
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

June 27, 2008
Date of Report (Date of earliest event reported)

Smith & Wesson Holding Corporation

(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other
Jurisdiction of Incorporation)

001-31552
(Commission File Number)

87-0543688
(IRS Employer
Identification No.)

2100 Roosevelt Avenue
Springfield, Massachusetts
01104
(Address of Principal Executive Offices) (Zip Code)

(800) 331-0852
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- 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.

As described in Item 5.02, on June 27, 2008, we entered into a severance and change in control agreement with William F. Spengler in connection with his appointment as our Executive Vice President and Chief Financial Officer effective July 1, 2008. The disclosure provided in Item 5.02 of this Form 8-K relating to the severance and change in control agreement with Mr. Spengler is hereby incorporated by reference into this Item 1.01.

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

Effective July 1, 2008, we named William F. Spengler as our Executive Vice President and Chief Financial Officer. Effective July 1, 2008, we also named John A. Kelly, our former Chief Financial Officer, as our Vice President of Financial Planning and Control. Prior to becoming our Executive Vice President and Chief Financial Officer, Mr. Spengler, 53, served as Executive Vice President and Chief Financial Officer of MGI PHARMA, Inc. since August 2006, and as Senior Vice President and Chief Financial Officer from April 2006 to August 2006. Prior to that, Mr. Spengler served as Senior Vice President, International & Corporate Development of MGI PHARMA from October 2005 to April 2006. From July 2004 to October 2005, Mr. Spengler served as Executive Vice President and Chief Financial Officer of Guilford Pharmaceuticals Inc. prior to its acquisition by MGI PHARMA in October 2005. From May 2002 to June 2004, Mr. Spengler served as President, Chief Operating Officer and Director of Osteoimplant Technology, Inc. Mr. Spengler received a Bachelors Degree in Economics from Yale University in 1977 and a Masters of Business Administration from New York University in 1980.

In connection with the appointment of Mr. Spengler as our Executive Vice President and Chief Financial Officer, Mr. Spengler will receive an annual base salary of \$320,000. Mr. Spengler will also be entitled to participate in our executive incentive compensation plan, as well as other employee benefits and perquisites. In addition, Mr. Spengler received options to purchase 250,000 shares of our common stock. The options have an exercise price of \$5.28 with one-third (1/3) of such options vesting on each of the first, second, and third annual anniversary of the date of grant.

Additionally, on June 27, 2008, we entered into a severance and change in control agreement with Mr. Spengler in order to encourage his full attention and dedication to our company currently and in the event of any proposed change in control, and to provide him with individual financial security. If Mr. Spengler's employment is terminated for any reason other than a termination by us for cause (as defined in the agreement), the agreement provides that (a) we will pay Mr. Spengler his base salary for a period of 12 months following such termination; (b) we will pay Mr. Spengler, at the same time as bonuses are paid to our other executives, a portion of the bonus earned by Mr. Spengler pro rata for the period commencing on the first day of our fiscal year for which the bonus is calculated and ending on the date of such termination; and (c) all unvested stock-based compensation held by Mr. Spengler shall vest as of the date of such termination.

The agreement also provides that, in the event of a change in control of our company, Mr. Spengler may, at his option and upon written notice to us, terminate his employment with the same force and effect as if such termination were other than for cause as provided in the agreement, except that we will pay Mr. Spengler his base salary for a period of 18 months rather than 12 months, unless (a) the change in control has been approved by our board of directors, (b) the provisions of the agreement remain in full force and effect, and (c) Mr. Spengler suffers no reduction in his status, duties, authority, or compensation following such change in control, provided that Mr. Spengler will be considered to suffer a reduction in his status, duties, or authority if, after such change in control, (i) he is not the chief financial officer of the company that succeeds to our business immediately prior to the change in control; (ii) such company's common stock is not listed on a national stock exchange (such as the New York Stock Exchange, the Nasdaq National Market, or the American Stock Exchange); (iii) such company terminates Mr. Spengler or reduces his status, duties, authority, or compensation within one year of the change in control; or (iv) as a result of the change in control, Mr. Spengler is required to relocate out of either Springfield, Massachusetts (or surrounding areas) or Washington, D.C. (or surrounding areas).

The agreement also contains a provision that prohibits Mr. Spengler from competing with our company for a period of 12 months following the termination of his employment with our company for any reason. The agreement also contains a provision that prohibits Mr. Spengler from soliciting or hiring our personnel or employees for a period of 24 months following the termination of his employment with our company for any reason.

