

Edgar Filing: North Atlantic Holding Company, Inc. - Form 8-K

North Atlantic Holding Company, Inc.
Form 8-K
June 29, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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):
June 24, 2005

NORTH ATLANTIC HOLDING COMPANY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

333-115587

20-0709285

(Commission File Number)

(IRS Employer Identification No.)

257 Park Avenue South
New York, New York

10010-7304

(Address of Principal Executive Offices)

(Zip Code)

(212) 253-8185

(Registrant's Telephone Number, Including Area Code)

N/A

(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 (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))

Item 1.01 Entry into a Material Definitive Agreement.

As the result of an Internal Revenue Service audit of North Atlantic

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Holding Company, Inc.'s ("NAHC") subsidiary North Atlantic Trading Company, Inc. ("NATC") and its subsidiaries (collectively with NATC and NAHC, the "Company"), it was determined that certain amounts in respect of perquisites should have been treated as compensation to certain current and former employees of the Company. On June 24, 2005, the Boards of Directors of NAHC and NATC determined to reimburse the current and former employees in question for an estimate of their tax liabilities in respect of such additional compensation for the years 2001 through 2004, including a gross-up for estimated additional taxes payable by such individuals as a result of the Company's reimbursement payment. As a condition to receiving any such payment, the current or former employee must agree in writing to release the Company from any claims against the Company in respect of taxes based on compensation received from the Company and to acknowledge and agree that the Company will have no future obligation in respect of taxes payable in respect of compensation received by such employee from the Company except as may otherwise be agreed in writing.

If all applicable current and former employees agree to the foregoing release and acknowledgement, the payments from the Company would be equal to \$351,500 in the aggregate, and each of the following persons would receive the following amounts:

Name -----	Title -----	Payment -----
Thomas F. Helms, Jr.	Chairman of the Board of each of the Companies	\$217,0
David I. Brunson	Former President and Chief Financial Officer of NAHC and NATC	\$104,0
Robert A. Milliken, Jr.	Former President and Chief Operating Officer of National Tobacco Company, L.P.	\$23,0
Lawrence S. Wexler	Chief Operating Officer of NATC	\$4,0
James W. Dobbins	Senior Vice President, General Counsel and Secretary of NAHC and NATC	\$3,5

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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.

NORTH ATLANTIC HOLDING COMPANY, INC.

By: /s/ Brian C. Harriss

Name: Brian C. Harriss
 Title: Senior Vice President and Chief
 Financial Officer

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