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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**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): March 19, 2008**

**MOBILITY ELECTRONICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**0-30907**

(Commission File Number)

**86-0843914**

(IRS Employer Identification No.)

**17800 North Perimeter Dr., Suite 200, Scottsdale, AZ**

(Address of Principal Executive Offices)

**85255**

(Zip Code)

**(480) 596-0061**

(Address of principal executive offices and Registrant's telephone number, including area code)

**Not Applicable**

(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))
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**Item 5.02(e) Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangement of Certain Officers.**

On March 19, 2008, the Compensation and Human Resources Committee of the Board of Directors (the “Committee”) of Mobility Electronics, Inc. (“Mobility”) approved target bonuses under the Company’s annual bonus program for certain executives for 2008 (the “Bonus Program”). Under the Bonus Program, each of the Company’s senior executives, including Michael D. Heil, Chief Executive Officer, Joan W. Brubacher, Executive Vice President and Chief Financial Officer, Jonathan Downer, Senior Vice President, Worldwide Sales and Distribution, Walter Thornton, Vice President, Product Management and Supply Chain and Brian M. Roberts, Vice President, General Counsel and Secretary, are eligible to receive an annual and/or quarterly bonus, based on Mobility’s overall business and financial performance.

The Committee, in its sole discretion, approved target bonuses for each participant. Bonuses will be calculated using a formula that includes: (a) the executive’s salary, (b) the executive’s target bonus, and (c) such other discretionary factors as the Committee determines appropriate given the performance of Mobility, and the participant’s contribution to Mobility’s overall performance, including the growth and creation of increased stockholder value through the efficient use of Mobility’s assets.

The following table sets forth the potential bonus for each of Messrs. Heil, Downer, Thornton, and Roberts and Ms. Brubacher:

<b>Named Executive Officer</b>	<b>Annual Bonus % of Annual Salary</b>	<b>Quarterly Commission % of Quarterly Salary</b>
Michael D. Heil	70%(1)	Not Applicable
Joan W. Brubacher	60%(1)	Not Applicable
Jonathan Downer	30%(1)	0% - 30% (2)
Walter Thornton	35%(1)	Not Applicable
Brian M. Roberts	30%(1)	Not Applicable

- (1) Participants have the opportunity to receive up to two times the stated bonus percentage of salary based on the performance of the individual and Mobility. These bonus payments will be based on a percentage of the participant’s annual salary.
- (2) Mr. Downer is also eligible to receive a quarterly commission under the Bonus Program in 2008 based on Mobility’s quarterly revenues. These commission payments will be based on a percentage of Mr. Downer’s quarterly salary.

A copy of the 2008 Bonus Program is filed as Exhibit 10.1.

The Committee also approved restricted stock unit (“RSUs”) grants pursuant to Mobility’s Omnibus Long-Term Incentive Plan (the “RSU Program”). All of the RSUs vest evenly over four years with unvested RSUs vesting earlier, on a pro rata basis, upon the executive’s death, disability, termination without cause or retirement or, in full, upon a change in control of Mobility. The following table sets forth the RSUs granted to each of Mobility’s named executive officers under the RSU Program.

<b>Named Executive Officer</b>	<b>Grant</b>
Michael D. Heil	0(1)
Joan W. Brubacher	200,000
Jonathan Downer	200,000
Walter Thornton	125,000
Brian M. Roberts	125,000

- (1) The Committee amended the vesting schedule of the performance RSUs previously granted to Mr. Heil as an inducement grant upon his joining Mobility in 2007 so that these 500,000 RSUs will vest evenly over a four-year period from the effective date of the amendment (i.e. 25% vest on March 19, 2009, 2010, 2011 and 2012), with unvested RSUs vesting earlier, on a pro rata basis, upon Mr. Heil’s death, disability, termination without cause or retirement or, in full, upon a change in control of Mobility. A copy of the amendment to Mr. Heil’s RSU grant is filed as Exhibit 10.2.

