five years of service. In all other cases, an SRP Participant is vested in accordance with a graduated vesting schedule which provides for 50% vesting after five years of service and an additional 10% for each year of service thereafter. Each SRP Participant was required prior to December 31, 2008, to irrevocably elect the benefit payment date (or commencement date) and a form of payment for his or her account. Each new SRP Participant is required to make this election within the first 30 days of his or her participation date. Thereafter, every five years (*e.g.*, 2010, 2015, 2020), a participant may make a new irrevocable election to apply to the allocations made to his or her account in the subsequent five years. An SRP Participant s vested account will be paid on the later of his or her separation from service or the age elected by him or her, which must not be earlier than age 60 or later than age 65. An SRP Participant may elect to have his or her vested account paid in a single lump sum payment or installment payments over a number of years selected by the participant (not more than 10). If no election is made, an SRP Participant s vested account will be paid in the form of a lump sum at the participant s attainment of age 65, or separation from service, if later.

Executive Long Term Disability Plan

Our Executive Long Term Disability Plan provides supplemental long term disability insurance coverage for certain of our senior employees, including our named executive officers. The long term disability benefits that we provide under our Executive Long Term Disability Plan are in addition to any long term disability benefits that we provide to our employees generally and are fully insured under one or more individual insurance policies that we issue to each participant in the Executive Long Term Disability Plan. We are the named fiduciary for benefit claims under our Executive Long Term Disability Plan, and we have the right to determine all claims and appeals relating to the benefits that we provide under our Executive Long Term Disability Plan.

Perquisites

While our named executive officers may from time to time use certain of our properties for personal reasons, we generally incur no, or in some cases only nominal, incremental costs associated with such usage. We encourage our executive officers to personally use our properties because we believe that it is very important for our executives to be intimately familiar with our properties, our service and product offerings, and our markets. We believe that such personal hands-on experiences help us to enhance our customer services and be better positioned to understand, manage and operate our businesses. We otherwise provide only nominal perquisites to our named executive officers. No perquisites that we provided in fiscal 2014 to any named executive officer, individually or in the aggregate, had an incremental cost to us of in excess of $10,000.

Executive Stock Ownership

We have not adopted any executive or director stock ownership guidelines, although, as of the Record Date, the Marcus family beneficially owned approximately 31.4% of our outstanding Common Shares and comprised the largest shareholder group in our company. Our other named executives each beneficially own significant amounts of our Common Shares through direct stock ownership, restricted stock awards and stock option grants. As of the Record Date, Messrs. Neis and Kissinger beneficially owned 169,955 shares and 160,575 shares, respectively, and Mr. Rodriguez had been with our company for only one year. As a result, we believe that our senior management team s financial interests are significantly and directly related to the economic interests of our shareholders without the necessity of imposing arbitrary stock ownership guidelines. We have adopted a policy prohibiting our directors, executive officers and substantial shareholders from trading in puts, calls and other derivative securities relating to our Common Shares. Our policy also prohibits our directors, executive officers and substantial shareholders from engaging in hedging or pledging transactions relating to our Common Shares. We believe that hedging against losses in our Common Shares breaks the alignment between our shareholders and our executives that the equity grants described in this CD&A are intended to build.

Impact of Tax, Accounting and Dilution Considerations

Prior to fiscal 2012, as a result of our executives compensation levels at the time, we did not take any action to qualify bonuses earned under our annual incentive bonus plan or restricted stock awards to comply with the regulations under Section 162(m) of the Code relating to the $1 million cap on executive compensation deductibility. We believed that stock options granted under our various stock option plans would qualify for tax deductibility under Section 162(m). At our 2011 annual meeting of shareholders, our shareholders approved an amendment and restatement of our 2004 Equity and Incentive Awards Plan (the Plan) to, among other things, make compensation awarded under the Plan eligible to qualify as performance-based compensation for purposes of Section 162(m), which qualification preserves the tax deductibility of such compensation in excess of the $1 million cap. The amendment and restatement also authorized the grant of cash-based incentive awards under the Plan to enable us to establish our future incentive award programs (annual and long-term) under the Plan and qualify the programs as performance-based compensation for purposes of Section 162(m) of the Code.

