
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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): May 26, 2005

QUANTUM CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-13449
(Commission File Number)

94-2665054
(IRS Employer Identification No.)

1650 Technology Drive, Suite 800, San Jose, CA
(Address of principal executive offices)

95110
(Zip Code)

408-944-4000
(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

- 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 May 26, 2005, Quantum Corporation (the "Company") entered into an employment offer letter with Howard L. Matthews III as the Company's President and Chief Operating Officer, and General Manager of the Storage Systems business unit. The offer letter establishes the material terms of Mr. Matthew's employment relationship, including base salary, target bonus percentage, recommended stock option and restricted stock grants, and severance benefits.

On June 1, 2005, Quantum Corporation (the "Company") entered into a termination and release agreement with George Kreigler III, Senior Vice President and General Manager of the Storage Systems business unit, in connection with his departure from the Company. Pursuant to the terms of the agreement, Mr. Kreigler will receive severance benefits.

The full text of the agreements of Mr. Matthews and Mr. Kreigler are attached to this Form 8-K as exhibits. The descriptions above are qualified by reference to the actual text of the agreements.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(c) (1) On May 26, 2005, Howard L. Matthews III accepted the offer to serve as the Company's President and Chief Operating Officer, and General Manager of the Storage Systems business unit, effective as of June 1, 2005 (the "Effective Date").

(2) Mr. Matthews, age 50 served as President and Chief Executive Officer of Certance LLC from March 2002 to January 2005. Prior to joining Certance, from 1999 to March 2002, he served as Chairman of the Board of Directors of Matthews, White & Company, a consulting and advisory services group, and, from 1994 to 1999, was a principal of Matthews Consulting. Other than his employment offer letter, there is no arrangement or understanding between Mr. Matthews and any other persons pursuant to which he was selected as an officer.

On January 4, 2005, Mr. Matthews entered into a Transaction Bonus and Severance Protection Letter, dated January 4, 2005, with Certance LLC, which was subsequently acquired by Quantum. Pursuant to this agreement, Mr. Matthews received a transaction bonus and severance benefits. The full text of this agreement is attached to this Form 8-K as Exhibit 10.3. This description is qualified by reference to the actual text of the agreement.

(3) The material terms and conditions of Mr. Matthew's employment are set forth in his offer letter, which is filed with this report as Exhibit 10.1 and incorporated herein by reference.

Item 9.01. Financial Statements, and Exhibits.

(c) Exhibits.

- 10.1 Employment Offer Letter, dated May 26, 2005, between the Company and Howard L. Matthews III
- 10.2 Termination Agreement and General Release of All Claims, dated June 1, 2005, between the Company and George Kreigler III
- 10.3 Transaction Bonus and Severance Protection Agreement, dated January 4, 2005, between Certance, LLC and Howard L. Matthews III

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.

QUANTUM CORPORATION

By: /s/SHAWN HALL

Shawn Hall
Vice President, General Counsel and
Secretary

Dated: June 02, 2005

May 26, 2005

Mr. Howard L. Matthews III
P.O. Box 435
Rancho Santa Fe, CA 92067

Dear Howard:

It is my pleasure to invite you to join the Quantum senior leadership team as Quantum President & COO and General Manager for the Quantum Storage Systems ("QSS") business unit, reporting directly to me. This position is an elected officer position. As we've agreed, your start date will be Wednesday June 1, 2005 or earlier if possible.

You will be compensated at a monthly rate of \$29,167, annualized to \$350,000 USD.

You will also be eligible to participate in the Quantum Incentive Plan ("QIP") for the period beginning April 1, 2005 through March 31, 2006, Quantum's Fiscal Year 2006. Your target bonus in the QIP will be 70% of your annual base salary, although the actual amount will be determined as described in the plan based upon the following: the Board of Directors' discretion; plan funding; and corporate, business unit and individual performance. Additionally, per our discussion, within your first 60 days of employment, you will be required to provide a written plan confirming the financial projections, plans and budget for the QSS business.