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The specific terms of each RSU grant are set forth in the restricted stock unit award agreements (the “RSU Agreements”) for each participant. The foregoing description of the RSU Program and the related RSU Agreements is qualified in its entirety by reference to the terms of the form RSU Agreement filed as Exhibit 10.3.

In addition, the Committee approved increases to the base salaries of the following named executive officers.

<u>Named Executive Officer</u>	<u>2007 Salary (\$)</u>	<u>Raise (\$)</u>	<u>2008 Salary (\$)</u>
Michael D. Heil	400,000	0	400,000
Joan W. Brubacher	258,500	10,000	268,500
Jonathan Downer	230,000	15,000	245,000
Walter Thornton	190,000	0	190,000
Brian M. Roberts	165,000	30,000	195,000

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Mobility Electronics, Inc. 2008 Executive Bonus Program.
10.2	Amendment No. 1 to Mobility Electronics, Inc. Omnibus Long-Term Incentive Plan Restricted Stock Unit Award Agreement by and between the Company and Michael D. Heil, dated March 19, 2008.
10.3	Form Mobility Electronics, Inc. Omnibus Long-Term Incentive Plan Restricted Stock Unit Award Agreement, dated March 19, 2008.

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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.

**MOBILITY ELECTRONICS, INC.**

Dated: March 21, 2008

By: /s/ Joan W. Brubacher

Joan W. Brubacher  
Executive Vice President, Chief Financial Officer and  
Treasurer

**MOBILITY ELECTRONICS, INC.**

**2008 EXECUTIVE BONUS PLAN**

**Summary**

Mobility Electronics, Inc.'s Executive Bonus Plan (the "Plan") is a discretionary cash incentive program designed to motivate participants to achieve the company's financial and other performance objectives and to reward them for their achievements when those objectives are met.

**Eligibility**

Participants are approved solely at the discretion of the Compensation and Human Resources Committee of Mobility Electronics, Inc.'s Board of Directors (the "Committee"). No person is automatically entitled to participate in the Plan in any year, and any eligible participant may choose not to participate in the Plan in any year for any reason.

**Administration**

The Committee is ultimately responsible for administering the Plan. The Committee has all powers and discretion necessary or appropriate to review and approve the Plan and its operation, including, but not limited to, the power to (a) determine which eligible participants shall be granted bonus awards, (b) prescribe the terms and conditions of bonus awards, (c) interpret the Plan, (d) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (e) interpret, amend or revoke any such rules. All determinations and decisions made by the Committee and any delegate of the Committee shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors, officers and/or managers of the Company. The Committee, in its sole discretion, may amend or terminate the Plan, or any part thereof, at any time and for any reason.

**Award Determination**

The Committee, in its sole discretion, will approve target bonuses for each participant. Bonuses will be calculated using a formula that includes: (a) the executive's salary, (b) the executive's target bonus, and (c) such other discretionary factors as the Committee determines appropriate given the performance of the Company, and the participant's contribution to the Company's overall performance, including, without limitation, the growth and creation of increased stockholder value through the efficient use of Company assets.

**Award Payouts**

Unless otherwise determined by the Committee, bonuses will be paid on an annual basis, typically in February, and the bonus period is currently the fiscal year period.

**AMENDMENT No. 1**  
**To**  
**MOBILITY ELECTRONICS, INC.**  
**OMNIBUS LONG-TERM INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This Amendment No. 1 to Restricted Stock Unit Award Agreement (the “**Amendment**”) is made this 19<sup>th</sup> day of March, 2008 (the “**Amendment Date**”) by and between Mobility Electronics, Inc. (the “**Company**”) and Michael D. Heil (the “**Participant**”).

