

**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): February 3, 2009

THE LGL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation)	<u>1-106</u> (Commission File Number)	<u>38-1799862</u> (IRS Employer Identification No.)
<u>2525 Shader Road, Orlando, FL</u> (Address of Principal Executive Offices)		<u>32804</u> (Zip Code)

Registrant's Telephone Number, Including Area Code: (407) 298-2000

(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.

On February 3, 2009 (the “Start Date”), The LGL Group, Inc. (the “Company”) appointed Mr. Hans Wunderl as its Chief Operating Officer. Mr. Wunderl, age 57, served as the Chief Operating Officer of BE Semiconductor Industries N.V., a manufacturer of back-end microelectronic assembly equipment, from January 2004 to January 2008, as the Chief Executive Officer of Oerlikon Esec, a global supplier of die and wire bonding equipment for the semiconductor industry, from September 2002 to December 2003, and as the President – U.S. Operations, of ASM USA, a leading supplier of semiconductor process equipment, from August 1999 to September 2002.

On February 3, 2009, the Company entered into an Employment Agreement with Mr. Wunderl (the “Wunderl Employment Agreement”). Mr. Wunderl will be employed as the Company’s Chief Operating Officer on an “at will” basis. Mr. Wunderl will receive a base salary of \$200,000 per annum and will be eligible for the bonus payments discussed below.

- Mr. Wunderl will be eligible for a cash bonus payment of \$50,000, in the event he (i) submits a plan of operations (the “Plan”) to the Company’s Operations Committee (the “Operations Committee”) within 90 calendar days after the Start Date and (ii) the Plan is approved by the Operations Committee.
- Mr. Wunderl will be eligible for a cash bonus payment of \$100,000, provided that he and the Company meet certain performance thresholds, mutually agreed upon by Mr. Wunderl and the Operations Committee and set forth in the Plan, over the 12-month period beginning on the date the Operations Committee approves the Plan.
- Mr. Wunderl will be eligible for an annual bonus payment of up to \$125,000 for each of fiscal years 2009, 2010 and 2011 (the “EVA Bonus”). The amount of the EVA Bonus will equal the lesser of (i) \$125,000 or (ii) 3% of the increase in the economic value of the Company over the course of the applicable year. The economic value of the Company at January 1, 2009 will be deemed to be \$18 million. The economic value of the Company at the end of each succeeding year will be 7.0 times the EBITDA (plus cash and marketable securities and minus debt) of the Company for such year. The economic value of the Company at January 1, 2010 and the beginning of any succeeding year will be the greater of (i) the economic value of the Company at the end of the previous year, as calculated in accordance with the previous sentence, or (ii) \$18 million. Should there have been any stock issued in connection with any acquisition or capital raise included in the calculation, the value of the stock issued, at the time of issuance, will be deemed to be debt for purposes of the calculation of the EVA Bonus. The EVA Bonus will be payable, at the election of the Company, in cash or in restricted shares of the Company’s common stock.

The foregoing summary of the Wunderl Employment Agreement is subject to, and qualified in its entirety by, the full text of the Wunderl Employment Agreement attached hereto as Exhibit 10.1 and incorporated herein by reference.

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

The information contained in Item 1.01 is incorporated by reference into this Item 5.02.

Item 8.01. Other Events.

On February 3, 2009, the Company issued a press release announcing the appointment of Mr. Wunderl as its Chief Operating Officer. A copy of the press release is attached as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement, dated February 3, 2009, by and between The LGL Group, Inc. and Hans Wunderl.
99.1	Press release dated February 3, 2009.

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 hereunto duly authorized.

February 4, 2009

THE LGL GROUP, INC.

By: /s/ Robert Zylstra
Name: Robert Zylstra
Title: President and Chief Executive Officer



2525 Shader Road
Orlando, FL 32804
Phone: (407) 298-2000
Fax: (407) 578-7731

Hans Wunderl
73 Perry Road
Bedford, NH 03110

February 3, 2009

Dear Mr. Wunderl:

On behalf of The LGL Group, Inc. (the "Company") we are pleased to present you this offer to join the Company in the position of Chief Operating Officer. If you accept this offer, the Company will employ you as its Chief Operating Officer beginning on February 3, 2009 (the "Start Date"). This letter sets forth the terms of our offer.

1. **Base Compensation.** The Company will pay to you an annual base salary of \$200,000, less applicable withholdings and deductions, in accordance with the Company's normal payroll procedures.
2. **Incentive Compensation.**
 - a. **Plan of Operations.** You will be eligible for a cash bonus payment of \$50,000, less applicable withholdings and deductions, in the event you (i) submit a plan of operations (the "Plan") to the Company's Operations Committee, consisting of Robert Zylstra, the Company's Chief Executive Officer, and certain members of the Company's Board of Directors (the "Operations Committee"), within ninety (90) calendar days after the Start Date and (ii) the Plan is approved by the Operations Committee. Such payment will be made within thirty (30) calendar days after the date the Operations Committee approves the Plan (the "Plan Approval Date").
 - b. **Performance Thresholds.** You will be eligible for a cash bonus payment of \$100,000, less applicable withholdings and deductions, provided that you and the Company meet certain performance thresholds, mutually agreed upon by you and the Operations Committee and set forth in the Plan, over the 12-month period beginning on the Plan Approval Date. Such payment will be made within sixty (60) calendar days after the end of such 12-month period.
 - c. **Economic Value Added.** You will be eligible for an annual bonus payment of up to \$125,000, less applicable withholdings and deductions, for each of fiscal 2009,