In addition to Section 162(m) deductibility considerations, our Compensation Committee carefully considers the accounting and financial reporting expenses associated with our grants of equity-based awards. We also consider the relative level of potential dilution to our shareholders resulting from such grants. As a result, we attempt to maintain an annual equity-based grant burn rate level of approximately 1% of our fully-diluted outstanding Common Shares.

Summary Compensation Table

Set forth below is information regarding the compensation earned by, paid or awarded to (1) Stephen H. Marcus, our chairman of the board, Gregory S. Marcus, our president and chief executive officer, Douglas A. Neis, our chief financial officer and treasurer, Bruce J. Olson, our former senior vice president and president of Marcus Theatres Corporation, and Thomas F. Kissinger, our senior executive vice president, general counsel and secretary, during fiscal 2014, fiscal 2013 and fiscal 2012; and (2) Rolando B. Rodriguez, our executive vice president and president and chief executive officer of Marcus Theatres Corporation, during fiscal 2014. Messrs. Stephen Marcus, Greg Marcus, Neis, Olson, Kissinger and Rodriguez comprised our named executive officers for fiscal 2014. Information is not included for Mr. Rodriguez for fiscal 2012 and fiscal 2013 because he did not become a named executive officer until fiscal 2014.

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The following table sets forth for our named executive officers the following information for each relevant fiscal year: (1) the dollar amount of base salary earned; (2) the grant date fair value of all long-term equity-based awards held by each named executive officer; (3) the dollar amount of cash bonuses earned under our incentive bonus plan; (4) the change in pension value and the dollar amount of above-market earnings on nonqualified deferred compensation; (5) the dollar amount of all other compensation; and (6) the dollar value of total compensation.

Name and Current Principal Position	Fiscal Year	Salary(1)	Bonus	Restricted Stock Awards(2)	Option Awards(3)	Non-Equity Incentive Plan Compensation(4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings(5)	All Other Compensation(6)	Total(6)(7)
Stephen H. Marcus Chairman of the Board	2014	$398,846	$	$	$	$134,552	$142,000	$364,649	$1,040,047
	2013	383,846				86,670	(153,637)	371,452	688,331
	2012	383,115				128,743	265,000	347,822	1,124,680
Gregory S. Marcus President and CEO	2014	587,692		59,202	310,500	617,494	424,000	20,188	2,019,076
	2013	558,462	40,000	63,413	270,816	276,681	298,426	43,831	1,551,629
	2012	559,096		51,030	243,600	624,313	406,000	18,110	1,902,149
Douglas A. Neis CFO and Treasurer	2014	349,231	20,000	21,879	113,400	186,150	319,000	16,609	1,026,269
	2013	339,231	20,000	23,513	101,556	90,865	122,000	26,569	723,734
	2012	341,577	5,000	18,468	91,350	189,298	309,000	15,720	970,413
Bruce J. Olson(8)	2014	193,846				68,125	180,000	158,827	600,798
Former Senior Vice President, Former	2013	448,846		32,775	140,616	73,291	197,123	36,223	928,874
President of Marcus Theatres Corporation	2012	450,615		26,244	121,800	305,037	430,000	22,407	1,356,103
Thomas F. Kissinger	2014	388,269	135,000	23,166	122,850	192,150	212,000	16,021	1,089,456
Senior Executive Vice	2013	366,154	25,000	23,513	114,576	94,990	91,252	26,693	742,178
President, General Counsel and Secretary	2012	362,346	5,000	19,440	101,500	192,298	222,000	14,759	917,343
Rolando B. Rodriguez(9) Executive Vice President, President and CEO of Marcus Theatres Corporation	2014	379,039		195,600	54,000	206,917		561	836,117

(1) Fiscal 2012 was a 53-week year for us, and the salary amounts for fiscal 2012 set forth in the table above reflect the additional salary earned by our named executive officers during the extra week included in that fiscal year.

(2) Reflects the grant date fair value of the restricted stock awarded as determined using the closing sale price of our Common Shares on such date. The amount was computed in accordance with FASB ASC Topic 718.