**WHEREAS**, Participant and Company previously entered into that certain Restricted Stock Unit Award Agreement, dated June 11, 2007 (the “**Agreement**”); and

**WHEREAS**, Participant and Company desire to amend the terms of the Agreement pursuant to the terms and conditions of this Amendment;

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the Company and Participant agree that the Agreement shall be amended as follows and, except as expressly amended pursuant to the terms contained herein, all other terms and conditions of the Agreement shall remain in full force and effect:

**1. Vesting Schedule.** Exhibits A and B to the Agreement shall be terminated, and Section 2 of the Agreement shall be amended and restated in its entirety to read as follows:

“Subject to the terms and conditions of this Agreement, the Units shall vest upon the earliest to occur, and subject to the terms and conditions, of the following (the occurrence of such event referred to herein as the “**Vesting Date**”):

A. **Time Based Vesting:** Twenty-five percent (25%) of the Units shall automatically vest each year over the next four (4) years immediately upon the anniversary of the Amendment Date (i.e. 25% of the Units shall automatically vest on each of March 19, 2009, March 19, 2010, March 19, 2011 and March 19, 2012) (the “**Time Based Vesting Date**”);

B. **Death; Disability; Termination Without Cause; or Retirement:** If the Participant ceases to be employed by the Company by reason of his or her death, total and permanent disability (as certified by an independent medical advisor appointed by the Company prior to such termination), termination without “Cause” (as defined below), or “Retirement” (as defined below), a prorated number of unvested Units shall vest automatically upon such death, disability, termination without Cause, or Retirement, determined by multiplying the number of Units by a fraction, the numerator of which is the number of complete months of continuous employment by the Participant with the Company from the Amendment Date until the date of termination and the denominator of which is the number of complete months between the Amendment Date and the Time Based Vesting Date. The balance of the Units subject to the provisions of this Agreement

which have not vested shall automatically be forfeited by the Participant. “**Cause**” means (i) Participant’s conviction of a felony or commission of any act of fraud, moral turpitude or dishonesty, (ii) Participant’s breach of any of the terms or conditions of, or the failure to perform any covenant contained in, the Company’s Employee Handbook or Code of Business Conduct and Ethics, as modified from time to time, or (c) Participant’s violation of reasonable instructions or policies established by the Company with respect to the operation of its business and affairs or Participant’s failure to carry out the reasonable instructions required in connection with his or her employment. “**Retirement**” means the point in time at which the Participant retires from the Company and either: (1) (a) Participant’s age is fifty-five (55) years or greater, and (b) Participant has been employed by the Company for ten (10) years or more; or (2) Participant’s age is sixty-two (62) years or greater; and

C. **Change in Control**: Upon a “Change in Control,” as defined below, one hundred percent (100%) of the Units shall vest automatically. A “**Change in Control**” shall mean the occurrence of one or more of the following events: (i) any person within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), other than the Company (including its subsidiaries, directors or executive officers) has become the beneficial owner, within the meaning of Rule 13d-3 under the Exchange Act, of 50 percent or more of the combined voting power of the Company’s then outstanding common stock or equivalent in voting power of any class or classes of the Company’s outstanding securities ordinarily entitled to vote in elections of directors (“**voting securities**”); (ii) shares representing 50 percent or more of the combined voting power of the Company’s voting securities are purchased pursuant to a tender offer or exchange offer (other than an offer by the Company or its subsidiaries, directors or executive officers); (iii) as a result of, or in connection with, any tender offer or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a “**Transaction**”), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board or of any successor to the Company; (iv) following the date hereof, the Company is merged or consolidated with another corporation and as a result of such merger or consolidation less than 50 percent of the outstanding voting securities of the surviving or resulting corporation shall then be owned in the aggregate by the former stockholders of the Company, other than (1) any party to such merger or consolidation, or (2) any affiliates of any such party; or (v) the Company transfers more than 50 percent of its assets, or the last of a series of transfers results in the transfer of more than 50 percent of the assets of the Company, or the Company transfers a business unit and/or business division responsible for more than 35% of the Company’s revenue for the twelve-month period preceding the month in which such transfer occurred, in either case, to another entity that is not wholly-owned by the Company. Any determination required above in this subsection (v) shall be made by the Compensation Committee of the Board of Directors of the Company, as constituted immediately prior to the occurrence of such event.”

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year first above written.