2010 and 2011. The amount of the payment will equal the lesser of (i) \$125,000 or (ii) 3% of the increase in the economic value of the Company over the course of the applicable year. The economic value of the Company at January 1, 2009 will be deemed to be \$18 million. The economic value of the Company at the end of each succeeding year will be 7.0 times the EBITDA (plus cash and marketable securities and minus total debt) of the Company for such year, calculated in the manner set forth on Exhibit A hereto. The economic value of the Company at January 1, 2010 and the beginning of any succeeding year will be the greater of (i) the economic value of the Company at the end of the previous year, as calculated in accordance with the previous sentence, or (ii) \$18 million. Should there have been any stock issued in connection with any acquisition or capital raise included in the calculation, the value of the stock issued, at the time of issuance, will be deemed to be debt for purposes of the calculation. The bonus payment will be payable, at the election of the Company, in cash or in restricted shares of the Company's common stock. The bonus payment with respect to a given year will be made in four (4) quarterly instalments, to be paid at the end of each of the 1st, 2nd, 3rd and 4th fiscal quarters of the following year. You must remain employed by the Company through the end of a given year to be eligible for the bonus with respect to such year.

3. **Benefits.**

- a. **Vacation:** Each year you will be eligible for vacation benefits consistent with Company policy applicable to its executive employees.
- b. **Other Benefits:** You will be eligible to participate in the Company's health and other employee benefit programs that are provided by the Company for its executive employees in accordance with the provisions of any such plans, as the same may be in effect from time to time.

4. **Expenses.**

- a. **Orlando Travel Expenses.** The Company will pay your Orlando travel expenses or reimburse you for Orlando travel expenses up to a maximum combined total of \$4,200 per month.
- b. **All Other Travel Expenses.** Your non-Orlando travel expenses will be reimbursed according to the Company's normal travel expense reimbursement policies.

5. **Reporting Responsibility.** You will report to the Operations Committee.

6. **"At-Will" Employment.** You acknowledge that you are an employee-at-will and may be terminated by the Company at any time for any legally permissible reason.

By accepting the Company's offer of employment, you represent that your acceptance of the offer does not, and will not, cause you to violate any current contract or commitment, and it is a condition of your employment that there are no constraints on your ability to fully perform the duties of the position offered.

This offer letter comprises the entire description of your compensation, and fully supersedes any and all prior discussions, documents, promises, agreements, letters, and memoranda regarding this subject matter.

Please note that this offer of employment is subject to your satisfactory completion of a background check and confirmation of your eligibility to work in the United States under the terms of the Immigration Reform and Control Act of 1986.

We look forward to working with you. Please call me with any questions or comments you may have.

Very truly yours,

THE LGL GROUP, INC.

Robert Zylstra

Name: Robert Zylstra

Title: Chief Executive Officer

AGREED AND ACCEPTED:

By: _____
HANS WUNDERL

Exhibit A

Calculation of Economic Value

$$\begin{aligned} \text{LGL Group Economic Value (for year 2009)} &= 7.0 \times \text{LGL EBITDA (total for year 2009)} \\ &+ \text{LGL Cash (for year-end 2009)} \\ &+ \text{LGL Marketable Securities (for year-end 2009)} \\ &- \text{LGL Total Debt (for year-end 2009)} \end{aligned}$$

Subsequent years will be calculated in like manner

LGL GROUP NAMES SEMICONDUCTOR INDUSTRY VETERAN AS CHIEF OPERATING OFFICER

Orlando, FL, February 3, 2009 -- The LGL Group, Inc. (AMEX:LGL) (the “Company” or “The LGL Group”) today announced the appointment of Hans Wunderl as the Company’s Chief Operating Officer.

The LGL Group is the parent company of MtronPTI, a leading global manufacturer and marketer of custom-designed electronic components used to control the frequency of electronic signals in communications, aerospace and military equipment.

Mr. Wunderl, a 25-year industry veteran, has held executive positions in operations and sales at semiconductor manufacturers BE Semiconductor Industries, Oerlikon Group, and ASM International. He is a native of the Netherlands and holds M.S. & B.S. degrees in Electrical Engineering from the Technical University of Eindhoven, The Netherlands.

The LGL Group’s President and CEO Robert Zylstra commented, “In the course of his career, Hans Wunderl has an impressive record of driving rapid improvement in high technology development and marketing. This ability will serve our company well, both domestically and internationally, during this period of extraordinary business turbulence and challenges.”

Tim Foufas, Vice Chairman of The LGL Group added, “We believe that Hans has the right kind of high-tech operational experience to accelerate our company’s improvement plans and help drive value creation for our stockholders.”

Mr. Wunderl will be stationed at the Company’s headquarters in Orlando, FL.

The LGL Group does business as MtronPTI, which designs, manufactures and sells electronics components used for precision frequency, timing and signal management. These products are commonly referred to as crystal oscillators and electronic filters. The Company is headquartered in Orlando, Florida, and has manufacturing locations in North America, India and Asia. The LGL Group is listed on the American Stock Exchange under the symbol “LGL”. The LGL Group’s website can be viewed at www.lglgroup.com. MtronPTI’s website can be viewed at www.mtronpti.com.

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Contacts:

Harold D. Castle, LGL Group CFO at hcastle@mtronpti.com or 1-407-298-2000 ext 146.
Vic Emmanuel, VJE Consultants, 914-305-5198