(3) Reflects the grant date fair value of the options awarded as determined using the closing sale price of our Common Shares on such date. The amount was computed in accordance with FASB ASC Topic 718. The assumptions made in the valuations are discussed in Footnote 6 to our fiscal 2014 financial statements.

(4) Reflects cash bonuses earned under our incentive bonus plan in connection with our achievement of the specific performance targets described above in the CD&A under Cash Bonuses. Fiscal 2012 and 2014 amounts also reflect cash awards earned under the performance cash component of our long-term incentive plan in connection with our

achievement of the specific performance targets described above in the CD&A under Long-Term Incentive Awards.

(5) The numbers in this column reflect the sum of (a) the aggregate change in the actuarial present value of accumulated benefits under our Supplemental Plan from the plan measurement date used for financial statement reporting purposes with respect to the applicable fiscal year to the plan measurement date used for financial statement reporting purposes with respect to the applicable fiscal year, and (b) above-market earnings in our Deferred Compensation Plan. The change in present value of accumulated benefits under our Supplemental Plan increased during fiscal 2014 due to changes in pay levels, a decrease in the assumed discount rate used to calculate the actuarial present value and a change in mortality tables (resulting in longer life expectancies).

(6) $61,499, $56,692 and $44,883 of the figures in this column for Mr. Stephen Marcus represents imputed income on split-dollar life insurance premiums paid by us for fiscal 2014, fiscal 2013 and fiscal 2012, respectively. $300,127, $311,670 and $300,127 of the amount in this column for Mr. Stephen Marcus represents payments received under our Supplemental Plan in fiscal 2014, fiscal 2013 and fiscal 2012, respectively. $155,166 of the amount in this column for Mr. Olson represents payments received under our Supplemental Plan in fiscal 2014.

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(7) We paid $8,339, $7,442, $6,964, and $0 in premiums in fiscal 2014 under our Executive Long Term Disability Plan on behalf of Messrs. Greg Marcus, Neis, Kissinger and Rodriguez, respectively.

(8) Bruce J. Olson, our former senior vice president and president of Marcus Theatres Corporation, retired from our company effective September 27, 2013. We did not pay any additional compensation to Mr. Olson as an officer of the company following the effective date of his retirement, with the exception of a $68,125 cash award representing a prorated portion of the performance cash component of our long-term incentive plan in connection with our achievement of the specific performance targets described above in the CD&A under Long-Term Incentive Awards. This amount is included in the Non-Equity Incentive Plan Compensation column for fiscal 2014 in the table above.

(9) Our board of directors appointed Rolando B. Rodriguez as executive vice president and president and chief executive officer of Marcus Theatres Corporation effective July 30, 2013.

Grants of Plan-Based Awards

We maintain our 1995 Equity Incentive Plan, 2004 Equity and Incentive Awards Plan and our Long Term Incentive Plan, pursuant to which grants of restricted stock, stock options, performance stock awards and performance cash awards may be made to our named executive officers (other than Mr. Stephen Marcus, who is not eligible to receive any equity-based awards under our equity plans), as well as other employees. The following table sets forth information regarding all such incentive plan awards that were granted to our named executive officers in fiscal 2014. The amounts set forth below should not be added to amounts set forth in the Summary Compensation Table.

Name	Grant Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: No. of Shares of Stock or Units	All Other Option Awards: No. of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards(3)
		Threshold	Target	Maximum	Threshold	Target	Maximum				
Mr. S. Marcus	N/A										
		0	$102,370	$239,584							
Mr. G. Marcus	07/18/13							4,600			$59,202
	07/30/13								57,500	$13.04	$310,500
		0	577,980	1,246,836							
Mr. Neis	07/18/13							1,700			$21,879
	07/30/13								21,000	$13.04	$113,400
		0	191,955	349,156							
Mr. Olson	05/29/14							1,250			$21,050
	05/29/14								1,000	$16.84	$6,905
Mr. Kissinger	07/18/13							1,800			$23,166
	07/30/13								22,750	$13.04	$122,850
		0	204,955	365,656							
Mr. Rodriguez	07/30/13							15,000			$195,600
	07/30/13								10,000	$13.04	$54,000
		0	236,910	460,212							

(1) Our equity award granting practices are described above in the CD&A.