**MOBILITY ELECTRONICS, INC.**

By: \_\_\_\_\_  
Name: Joan W. Brubacher  
Title: EVP & CFO

The undersigned Participant hereby accepts, and agrees to, all terms and provisions of the foregoing Agreement. If you do not sign and return this Agreement, you will not be entitled to the Units.

\_\_\_\_\_  
Signature

Michael D. Heil  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Social Security Number or  
Commerce ID Number

**MOBILITY ELECTRONICS, INC.**  
**OMNIBUS LONG-TERM INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

This Restricted Stock Unit Award Agreement (the “**Agreement**”) is made this 19<sup>th</sup> day of March, 2008 (the “**Grant Date**”) by and between Mobility Electronics, Inc. (the “**Company**”) and \_\_\_\_\_ (the “**Participant**”).

**WHEREAS**, Participant is receiving an award of restricted stock units pursuant to the Mobility Electronics, Inc. Omnibus Long-Term Incentive Plan (the “**Plan**”); and

**WHEREAS**, it is a condition to Participant receiving the restricted stock unit award that Participant deliver an executed version of this Agreement, along with the attached Tax Election Form, to the Company;

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the Company hereby awards restricted stock units to Participant on the following terms and conditions:

**1. Award of Restricted Stock Units.** The Company hereby grants to Participant a total of \_\_\_\_\_ ( ) restricted stock units (the “**Units**”) subject to the terms and conditions set forth in this Agreement.

**2. Vesting Schedule.** Subject to the terms and conditions of this Agreement, the Units shall vest upon the earliest to occur, and subject to the terms and conditions, of the following (the occurrence of such event referred to herein as the “**Vesting Date**”):

A. **Time Based Vesting:** Twenty-five percent (25%) of the Units shall automatically vest each year over the next four (4) years immediately upon the anniversary of the Grant Date (i.e. 25% of the Units shall automatically vest on each of March 19, 2009, March 19, 2010, March 19, 2011 and March 19, 2012) (the “**Time Based Vesting Date**”);

B. **Death; Disability; Termination Without Cause; or Retirement:** If the Participant ceases to be employed by the Company by reason of his or her death, total and permanent disability (as certified by an independent medical advisor appointed by the Company prior to such termination), termination without “Cause” (as defined below), or “Retirement” (as defined below), a prorated number of unvested Units shall vest automatically upon such death, disability, termination without Cause, or Retirement, determined by multiplying the number of Units by a fraction, the numerator of which is the number of complete months of continuous employment by the Participant with the Company from the Grant Date until the date of termination and the denominator of which is the number of complete months between the Grant Date and the Time Based Vesting Date. The balance of the Units subject to the provisions of this Agreement which have not vested shall automatically be forfeited by the Participant. “**Cause**” means (i)

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Participant's conviction of a felony or commission of any act of fraud, moral turpitude or dishonesty, (ii) Participant's breach of any of the terms or conditions of, or the failure to perform any covenant contained in, the Company's Employee Handbook or Code of Business Conduct and Ethics, as modified from time to time, or (c) Participant's violation of reasonable instructions or policies established by the Company with respect to the operation of its business and affairs or Participant's failure to carry out the reasonable instructions required in connection with his or her employment. " **Retirement**" means the point in time at which the Participant retires from the Company and either: (1) (a) Participant's age is fifty-five (55) years or greater, and (b) Participant has been employed by the Company for ten (10) years or more; or (2) Participant's age is sixty-two (62) years or greater; and

