

DOT HILL SYSTEMS CORP
Form 8-K
February 08, 2012

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 2, 2012

Dot Hill Systems Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13317
(Commission
File Number)

13-3460176
(I.R.S. Employer
Identification No.)

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1351 S. Sunset Street,

Longmont, CO
(Address of principal executive offices)

Registrant's telephone number, including area code: (303) 845-3200

80501
(Zip 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))

Item 2.05 Costs Associated with Exit or Disposal Activities.

On February 2, 2012, our Board of Directors approved the implementation of a restructuring and cost reduction plan (the 2012 Plan) that will include severance and related costs, contractual obligations, administrative costs and long-lived asset impairments associated with the closure of our Israel Technology Development Center totaling \$4.7 to \$5.9 million. The 2012 Plan is designed to re-align our software investments to focus on accelerating the development of embedded software features, in order to launch a competitive set of mid-range storage array products in 2012, and to provide more differentiated entry-level products for both OEM and channel customers. The majority of the activities comprising the 2012 Plan are expected to be completed by the end of 2012. We expect to record severance costs in the range of \$1.2 to \$1.4 million, record contractual obligations in the range of \$1.2 to \$1.5 million, incur legal and other administrative costs in the range of \$0.2 to \$0.4 million and recognize long-lived asset impairments of approximately \$2.1 to \$2.6 million in connection with the 2012 Plan.

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.

DOT HILL SYSTEMS CORP.

By: /s/ Hanif I. Jamal
Hanif I. Jamal

Senior Vice President, Chief Financial

Officer and Secretary

Date: February 8, 2012