

AMERICAN TECHNOLOGY CORP /DE/
Form 8-K
December 27, 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 (Date of earliest event reported): 12/19/2007

American Technology Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 000-24248

Delaware
(State or other jurisdiction of
incorporation)

87-0361799
(IRS Employer
Identification No.)

15378 Avenue of Science, Ste 100,
San Diego, California 92128
(Address of principal executive offices, including zip code)

858-676-1112
(Registrant's telephone number, including area code)

(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))
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Item 1.01. Entry into a Material Definitive Agreement

On December 19, 2007, upon recommendation of the Compensation Committee, our Board of Directors approved an amendment to the current director compensation plan. Under the amended plan, each of our non-employee directors will be paid a fee of \$5,000 quarterly in arrears. Under our prior director compensation plan, approved in June 2005, each of our non-employee directors was paid a fee of \$1,000 per month, payable quarterly in arrears. No additional amounts are payable for committee participation.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On December 19, 2007, the Compensation Committee of our Board of Directors recommended, and the Board approved, an incentive bonus plan for fiscal year 2008 designed to motivate our employees to achieve our financial objectives and to reward them for their achievements when our company objectives are met. Under the incentive plan, target bonus amounts vary based on a percentage of the employee's base salary, and the amount of bonus actually paid to an employee will be based on the achievement by our company of positive income from operations (including the cost of the incentive plan). The target bonuses under the plan are 50% of base salary for executive officers, 25% of base salary for managers and sales personnel and 10% of base salary for all other employees. All of our employees will be entitled to participate in the incentive plan. Employees will be entitled to a bonus of two times the target bonus in the event income from operations exceeds \$1 million for fiscal year 2008, including the cost of the incentive plan.

Signature(s)

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.

American Technology Corporation

Date: December 26, 2007

By: /s/ Katherine H. McDermott

Katherine H. McDermott
Chief Financial Officer