We will recommend to the Board of Directors that a total of 1,500,000 stock options and 100,000 shares of restricted stock be made available to you. The price for the options will be set at the closing price of the stock on the date of the Board of Directors' approval. Once the stock options have been approved and the Board has set the price, you will receive a package from Quantum's Stock Administration Department. You should receive the package within 60 days of your date of hire. Please read the documents in the package carefully and return one signed copy of the complete Grant Agreement to Stock Administration. You will also be eligible to participate in the annual stock grant program which takes place as part of our year end review process. The next review cycle is in June 2006. Your eligibility for future stock grants will be based upon Board approval, budget, eligibility and individual performance.

Quantum will also provide to you an annual stipend in the amount of \$25,000 USD to assist with commuting expenses. This bonus will be paid to you shortly after your employment and annually thereafter on your anniversary date.

As a Quantum executive, you will be eligible to participate in Quantum's Change of Control Program. An agreement will be provided to you during your executive orientation.

Quantum's flexible benefit program provides a full range of benefits for you and your qualified dependents. Additionally, you will be eligible to participate in Quantum's Deferred Compensation Program and be eligible to receive company-reimbursed financial planning services. A benefit overview packet will be mailed immediately upon your acceptance and you will receive a detailed review of our benefits program during your executive orientation.

Howard L. Matthews III

May 26, 2005
Page 2

Additionally, as previously discussed, in the event your employment is Involuntarily Terminated other than for cause (as defined in Quantum's Change in Control Agreement), in a context other than a Change in Control (in which case Quantum's Change in Control Agreement shall be the sole source of severance benefits), Quantum will provide to you the following benefits in exchange for your execution of a separation agreement and general release:

1. equivalent of 52 weeks base salary
2. equivalent of 12 months benefits coverage/continuation and
3. the greater of the following:
 - a. 50% vesting on remaining unvested stock options and restricted stock shares or
 - b. 12 months vesting on unvested stock options and restricted stock shares

This offer will not alter any of the severance benefits you are scheduled to receive monthly through February 1, 2006. Those benefits are outlined in the severance agreement resulting from Quantum's acquisition of Certance LLC in January 2005.

Enclosed is a second copy of this offer. Please sign and return one copy of this letter to Suzan Morno-Wade, Director of Compensation & Benefits, 1650 Technology Drive, Suite 800, San Jose, CA 95110 or by fax to 408-944-4489. This offer supersedes any and all other written or verbal offers and is valid until Friday June 3, 2005 unless earlier withdrawn. It is also contingent upon successful completion of reference checks, security background verification, execution of Quantum's Employee Proprietary Information and Invention Agreement and proper verification of employment eligibility. Employment at Quantum is at will – either you or Quantum has the right to terminate your employment at any time for any reason, with or without cause.

Upon your written acceptance, we will send to you the required documents for your executive orientation including but not limited to such documents to establish your identity and employment eligibility. You are requested to bring the required documents with you on your first day.

Howard, we are very enthusiastic about your joining the Quantum leadership team. We are certain you will find Quantum a stimulating and team-oriented company. The work environment is one of challenge, opportunity and reward for success. If you have any questions, please do not hesitate to call me. Again, it is a pleasure to welcome you to Quantum. We look forward to your acceptance.

Sincerely,

Rick Belluzzo
Chairman and CEO
Quantum Corporation

I understand and accept the terms of this employment offer.

Signed: /s/ Howard Matthews

Date: May 26, 2005

Howard Matthews

**TERMINATION AGREEMENT AND
GENERAL RELEASE OF ALL CLAIMS**

This Termination Agreement and General Release (the "Agreement") by and between Quantum Corporation, a Delaware corporation ("Quantum" or "Company"), and George Kreigler III (Quantum employee #9032) ("Mr. Kreigler"), collectively, (the "Parties").

WHEREAS, the Company and Mr. Kreigler have previously agreed, by letter of agreement dated December 16, 2003, to the terms of certain enhanced severance benefits payable to Mr. Kreigler under conditions set out more fully therein and attached hereto as Attachment A; and

WHEREAS, the Company and Mr. Kreigler have further agreed to mutually and amicably end the employment relationship in accordance with the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises set forth herein the Parties agree as follows.

1. Definition of Parties: References in this Agreement to "Quantum" shall include any and all parent, subsidiary and affiliated corporations and business entities and all shareholders, officers, directors, agents, managers, employees, representatives, attorneys, and successors and assigns of those corporations and entities. References in this Agreement to "George Kreigler III" or "Mr. Kreigler" shall include all of his representatives, attorneys, heirs, and successors and assigns.

