

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): August 27, 2009

ORION ENERGY SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Wisconsin

01-33887

39-1847269

(State or other
jurisdiction of
incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

2210 Woodland Drive, Manitowoc, WI 54220

(Address of principal executive offices, including zip code)

(920) 892-9340

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

- (a) Not applicable.
(b) Not applicable.
(c) Not applicable.
(d) Not applicable.

(e) Effective August 27, 2009, Orion Energy Systems, Inc. ("Orion") entered into a letter agreement (the "Letter Agreement") with John H. Scribante, Orion's Senior Vice President of Business Development, amending the Executive Employment and Severance Agreement, dated March 18, 2008, between Orion and Mr. Scribante (the "Employment Agreement"). Pursuant to the Letter Agreement, Mr. Scribante will assume the position of President, Orion Technology Ventures, a newly formed division of Orion that will be charged with marketing advanced energy technologies. The Letter Agreement sets forth various terms relating to Mr. Scribante's leadership of Orion Technology Ventures and prohibits sales of shares of Orion's common stock held by Mr. Scribante on August 17, 2009 until March 31, 2010. Pursuant to the Letter Agreement, Mr. Scribante will also receive an option to purchase 250,000 shares of Orion's common stock (the "Common Stock") under Orion's 2004 Stock and Incentive Awards Plan, which will vest based on Mr. Scribante's continuous employment with Orion and the trading price of the Common Stock. Specifically, the option will vest and become exercisable as follows:

- With respect to 50,000 shares if the average closing price per share of the Common Stock over five consecutive trading days equals or exceeds

\$4.00.

- With respect to 50,000 shares if the average closing price per share of the Common Stock over five consecutive trading days equals or exceeds \$5.00.
- With respect to 50,000 shares if the average closing price per share of the Common Stock over five consecutive trading days equals or exceeds \$6.00.
- With respect to 50,000 shares if the average closing price per share of the Common Stock over five consecutive trading days equals or exceeds \$7.00.
- With respect to 50,000 shares if the average closing price per share of the Common Stock over five consecutive trading days equals or exceeds \$8.00.

The option will be granted on September 1, 2009, and will have an exercise price per share equal to the closing price of a share of Common Stock on the date of grant.

Except as expressly modified by the Letter Agreement, the Employment Agreement will continue in effect in accordance with its terms. The foregoing description of the Letter Agreement is qualified in its entirety by reference to the full text of the Letter Agreement, a copy of which is filed herewith as Exhibit 10.1 and incorporated herein by reference. The Employment Agreement was previously filed as Exhibit 10.3 to Orion's Current Report on Form 8-K filed on March 21, 2008, and is incorporated herein by reference.

- (f) Not applicable.

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Item 9.01. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits. The following exhibits are being filed herewith:

(10.1) Letter Agreement, dated as of August 27, 2009, between Orion and John H. Scribante.

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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.

ORION ENERGY SYSTEMS, INC.

Date: August 31, 2009

By: /s/ Neal R. Verfuert
Neal R. Verfuert
Chief Executive Officer

ORION ENERGY SYSTEMS, INC.

Exhibit Index to Current Report on Form 8-K

Exhibit
Number

(10.1) Letter Agreement, dated as of August 27, 2009, between Orion and John H. Scribante.

Dear John:

As a follow-up to our previous conversation, we have mutually agreed to modify your executive employment and severance agreement dated March 18, 2008 as follows:

Title: President, Orion Technology Ventures ("OTV")

Direct Report: Neal Verfuert

Base Salary: Unchanged

Bonus Incentives: Unchanged (refer to the Executive Fiscal Year 2010 Annual Cash Incentive Program).

Equity Incentives: Subject to Orion's stock options policy, other provisions and conditions under Orion's 2004 Stock and Incentive Awards Plan and entry into the Stock Option Award Agreement accompanying this letter, subject to Compensation Committee approval, you will be granted an option to purchase 250,000 shares of common stock, which will vest as follows over the ten-year term of the option, provided that you are still employed by Orion when the specified condition is met:

- 50,000 option shares will vest if the average closing price per share of Orion's common stock over five consecutive trading days equals or exceeds \$4.00.
- 50,000 option shares will vest if the average closing price per share of Orion's common stock over five consecutive trading days equals or exceeds \$5.00.
- 50,000 option shares will vest if the average closing price per share of Orion's common stock over five consecutive trading days equals or exceeds \$6.00.
- 50,000 option shares will vest if the average closing price per share of Orion's common stock over five consecutive trading days equals or exceeds \$7.00.
- 50,000 option shares will vest if the average closing price per share of Orion's common stock over five consecutive trading days equals or exceeds \$8.00.

Subject to Compensation Committee approval, the grant date will be September 1, 2009. The per share exercise price of the stock option will equal the closing Nasdaq sale price of the common stock on such grant date.

Term: The initial term of your executive employment and severance agreement will be unchanged.

Vacation: Two weeks between August 17, 2009 and March 31, 2010.

Four weeks annually beginning April 1, 2010, subject to advance coordination with the approval of Orion's CEO.

Location: Your primary office will be at our Plymouth facilities, and you will have access to an office when needed in Manitowoc.

Office space will be provided for Heather Geiger and Ryan Holl in both locations.

Travel: Commercial travel and access to use of company aircraft for business travel under the company policies generally applicable to corporate travel.

Other:

- Calendar and email will be restricted.

- OTV division will be established

- OTV will use Navision CRM and Ballistix MIS to track all activity.

- All questions related to OTV activity will be addressed with you through Neal Verfuert or Jim Kackley.

- Staff for OTV will initially include Heather Geiger and Ryan Holl, with others as budgeted.

- You will not sell any of your currently held shares of Orion common stock, or shares acquired upon stock option exercise, until at least March 31, 2010.

Effective Date: This amendment will be effective as of the date below.

Please acknowledge your understanding and acceptance of this letter amending your executive employment and severance agreement, by signing, dating and returning this letter. Except as otherwise specified in this letter, your existing employment arrangements are not affected by this letter and by signing this letter you agree that your executive employment and severance agreement, as modified hereby, will continue in full force and effect, that no event described in the definition of "Good Reason" in your executive employment and severance agreement has occurred and that all terms and conditions of your employment and severance agreement have been fully complied with and that you do not have any outstanding claims thereunder. Should you have any questions, please feel free to give me a call.

Best regards,

ORION ENERGY SYSTEMS, INC.

Accepted and Agreed:

By: /s/ Neal R. Verfuert
Neal R. Verfuert
CEO

/s/ John H. Scribante
John H. Scribante

Date: August 27, 2009