

FUEL TECH, INC.
Form 8-K
December 13, 2010

**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) December 9, 2010

FUEL TECH, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33059
(Commission
File Number)

20-5657551
(IRS Employer
Identification No.)

**Fuel Tech, Inc.
27601 Bella Vista Parkway
Warrenville, IL 60555-1617
630-845-4500**

(Address and telephone number of principal executive offices)

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 provision:

- ☐ 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(a) As reported in its Form 8-K for an event dated April 1, 2010 and filed on April 4, 2010, Fuel Tech, Inc. (Fuel Tech or the Registrant) previously appointed Douglas G. Bailey, the Registrant's Chairman of the Board of Directors, to serve as its President and Chief Executive Officer, on an interim basis. On December 9, 2010, following a lengthy executive search process, the Registrant's Board of Directors determined, that effective January 1, 2011, Mr. Bailey would serve as Fuel Tech's President and Chief Executive Officer on a continuing basis.

(b) Mr. Bailey has been Chairman of the Board of Fuel Tech since January 2010, was Deputy Chairman from 2002 through December 2009, and a director since April 1998. He was a part-time employee of Fuel Tech from January 1, 2004 through December 31, 2009. Mr. Bailey, who is the son of Ralph E. Bailey, the Chairman Emeritus of the Fuel Tech Board, has been President of American Bailey Corporation (ABC), a closely held private equity firm, since 1984 and its Chief Executive Officer since 1996.

(c) Under his revised compensation package, Mr. Bailey will receive from the Registrant, commencing on January 1, 2011, a monthly salary of \$37,500, a Participation Percentage of 40% in the Registrant's 2011 Executive Officer Incentive Plan and participation in the benefit and welfare programs offered by the Registrant to its employees from time to time. Mr. Bailey will receive no compensation for his duties as Chairman of the Board of the Registrant.

(d) Mr. Bailey is a party to the Registrant's standard form of employment agreement which establishes his employment as employment at will, and provides for the protection of the Registrant's intellectual and other property and for the assignment of inventions to the Registrant. Under the employment agreement, Mr. Bailey is not entitled to any payments upon severance. The employment agreement does contain, however, a provision entitling Mr. Bailey to continuation of his then current base salary and benefits, and incentive bonus amounts earned under the plan for the year of termination, for up to one year or, sooner, on finding comparable employment, after involuntary termination not for cause within one year of a Change in Control. A Change in Control takes place if (a) any person or affiliated group becomes the beneficial owner of 51% or more of Fuel Tech's outstanding securities, (b) in any two-year period, persons in the majority of the board of directors cease being so unless the nomination of the new directors was approved by a majority of the directors then still in office who were directors at the beginning of such period, (c) a business combination takes place where the shares of Fuel Tech are converted to cash, securities or other property, but not in a transaction in which the stockholders of Fuel Tech have proportionately the same share ownership before and after the transaction, or (d) the stockholders of Fuel Tech approve of a plan of liquidation or dissolution of Fuel Tech.

(e) Other than as stated above, there is no arrangement or understanding as to Mr. Bailey's employment with the Registrant, or with its directors and officers.

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.

Fuel Tech, Inc.
(Registrant)

Date: December 13, 2010

By: /s/ A.G. Grigonis
Albert G. Grigonis
Vice President, General Counsel and
Corporate Secretary