2. Quantum's Consideration For Agreement: Quantum agrees to provide Mr. Kreigler with the following benefits. These benefits are in addition to any payments or benefits for which Mr. Kreigler is otherwise eligible as a result of the termination of his employment:

a) Severance Pay.

Quantum agrees to pay Mr. Kreigler the sum of Three Hundred and Four Thousand, Five Hundred dollars and 00/100 (\$304,500.00), which represents his base salary for a 12 month period. This amount shall be paid by check in a single lump sum less all normal payroll deductions two weeks after the Termination Date. In addition, Mr. Kreigler will be compensated for four weeks of unused vacation in the amount of \$23, 423.08.

b) Benefit Continuation.

If Mr. Kreigler is enrolled in a medical, dental, vision or Employee Assistance Program (EAP) plan sponsored by Quantum on the Termination Date, he shall be entitled to remain an active participant in such benefits at no additional cost to him through the end of the month in which employment terminates. The normal employee-employer premium contributions will apply. Thereafter, he has the option to continue coverage through COBRA at his own cost.

c) Quantum shall continue Mr. Kreigler's group-term life insurance coverage in effect at the time of the Termination Date for sixty (60) days following the Termination Date. If Mr. Kreigler fails to make timely payment of his costs for such coverage, such coverage shall terminate effective as of the first day of the period for which timely payment was not received.

1

3. Mr. Kreigler's Last Day of Regular Employment: Mr. Kreigler's last day of regular employment at Quantum and his Termination Date shall be June 1, 2005. Mr. Kreigler has agreed to be available as needed as a consultant to Quantum for six months following the Termination Date without additional consideration.

4. Mr. Kreigler's Waiver of All Legal Claims: In consideration for the payments and promises described above, Mr. Kreigler does hereby completely release and forever discharge Quantum from all claims, rights, obligations, and causes of action of any and every kind and character, known or unknown, which Mr. Kreigler may now have, or has ever had, arising from or in any way connected with the employment relationship between the parties, any actions during that relationship, or the termination of that relationship.

This release includes but is not limited to: a) all "wrongful discharge" or "wrongful termination" claims; b) all claims relating to any contracts of employment, express or implied; c) all claims for breach of any covenant of good faith and fair dealing, express or implied; d) all claims for any tort of any nature; e) all claims for attorney's fees and costs; and f) all claims under any federal, state, or municipal statute, ordinance, regulation or constitution, including specifically any claims under the California Fair Employment and Housing Act, the California Labor Code, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans With Disabilities Act, the Employee Retirement Income Security Act and any other laws or regulations relating to employment or employment discrimination.

7. Mr. Kreigler's Acknowledgment of Civil Code § 1542: Mr. Kreigler states that he has read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Mr. Kreigler understands that Section 1542 gives him the right not to release existing claims of which he is not now aware, unless he voluntarily chooses to waive this right. Having been so apprised, Mr. Kreigler nevertheless hereby voluntarily elects to, and does, waive the rights described in Section 1542, and elects to assume all risks for claims that now exist in his favor, known or unknown, from the subject of this Agreement.

8. Unemployment Compensation: The parties agree that the termination of Mr. Kreigler's employment by Quantum should be considered an involuntary termination for purposes of determining Mr. Kreigler's eligibility for unemployment compensation benefits, subject to the ultimate determination of eligibility for benefits by the applicable governmental agencies.

9. Non-Admission Clause: Nothing in this Agreement shall be construed as an admission by Quantum of any wrongdoing by the Company or any liability arising from the subjects covered in this Agreement.

10. Entire Agreement: This Agreement constitutes the entire understanding of the parties on the subjects covered. Mr. Kreigler expressly warrants that: a) he has read and fully understands this Agreement; b) he has had the opportunity to consult with legal counsel of his own choosing and to have the terms of the Agreement fully explained to him; c) he is not

2

executing this Agreement in reliance on any promises, representations or inducements other than those contained in this document; and d) he is executing this Agreement voluntarily, free of any duress or coercion.