The foregoing description of the severance and change in control agreement is only a summary and is qualified in its entirety by reference to the full text of the severance and change in control agreement, which is attached hereto as Exhibit 10.69 and is hereby incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

Not applicable.

(b) *Pro Forma Financial Information.*

Not applicable.

(c) *Shell Company Transactions.*

Not applicable.

(d) *Exhibits.*

Exhibit
Number
10.69

Exhibits

Severance and Change in Control Agreement, dated as of June 27, 2008, by and between the Registrant and William F. Spengler.

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.

SMITH & WESSON HOLDING CORPORATION

Date: July 3, 2008

By: /s/ Michael F. Golden

Michael F. Golden
President and Chief Executive Officer

EXHIBIT INDEX

10.69 Severance and Change in Control Agreement, dated as of June 27, 2008, by and between the Registrant and William F. Spengler.

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

SEVERANCE AND CHANGE IN CONTROL AGREEMENT dated June 27 2008, by and between SMITH & WESSON HOLDING CORPORATION, a Nevada corporation (“Employer”), and William F. Spengler (“Employee”).

WHEREAS, Employer desires to engage Employee as Executive Vice President and Chief Financial Officer of Employer.

WHEREAS, Employer and Employee desire to agree to the results of any termination of Employee’s employment under certain circumstances.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth in this Agreement, the parties hereto agree as follows:

1. **Definitions.**

(a) “Cause” shall mean any termination of Employee’s employment by Employer as a result of Employee engaging in an act or acts involving a crime, moral turpitude, fraud, or dishonesty; Employee taking any action that may be injurious to the business or reputation of Employer; or Employee willfully violating in a material respect Employer’s Corporate Governance Guidelines, Code of Conduct, or any applicable Code of Ethics, including, without limitation, the provisions thereof relating to conflicts of interest or related party transactions.

(b) “Change in Control” of Employer shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 as in effect on the date of this Agreement or, if Item 6(e) is no longer in effect, any regulations issued by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 that serve similar purposes; provided that, without limitation, such a Change in Control shall be deemed to have occurred if and when (i) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) directly or indirectly of equity securities of Employer representing 20 percent or more of the combined voting power of Employer’s then-outstanding equity securities, except that this provision shall not apply to any person currently owning at least five percent or more of the combined voting power of Employer’s currently outstanding equity securities or to an acquisition of up to 20 percent of the then-outstanding voting securities that has been approved by at least 75 percent of the members of the Board of Directors who are not affiliates or associates of such person; (ii) during the period of this Agreement, individuals who, at the beginning of such period, constituted the Board of Directors of Employer (the “Original Directors”), cease for any reason to constitute at least a majority thereof unless the election or nomination for election of each new director was approved (an “Approved Director”) by the vote of a Board of Directors constituted entirely of Existing Directors and/or Approved Directors; (iii) a tender offer or exchange offer is made whereby the effect of such offer is to take over and control Employer, and such offer is consummated for the equity securities of Employer representing 20 percent or more of the combined voting power of

Employer's then-outstanding voting securities; (iv) Employer is merged, consolidated, or enters into a reorganization transaction with another person and, as the result of such merger, consolidation, or reorganization, less than 75 percent of the outstanding equity securities of the surviving or resulting person shall then be owned in the aggregate by the former stockholders of Employer; or (v) Employer transfers substantially all of its assets to another person or entity that is not a wholly owned subsidiary of Employer. Sales of Employer's Common Stock beneficially owned or controlled by Employee shall not be considered in determining whether a Change in Control has occurred.

2. Result of Termination Other than for Cause. In the event that Employer terminates Employee's employment with Employer other than for Cause, (a) Employer shall pay Employee's base salary for a period of 12 months following such termination, (b) Employer shall pay to Employee, at the same time as bonuses are paid to Employer's other executives, a portion of the bonus earned by Employee pro rata for the period commencing on the first day of the fiscal year for which the bonus is calculated and ending on the date of termination; and (c) all unvested stock-based compensation held by Employee shall vest as of the date of termination.