(2)

Reflects potential payouts under our annual incentive bonus plan and our performance cash component of our long-term incentive plan. For fiscal 2014, maximum awards were limited to approximately 200 260% of the named executive officer s target award under our incentive bonus plan and 150% of the target award under the performance cash component of our long-term incentive plan.

(3) The full grant date fair value of each equity award calculated in accordance with FASB ASC Topic 718.

The portion of the above amounts of non-equity incentive plan (*i.e.,* cash bonus) awards under our incentive plan were determined pursuant to our achievement in fiscal 2014 of the specific performance targets described above in the CD&A. The portion of the above amounts of non-equity incentive plan (*i.e.*, long-term performance cash) awards under our long-term incentive plan were determined pursuant to our achievement in fiscal 2018 of the specific five-year performance targets for Messrs. G. Marcus, Neis and Kissinger and our achievement in fiscal 2016 of the specific three-year performance targets for Mr. Rodriguez, in each case, as described above in the CD&A. The number of our Common Shares subject to stock options and restricted stock awards granted to our named executive officers were also determined as described above in the CD&A.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information on outstanding stock option and restricted stock awards held by our named executive officers at our fiscal 2014 year-end on May 29, 2014, including the number of Common Shares underlying both exercisable and unexercisable portions of each stock option, as well as the exercise price and expiration date of each outstanding option.

	Option Awards					Restricted Stock Awards			
Name	No. of Common Shares Underlying Unexercised Options (#Exercisable)	No. of Common Shares Underlying Unexercised Options (#Unexercisable)	Equity Incentive Plan Awards: No. of Common Shares Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	No. of Common Shares That Have Not Vested	Market Value of Common Shares That Have Not Vested(1)	Equity Incentive Plan Awards: No. of Unearned Common Shares That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested
Mr. S. Marcus	N/A								
Mr. G. Marcus	14,258			14.07	10/06/2015				
	15,000			19.74	07/31/2016				
	15,000			20.40	08/02/2017				
	100,000			15.59	07/29/2018				
	44,000	11,000 (2)		13.34	07/28/2019				
	36,000	24,000 (3)		11.89	07/27/2020				
	24,000	36,000 (4)		10.00	07/26/2021				
		52,000 (5)		13.12	07/31/2022				
		57,500 (6)		13.04	07/30/2023				
						1,875 (7)	$31,575		
						1,575 (8)	26,523		
						1,575 (9)	26,523		
						2,475 (10)	41,679		
						2,625 (11)	44,205		
						5,250 (12)	88,410		
						4,450 (13)	74,938		
						4,600 (14)	77,464		
Mr. Neis	14,258			14.07	10/06/2015				
	15,000			19.74	07/31/2016				
	15,000			20.40	08/02/2017				
	20,000			15.59	07/29/2018				
	16,000	4,000 (15)		13.34	07/28/2019				

	13,500	9,000	(16)	11.89	07/27/2020			
	9,000	13,500	(17)	10.00	07/26/2021			
		19,500	(18)	13.12	07/31/2022			
		21,000	(19)	13.04	07/30/2023			
						1,250	(20)	21,050
						625	(21)	10,525
						625	(22)	10,525
						900	(23)	15,156
						950	(24)	15,998
						1,900	(25)	31,996
						1,650	(26)	27,786
						1,700	(27)	28,628
Mr. Olson	1,000			16.84	05/29/2024			
						1,250	(28)	21,050

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Name	Option Awards					Restricted Stock Awards			
	No. of Common Shares Underlying Unexercised Options (#Exercisable)	No. of Common Shares Underlying Unexercised Options (#Unexercisable)	Equity Incentive Plan Awards: No. of Common Shares Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	No. of Common Shares That Have Not Vested	Market Value of Common Shares That Have Not Vested[1]	Equity Incentive Plan Awards: No. of Unearned Common Shares That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested
Mr. Kissinger	14,258			14.07	10/06/2015				
	15,000			19.74					