11. Effective Date: This Agreement shall become effective on the eighth (8th) day following the date on which Mr. Kreigler signs it. It is understood that Mr. Kreigler may revoke his consent to this Agreement in the seven day period following the date on which he signs the Agreement.

12. Compliance with Older Workers Benefit Protection Act: Mr. Kreigler acknowledges that Quantum has advised him: a) that he should consult with an attorney prior to signing this Agreement; b) that he has twenty one (21) days in which to consider whether he should sign this Agreement; and c) that if he signs this Agreement, he will be given seven (7) days following the date in which he signs to revoke the Agreement and it would not be effective until after this seven-day period had lapsed.

13. Return of Property: To the extent he has not already done so, Mr. Kreigler shall upon his last day of regular employment, return to Quantum, all Quantum property, including all keys, credit cards, files, documents, business records, customer records, computer discs, computer, telephone and other Quantum property and assets that may be in his possession or control.

14. Non-Disparagement: Mr. Kreigler agrees not to make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action, which may, directly or indirectly, disparage Quantum its officers, directors, employees, advisors, businesses or reputations. Quantum agrees that it will not make statements or representations, or take any action which may, directly or indirectly, disparage Mr. Kreigler or his business or reputation. Notwithstanding the foregoing, nothing in this Agreement shall preclude either Mr. Kreigler or Quantum from making truthful statements or disclosures that are required by applicable law, regulation, or legal process.

15. Construction of Agreement: This Agreement shall not be construed in favor of or against any of the parties hereto, regardless of which party initially drafted it. This Agreement was reached through arms-length negotiations by the parties and their respective counsel, and it represents a final, mutually agreeable compromise.

16. Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument.

Acknowledged and Agreed:

Dated:
6/1/05

/s/ Rick Belluzzo

Rick Belluzzo
For Quantum Corporation

Dated:
6/1/05

/s/ George Kreigler

III
George Kreigler III

3

[Certance Letterhead]

TRANSACTION BONUS AND SEVERANCE PROTECTION LETTER

January 4, 2005

Mr. Howard Matthews:

Dear Howard,

Certance LLC, a Delaware limited liability company (the "Company"), considers it essential to foster the continuous employment of the key management personnel of the Company. In this connection, the Board of Directors of the Company (the "Board") recognizes that, in view of the Company's current desire to merge with another corporation, the possibility of a change of control of the Company exists and that possibility, and the uncertainty and questions that it may raise, could result in your departure or distraction to the detriment of the Company. Accordingly, on behalf of the Board, I am pleased to inform you that you have been selected by the Board as a key employee eligible to receive the Transaction Bonus and certain severance protections described below.

If you are actively employed by the Company as of the consummation of the "Contemplated Merger" (as defined below) (i) you will be entitled to receive a Transaction Bonus in the amount of \$408,398.10 (a "Transaction Bonus"), subject to your satisfaction of the terms and conditions set forth below, (ii) if at any time within the eighteen month period commencing immediately after the consummation of such Contemplated Merger (the "Severance Protection Period") your employment is terminated by the Company (or its successor) without "Cause" or by you for "Good Reason" (each as defined under below) subject to your satisfaction of the terms and conditions set forth below, you will be entitled to receive a cash payment equal to \$900,000 (200% of your aggregate annual base salary and annual bonus for the preceding calendar year) (the "Severance Payments"); *provided, however*, that, unless otherwise provided by action of the Board, the Transaction Bonus and the Severance Payments will be payable to you only in the event the Contemplated Merger is consummated prior to July 1, 2005. Notwithstanding anything to the contrary in this agreement, you acknowledge that if you receive an offer of employment from Quantum and accept the offer, then you waive any right to claim that the employment arrangement as accepted constitutes Good Reason.

You will not be entitled to any Severance Payments in the event of (i) your termination of employment for any reason prior to or after the Severance Protection Period or (ii) your termination of employment during the Severance Protection Period due to any reason other than those described above, including your voluntary resignation of employment without Good Reason, termination of employment by the Company for Cause or your death "Disability" (as defined below) or retirement.

Any Transaction Bonus that becomes payable to you hereunder will be paid to you in a lump sum cash payment 120 days following the consummation of the Proposed Merger. Any Severance Payment that becomes payable to you hereunder will be paid to you in twelve (12) equal monthly installments (on the first day of each month) commencing with the first day of the month immediately succeeding the month in which your termination of employment occurs.