3. Termination Following Change in Control. In the event of a "Change in Control" of Employer, Employee, at Employee's option and upon written notice to Employer, may terminate Employee's employment effective on the date of the notice with the same force and effect as if such termination were other than for Cause as provided in Section 2 above, except that the 12-month period shall be 18 months, unless (A) the Change in Control shall have been approved by the Board of Directors of the Company, (B) the provisions of this Agreement remain in full force and effect as to Employee and (C) Employee suffers no reduction in Employee's status, duties, authority, or compensation following such Change in Control, provided that Employee will be considered to suffer a reduction in Employee's status, duties, authority, or if, after the Change in Control, (i) Employee is not the chief financial officer of the company that succeeds to the business conducted by Employer and its subsidiaries immediately prior to the Change in Control, (ii) such company's common stock is not listed on a national stock exchange (such as the New York Stock Exchange, the Nasdaq National Market, or the American Stock Exchange), (iii) such company terminates Employee or reduces Employee's status, duties, authority, or compensation within one year of the Change in Control, or (iv) as a result of such Change in Control Employee is required to relocate out of either Springfield, Massachusetts (or surrounding areas) or Washington, D.C. (or surrounding areas).

4. Competition and Confidential Information.

(a) **Interests to be Protected.** The parties acknowledge that Employee will perform essential services for Employer, its employees, and its stockholders during the term of Employee's employment with Employer. Employee will be exposed to, have access to, and work with, a considerable amount of Confidential Information (as defined below). The parties also expressly recognize and acknowledge that the personnel of Employer have been trained by, and are valuable to, Employer and that Employer will incur substantial recruiting and training expenses if Employer must hire new personnel or retrain existing personnel to fill vacancies. The parties expressly recognize that it could seriously impair the goodwill and diminish the value of Employer's business should Employee compete with Employer in any

manner whatsoever. The parties acknowledge that this covenant has an extended duration; however, they agree that this covenant is reasonable and it is necessary for the protection of Employer, its stockholders, and employees. For these and other reasons, and the fact that there are many other employment opportunities available to Employee if his employment is terminated, the parties are in full and complete agreement that the following restrictive covenants are fair and reasonable and are entered into freely, voluntarily, and knowingly. Furthermore, each party was given the opportunity to consult with independent legal counsel before entering into this Agreement.

(b) **Non-Competition.** For the period equal to 12 months after the termination of Employee's employment with Employer for any reason, Employee shall not (whether directly or indirectly, as owner, principal, agent, stockholder, director, officer, manager, employee, partner, participant, or in any other capacity) engage or become financially interested in any competitive business conducted within the Restricted Territory (as defined below). As used herein, the term "competitive business" shall mean any business that sells or provides or attempts to sell or provide products or services the same as or substantially similar to the products or services sold or provided by Employer during Employee's employment, and the term "Restricted Territory" shall mean any state or other geographical in which Employer sells products or provides services during Employee's employment.

(c) **Non-Solicitation of Employees.** For a period of 24 months after the termination of Employee's employment with Employer for any reason, Employee shall not directly or indirectly, for Employee, or on behalf of, or in conjunction with, any other person, company, partnership, corporation, or governmental entity, solicit for employment, seek to hire, or hire any person or persons who is employed by or was employed by Employer within 12 months of the termination of Employee's employment for the purpose of having any such employee engage in services that are the same as or similar or related to the services that such employee provided for Employer.

(d) **Confidential Information.** Employee shall maintain in strict secrecy all confidential or trade secret information relating to the business of Employer (the "Confidential Information") obtained by Employee in the course of Employee's employment, and Employee shall not, unless first authorized in writing by Employer, disclose to, or use for Employee's benefit or for the benefit of, any person, firm, or entity at any time either during or subsequent to the term of Employee's employment, any Confidential Information, except as required in the performance of Employee's duties on behalf of Employer. For purposes hereof, Confidential Information shall include without limitation any materials, trade secrets, knowledge, or information with respect to management, operational, or investment policies and practices of Employer; any business methods or forms; any names or addresses of customers or data on customers or suppliers; and any business policies or other information relating to or dealing with the management, operational, or investment policies or practices of Employer.

(e) **Return of Books, Records, Papers, and Equipment.** Upon the termination of Employee's employment with Employer for any reason, Employee shall deliver promptly to Employer all files, lists, books, records, manuals, memoranda, drawings, and specifications; all cost, pricing, and other financial data; all other written or printed materials and computers, cell phones, PDAs, and other equipment that are the property of Employer (and any

copies of them); and all other materials that may contain Confidential Information relating to the business of Employer, which Employee may then have in Employer's possession or control whether prepared by Employee or not.