C. **Change in Control**: Upon a "Change in Control," as defined below, one hundred percent (100%) of the Units shall vest automatically. A " **Change in Control**" shall mean the occurrence of one or more of the following events: (i) any person within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act**"), other than the Company (including its subsidiaries, directors or executive officers) has become the beneficial owner, within the meaning of Rule 13d-3 under the Exchange Act, of 50 percent or more of the combined voting power of the Company's then outstanding common stock or equivalent in voting power of any class or classes of the Company's outstanding securities ordinarily entitled to vote in elections of directors (" **voting securities**"); (ii) shares representing 50 percent or more of the combined voting power of the Company's voting securities are purchased pursuant to a tender offer or exchange offer (other than an offer by the Company or its subsidiaries, directors or executive officers); (iii) as a result of, or in connection with, any tender offer or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a " **Transaction**"), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board or of any successor to the Company; (iv) following the date hereof, the Company is merged or consolidated with another corporation and as a result of such merger or consolidation less than 50 percent of the outstanding voting securities of the surviving or resulting corporation shall then be owned in the aggregate by the former stockholders of the Company, other than (1) any party to such merger or consolidation, or (2) any affiliates of any such party; or (v) the Company transfers more than 50 percent of its assets, or the last of a series of transfers results in the transfer of more than 50 percent of the assets of the Company, or the Company transfers a business unit and/or business division responsible for more than 35% of the Company's revenue for the twelve-month period preceding the month in which such transfer occurred, in either case, to another entity that is not wholly-owned by the Company. Any determination required above in this subsection (v) shall be made by the Compensation Committee of the Board of Directors of the Company, as constituted immediately prior to the occurrence of such event.

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**3. Restrictions.** This Agreement and the Units granted pursuant hereto shall be subject to the following restrictions:

A. **Termination of Agreement and Rights to Units.** Any Units that have not otherwise vested pursuant to the terms of this Agreement shall be automatically forfeited upon the Participant's termination of employment or service with the Company.

B. **Non-Assignability.** Unless otherwise determined by the Compensation Committee of the Board of Directors of the Company, the Participant may not sell, assign, transfer, discount, or pledge as collateral for a loan, or otherwise anticipate any right to payment under the Plan or this Agreement other than by will or by the applicable laws of descent and distribution.

**4. Form and Timing of Payment.** Any vested Units shall be paid by the Company in shares of the Company's common stock, par value \$0.01 per share (the "**Shares**") on a one-to-one basis on, or as soon as practicable after, the Vesting Date.

**5. Tax Withholding.** Upon the vesting of any Units, the tax withholding obligations of the Participant and the Company shall be satisfied, at the Participant's election pursuant to the attached Tax Election Form, by the Participant either paying the appropriate tax withholding amount in cash, or tendering to the Company a sufficient number of Shares necessary to satisfy the Participant's and the Company's tax withholding obligations.

**6. Change in Capital Structure.** The terms of this Agreement, including the number of Units subject to this Agreement, shall be adjusted as the Compensation Committee of the Board of Directors of the Company determines is equitably required in the event the Company effects any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, reverse stock split, spin-off, combination, repurchase or exchange of shares or other securities of the Company, or similar corporate transaction.

**7. No Rights as a Stockholder.** The Participant shall have no rights as a stockholder with respect to any Shares until the date of the issuance and delivery of such Shares.

**8. No Right to Employment.** This Agreement shall not be construed as giving the Participant the right to be retained in the employ or as a consultant of the Company or any affiliate of the Company, as the case may be. The Company may at any time terminate the Participant's employment or a consultant's provision of services free from any liability or any claim under the Plan or this Agreement.

**9. Participant Bound by Plan.** The Participant hereby acknowledges that a copy of the Plan and the Prospectus for the Plan has been made available to him or her and the Participant agrees to be bound by all the terms and provisions of the Plan.

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**10. Conflicts.** In the event of any conflict between the provisions of the Plan as in effect on the Grant Date and the provisions of this Agreement, the provisions of the Plan shall govern.

**11. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the legatees, distributees and personal representatives of the Participant and the successors of the Company.

**12. Governing Law.** This Agreement shall be governed by, and interpreted under, the laws of the State of Arizona without regard to conflicts of law provisions thereof, and the Participant and the Company irrevocably consent to the exclusive jurisdiction of and venue in the federal and/or state courts located in Phoenix, Arizona.

**IN WITNESS WHEREOF**, the Company has executed this Agreement as of the day and year first above written.

**MOBILITY ELECTRONICS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

The undersigned Participant hereby accepts, and agrees to, all terms and provisions of the foregoing Agreement. If you do not sign and return this Agreement, you will not be entitled to the Units.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Social Security Number or  
Commerce ID Number