In consideration for your opportunity to receive the Severance Payments hereunder, you hereby agree to execute an effective release of claims in a form acceptable to the Company. Your entitlement to any Severance Payment hereunder is expressly conditioned upon your execution of an effective release of claims in a form acceptable to the Company.

For purposes of this letter agreement:

"Cause" means (i) your substantial failure to satisfactorily perform your reasonably assigned duties to the Company or any of its affiliates (including, without limitation, your failure to use your best efforts to assist in the structuring or consummation of any strategic alternative for the Company that the Board determines to pursue), which failure is not cured within ten days after your receipt of written notice from the Company describing such failure, (ii) dishonesty in the performance of your duties to the Company or any of its affiliates (iii) an act or acts on your part constituting a felony under the laws of the United States or any state thereof or crime involving moral turpitude, (iv) your material breach of any written policies or practices of the Company or any of its affiliates, or (v) any other act or omission by you which is materially injurious to the financial condition or business reputation of the Company or any of its affiliates. As used in this definition, the term "Company" shall mean the Company or its successor, as the case may be.

"Disability" means "long term disability" as such term (or similar term) is defined in the Company's long-term disability policy as in effect from time to time, or if there should be no such policy or such term is not defined therein, your inability, due to physical or mental incapacity, to substantially perform your duties to the Company for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four consecutive month period. Any questions as to the existence of the Disability as to which the Company and you cannot agree will be determined by the Company in its sole discretion.

"Good Reason" means (i) any substantial diminution in your duties or a reduction in your annual base salary or target bonus percentage as in effect at the time of the Contemplated Merger, which diminution or reduction is not remedied within ten (10) days following written notice from you to the Company describing such diminution or reduction, or (ii) a relocation of your principal workplace more than fifty (50) miles from your principal workplace as of the date hereof made without your written consent.

"Contemplated Merger" means the consummation of the merger of Quartz Merger Sub, Inc., a Delaware corporation, with and into the Company, as detailed in that certain Agreement and Plan of Merger (the "Merger Agreement") dated October 20, 2004.

Your entitlement to the payment of the Transaction Bonus and/or Severance Payments hereunder will not be subject to mitigation. Consequently, you will not be obligated to seek alternative employment in the event of your termination of employment with the Company or its affiliates (including any successor) and the amount of compensation paid or payable to you hereunder will not be reduced by any compensation paid or payable to you by any future employer.

Notwithstanding any other provision of this letter agreement, however, the amount of any Severance Payments otherwise payable hereunder are in lieu of any benefit provided under any other severance plan, program, policy or arrangement of the Company or any of its affiliates (including any successor to the Company or any of its affiliates) in effect at the time of your termination of employment.

This letter agreement constitutes the entire agreement between you and the Company and it is the complete, final, and exclusive embodiment of our agreement with regard to this subject matter. It is entered into without reliance on any promise or representation other than those expressly contained herein. This letter agreement shall be governed by the laws of the State of California, without reference to the principles of conflict of laws and may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

Your rights to the payment of any Transaction Bonus or Severance Payments hereunder may not be assigned, transferred, pledged or otherwise alienated, other than by will or the laws of descent and distribution.

Unless otherwise determined by the Board, any payments made hereunder shall not be taken into account in computing your salary or compensation for the purposes of determining any benefits or compensation under (i) any pension, retirement, life insurance or other benefit plan of the Company or any of its affiliates (including any successor to the Company or any of its affiliates) or (ii) any agreement between the Company or any of its affiliates (including any successor to the Company or any of its affiliates) and you.

The Company may withhold from the Transaction Bonus and the Severance Payments such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

The terms of the Transaction Bonus may not be amended or modified other than by a written instrument executed by parties hereto or their successors and legal representatives.

Kindly sign this letter agreement in the space indicated below at which time this letter agreement shall become a binding agreement between you and the Company enforceable in accordance with its terms.

Sincerely,

/s/ Michael D. Cox
Michael D. Cox
Corporate
Controller

Accepted and Agreed to:

By: /s/ Howard
Matthews
Howard Matthews