(f) **Disclosure of Information.** Employee shall disclose promptly to Employer, or its nominee, any and all ideas, designs, processes, and improvements of any kind relating to the business of Employer, whether patentable or not, conceived or made by Employee, either alone or jointly with others, during working hours or otherwise, during the entire period of Employee's employment with Employer or within six months thereafter.

(g) **Assignment.** Employee hereby assigns to Employer or its nominee, the entire right, title, and interest in and to all inventions, discoveries, and improvements, whether patentable or not, that Employee may conceive or make during Employee's employment with Employer, or within six months thereafter, and which relate to the business of Employer.

(h) **Equitable Relief.** In the event a violation of any of the restrictions contained in this Section occurs, Employer shall be entitled to preliminary and permanent injunctive relief as well as damages and an equitable accounting of all earnings, profits, and other benefits arising from such violation, which right shall be cumulative and in addition to any other rights or remedies to which Employer may be entitled. In the event of a violation of any provision of subsection (b), (c), (f), or (g) of this Section, the period for which those provisions would remain in effect shall be extended for a period of time equal to that period beginning when such violation commenced and ending when the activities constituting such violation shall have been finally terminated in good faith.

(i) **Restrictions Separable.** If the scope of any provision of this Agreement (whether in this Section 4 or otherwise) is found by a Court to be too broad to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law. The parties agree that the scope of any provision of this Agreement may be modified by a judge in any proceeding to enforce this Agreement, so that such provision can be enforced to the maximum extent permitted by law. Each and every restriction set forth in this Section 4 is independent and severable from the others, and no such restriction shall be rendered unenforceable by virtue of the fact that, for any reason, any other or others of them may be unenforceable in whole or in part.

5. Miscellaneous.

(a) **Notices.** All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made, and received (i) if personally delivered, on the date of delivery, (ii) if by facsimile or e-mail transmission, upon receipt, (iii) if mailed, three days after deposit in the United States mail, registered or certified, return receipt requested, postage prepaid, and addressed as provided below, or (iv) if by a courier delivery service providing overnight or "next-day" delivery, on the next business day after deposit with such service addressed as follows:

(1) If to Employer:

2100 Roosevelt Avenue
Springfield, Massachusetts 01104
Attention: Chief Executive Officer
Phone: (413) 747-3349
Facsimile: (413) 739-8528
E-Mail: mgolden@smith-wesson.com

(2) If to Employee:

2100 Roosevelt Avenue
Springfield, Massachusetts 01104-1606
Phone: (800) 331-0852
Facsimile: (413) 739-8528
E-Mail: wspengler@smith-wesson.com

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 5 for the giving of notice.

(b) **Indulgences; Waivers.** Neither any failure nor any delay on the part of either party to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be binding unless executed in writing by the party making the waiver.

(c) **Controlling Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the laws of the state of Massachusetts, notwithstanding any Massachusetts or other conflict-of-interest provisions to the contrary. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the state of Massachusetts located in Hampden County and the United States District Court for the District of Massachusetts for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action, or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action, or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

(d) **Binding Nature of Agreement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns, except that no party may assign or transfer such party's rights or obligations under this Agreement without the prior written consent of the other party.

(e) **Execution in Counterpart.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of the parties reflected hereon as the signatories.

(f) **Provisions Separable.** The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

(g) **Entire Agreement.** This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, inducements, and conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

(h) **No Participation in Severance Plans.** Except as contemplated by this Agreement, Employee acknowledges and agrees that the compensation and other benefits set forth in this Agreement are and shall be in lieu of any compensation or other benefits that may otherwise be payable to or on behalf of Employee pursuant to the terms of any severance pay arrangement of Employer or any affiliate thereof, or any other similar arrangement of Employer or any affiliates thereof providing for benefits upon involuntary termination of employment.

(i) **Paragraph Headings.** The paragraph headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

(j) **Gender.** Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires.

(k) **Number of Days.** In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays, and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday, or holiday, then the final day shall be deemed to be the next day that is not a Saturday, Sunday, or holiday.

6. Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto; provided that because the obligations of Employee hereunder involve the performance of personal services, such obligations shall not be delegated by Employee. For purposes of this Agreement successors and assigns shall include, but not be limited to, any individual, corporation, trust, partnership, or other entity that acquires a majority of the stock or assets of Employer by sale, merger, consolidation, liquidation, or other form of transfer. Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of Employer to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place. Without limiting the foregoing, unless the context otherwise requires, the term "Employer" includes all subsidiaries of Employer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ Michael Golden
Michael Golden
President and Chief Executive Officer

/s/ William F. Spengler
William F. Spengler