

DOLLAR GENERAL CORP

FORM 8-K (Current report filing)

Filed 10/18/05 for the Period Ending 10/14/05

Address	100 MISSION RIDGE GOODLETTSVILLE, TN, 37072
Telephone	6158554000
CIK	0000029534
Symbol	DG
SIC Code	5331 - Retail-Variety Stores
Industry	Discount Stores
Sector	Consumer Cyclical
Fiscal Year	02/02

**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): October 14, 2005

Dollar General Corporation

(Exact Name of Registrant as Specified in Charter)

Tennessee

(State or Other Jurisdiction
of Incorporation)

001-11421

(Commission File Number)

61-0502302

(I.R.S. Employer
Identification No.)

100 Mission Ridge
Goodlettsville, Tennessee

(Address of Principal Executive Offices)

37072

(Zip Code)

Registrant's telephone number, including area code: (615) 855-4000

(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:

- 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 October 14, 2005, Dollar General Corporation (the “Company”) entered into a Letter Agreement, attached hereto as Exhibit 99 and incorporated by reference as if fully set forth herein, with Cal Turner, Jr. regarding his intended retirement from the Company. Mr. Turner, who beneficially owns in excess of 5% of the Company’s outstanding common stock, has served as an employee advisor to the Board since June 2003. Prior to that, Mr. Turner served as the Chairman (from January 1989 to June 2003) and Chief Executive Officer (from 1977 to November 2002). The effective date of Mr. Turner’s retirement is October 31, 2005 (the “Effective Date”). Pursuant to federal law, Mr. Turner has the right to revoke this Agreement through October 21, 2005.

The Letter of Agreement provides for the following, upon the Effective Date:

- Naming Mr. Turner Honorary Chairman Emeritus of the Company.
- A lump sum payment to Mr. Turner of \$1 million payable before December 31, 2005.
- Reimbursement to Mr. Turner of up to \$100,000 for legal and/or consulting costs and fees in connection with the negotiation and preparation of the Letter Agreement.
- A gross up for Mr. Turner to cover any federal income taxes and payroll tax withholdings resulting from the payment, compensation or other benefits referenced in the Letter Agreement.
- Transfer to Mr. Turner of ownership of his Company provided car (a 2004 Audit A-8).
- Transfer of Mr. Turner’s Tennessee Titans season tickets to the Company, which the Company will renew for at least the 2006-2009 football seasons and a portion of which the Company will give to Mr. Turner for at least 8 games per season.
- Use for one year of the Company’s voicemail system.
- Service by Mr. Turner for at least a 3-year term as Chairman of the Board and President of the Dollar General Literacy Foundation, a non-profit, public benefit, charitable organization, committed to increasing the functional literacy of adults, families and children by providing grants to other non-profit organizations committed to the advancement of literacy, and the Company’s provision of an office and necessary administrative support for this position.
- A 3-year non-compete agreement.
- Provisions regarding the Company’s continued commitment to adult and family literacy programs, Mr. Turner’s right to remove personal possessions from Company property, and the waiver and release of any and all known and unknown claims against the Company.

The foregoing summary is qualified in its entirety by the full text of the Letter Agreement attached as Exhibit 99.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of businesses acquired. N/A
 - (b) Pro forma financial information. N/A
 - (c) Exhibits. See Exhibit Index immediately following the signature page hereto.
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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.

Date: October 18, 2005

DOLLAR GENERAL CORPORATION

By: /s/ Susan S. Lanigan
Susan S. Lanigan
Executive Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99	Letter Agreement dated October 14, 2005.

October 12, 2005

Cal Turner, Jr.
610 Franklin Road
Brentwood, TN 37027

Re: Letter Agreement with Dollar General Corporation

Dear Mr. Turner:

You have indicated your intent to retire from the employ of Dollar General Corporation (sometimes referred to as the "Company") by resigning your position as Advisor to the Board of Directors of the Company. In recognition of your many years of service and your importance to Dollar General and in consideration of the promises and consideration described in this Letter Agreement, Dollar General will ensure or provide the following on your resignation from the Company:

1. You will be named Honorary Chairman Emeritus of Dollar General. This title will be an honorary title only and will carry with it no duties, rights, privileges, obligations or compensation.
 2. Before December 31, 2005, the Company will give you a one-time lump sum retirement payment of \$1 million (\$1,000,000).
 3. The Company will assume and you will assign your season tickets package to the Tennessee Titans home stadium football games, along with any rights, privileges or obligations you have in or to the stadium suite attendant to those tickets. The Company will renew the term for that season ticket package at the first renewal date after the date of this Letter Agreement. For the next 5 football seasons (including the 2005 season, for which you will be reimbursed any costs you have already incurred), you will be given use of some or all (typically one-half) of the season tickets for at least eight games, at no charge to you and to use or give away as you see fit. You recognize and agree that, for business purposes and for one or more games each season, the Company will use all of the available tickets to a game. You and the Company will agree at or near the beginning of the season on the number of tickets and the games made available to you. If you and the Company cannot agree, the tickets will be split evenly, except the Company can choose one game for which it will use all of the tickets and you may choose one game for which you will use all of the tickets.
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4. The Company will transfer to you ownership of the Company car (2004 Audi A-8) that has been provided to you.
5. The Company will make available to you use of the Company's voicemail system for one year. This use will only be for sending and receiving personal voice mail messages unrelated to the business of Dollar General. The telephone number assigned to you for this use will not be published generally on the Company phone list provided to the employees of Dollar General.
6. The Company will reimburse you, up to \$100,000, for costs and expenses you have incurred in legal fees and/or consulting fees in connection with the negotiation and preparation of this Letter Agreement.
7. You will be provided a gross up on the payments, compensation and other benefits referenced in this Letter Agreement to cover any federal income taxes and payroll tax withholdings resulting from such payment, compensation or other benefit.
8. Recognizing the importance to you of adult and family literacy programs in the United States, particularly among the Company's customers, the Company commits to continue its support of such programs and, as it is able based on business results and the best interests of its shareholders, customers and employees, to work to increase and enhance that support in the coming years.
9. You and your family will be entitled to remove any personal possessions, including without limitation pieces of art, mementos, and furniture, belonging to you or your family that are still located at the Dollar General offices in Goodlettsville, Tennessee or Scottsville, Kentucky. However, in recognition of your family's contribution to Dollar General, your father's office in Scottsville, Kentucky shall remain intact indefinitely (excluding any items removed by you under the terms of the preceding sentence) in honor and remembrance of him.

In consideration of the above, after your retirement, you agree to assume responsibility, for at least a three-year term, as Chairman of the Board and President of the Dollar General Literacy Foundation, a non-profit, public benefit, charitable organization, committed to increasing the functional literacy of adults, families and children by providing grants to other non-profit organizations committed to the advancement of literacy. As Chairman and President of the Foundation, you agree to perform the normal duties associated with such a position and to conduct the business of the Foundation in good faith, in compliance with the terms of its charter and by-laws and in a manner likely to enhance its mission. The Company will provide you an office and necessary administrative support for this position.

Cal Turner, Jr.

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October 12, 2005

You agree that, for three years following your resignation from Dollar General, you will not serve as employee, advisor, principal, officer, director, contractor or consultant (or any similar position) to a business competitor of Dollar General whereby you are required to perform services on behalf of or for the benefit of such competitor. A business competitor of Dollar General is any business, individual or undertaking that is engaged, or seeks to be engaged, wholly or in material part, in the business in which the Company is engaged (i.e., the deep discount consumable basics retail business), including but not limited to such other similar businesses as Wal-Mart, Family Dollar Stores, Fred's, the 99 Cents Stores and Dollar Tree Stores.

Also in consideration of the above, you voluntarily and irrevocably waive and release all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which you may have against the Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys, arising from or relating to (directly or indirectly) your employment with or your retirement from the Company or any other events that have occurred as of the date of execution of this Letter Agreement, including but not limited to claims arising under the Age Discrimination in Employment Act. In consideration of your promises and commitments herein, the Company voluntarily and irrevocably waives and releases all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which the Company may have against you arising from events that have occurred as of the date of execution of this Letter Agreement.

If you agree with the terms and conditions of this Letter Agreement, please signify that agreement by signing below.

You may take up to twenty-one days to consider whether to sign this Letter Agreement. Once you have signed the Agreement, you will have seven days within which to revoke your agreement to be bound by its terms. If you choose to do so, your written revocation should be sent to me at the Company's Mission Ridge address. You are advised to consult with your attorney before signing the Agreement.

Thank you for your service and loyalty to Dollar General Corporation and for your remarkable vision.

Cal Turner, Jr.
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October 12, 2005

Sincerely,

/s/ David A. Perdue
David Perdue
Chairman and CEO
Dollar General Corporation

By signing below, I agree to the terms and conditions contained in this Letter Agreement. Please let my signature below serve as my formal resignation from the employ of Dollar General Corporation as Advisor to the Board, effective the 31st day of October, 2005.

/s/ Cal Turner, Jr.
Cal Turner, Jr.

October 14, 2005