

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): September 30, 2009

REX STORES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-09097
(Commission File No.)

31-1095548
(IRS Employer Identification No.)

2875 Needmore Road, Dayton, Ohio
(Address of principal executive offices)

45414
(Zip Code)

Registrant's telephone number, including area code: (937) 276-3931

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 1.02 Termination of a Material Definitive Agreement

On September 30, 2009, Rex Radio and Television, Inc., Kelly & Cohen Appliances, Inc. and Stereo Town, Inc., wholly owned subsidiaries of REX Stores Corporation (collectively “Rex”) and Appliance Direct, Inc. (“AD”) entered into a letter agreement pursuant to which (i) AD agreed to vacate all properties leased from Rex, remove personal property and inventory and turn over possession of the leased premises to Rex, (ii) AD agreed to pay weekly rent for each location until possession is returned to Rex and (iii) Rex and AD agreed to release and discharge each other from all claims or causes of action whatsoever, including claims arising out of or relating to the leases. Rex intends to market the properties for sale or lease through normal real estate brokerage channels.

The foregoing description is qualified in its entirety by reference to the full text of the letter agreement which is filed as an exhibit to this report.

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

The employment agreement with David L. Bearden, the former President and Chief Operating Officer of REX Stores Corporation (“Rex”), was amended as of September 30, 2009.

Mr. Bearden’s employment with Rex terminated as of June 30, 2009. Notwithstanding that the Chief Executive Officer of Rex determined that transition of operational control of retail stores to Appliance Direct, Inc. had not occurred as of June 30, 2009, Rex agreed to pay Mr. Bearden, in lieu of any other payment pursuant to the employment agreement, a Severance Payment of \$450,000, payable \$225,000 on or before January 31, 2010 (but not before January 1, 2010) and \$225,000 on or before January 31, 2011 (but not before January 1, 2011), subject to execution of a severance agreement and release of claims.

The foregoing description is qualified in its entirety by reference to the full text of the amendment which is filed as an exhibit to this report.

Item 9.01 Financial Statements and Exhibits

The following are filed as part of this report:

(d) Exhibits

- 10(a) Letter Agreement dated September 30, 2009 between Rex Radio and Television, Inc., Kelly & Cohen Appliances, Inc., Stereo Town, Inc. and Appliance Direct, Inc.
- 10(b) Amendment No. 4 to Employment Agreement dated September 30, 2009 between Rex Radio and Television, Inc. and David L. Bearden.

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.

REX STORES CORPORATION

Date: October 6, 2009

By: /s/ DOUGLAS L. BRUGGEMAN

Name: Douglas L. Bruggeman
Title: Vice President-Finance,
Chief Financial Officer and
Treasurer

Dinsmore & Shohl LLP
ATTORNEYS

Edward M. Kress
937-449-2830
937-463-4947 - Fax
edward.kress@dinslaw.com

September 30, 2009

VIA E-MAIL AND FEDEX

Mr. Sam Pak
Chief Executive Officer
Appliance Direct, Inc.
397 North Babcock Street
Melbourne, Florida 32935

RE: Leases dated as of January 29, 2009 between Rex Affiliates and Appliance Direct Affiliates

Dear Sam:

Pursuant to the parties' discussions, this letter memorializes the terms for the Appliance Direct affiliates (collectively, "Tenants") to vacate the Leased Premises listed on Schedule A attached to this letter, remove Tenants' personal property and inventory and turn over possession of the Premises to Rex Radio and Television, Inc., Kelly & Cohen Appliances, Inc. and Stereo Town, Inc. (collectively, "Landlords").

On or before October 1, 2009, Tenants shall pay to Landlords, by wire transfer of good funds, the Minimum Rent and Additional Rent (collectively, the "Rent") for each of the locations prorated on a weekly basis. On each Wednesday of the month of October, by the close of business, Tenants shall pay Landlords, by wire transfer of good funds, the Rent prorated on a weekly basis for those locations which Tenants have not returned possession of the Leased Premises to Landlords. Tenant shall also be responsible for payment of the costs of all utilities through the date Tenant returns possession of a given location to Landlords. Tenants shall deliver to Landlords a list of those locations and return the keys for those locations that have already been vacated and which Tenants are delivering possession to Landlords as of October 1, 2009. In the event Tenants fail to pay Rent as required by this letter agreement, Tenants shall immediately, without notice or opportunity to cure, surrender possession of the Leased Premises to Landlords and Landlords may take all action necessary to secure possession of the Leased Premises.

As each Tenant vacate a given Leased Premises, Tenant shall give Landlord written notice that the location has been vacated and overnight the keys to that location to Landlord. Possession of that Leased Premises shall be deemed to have been delivered to Landlord effective

the date the keys are placed in overnight mail to Landlord. Tenant shall discontinue all utilities no earlier than one day following receipt by Landlord of written notice of vacating and return of keys to Landlord. The parties agree and acknowledge that AD-Gainesville, Inc. has returned the keys to Stereo Town, Inc. and delivered possession of the Leased Premises in Gainesville to Stereo Town, Inc. as Landlord.

If a Tenant vacates a Leased Premises prior to the date through which Rent is paid, Landlords shall credit against the next week's Rent (or refund to Tenants if no Rent is due because all of the Leased Premises have been turned over to Landlord) for any Rent prepaid for such location. Once Tenant delivers written notice to Landlord that a location has been vacated, Landlord shall have the right to change the security system at that location to Landlord's name and change the locks if Landlord so desires.

The parties acknowledge that bona fide disputes and controversies exist between the parties, and by reason of such disputes and controversies the parties desire to compromise and settle all claims and causes of action of any kind whatsoever which the parties have or may have in the future against each other arising out of the Leases, excluding any claims first occurring after the date of this letter agreement or any damage to the Leased Premises caused by Tenants. It is understood and agreed that this is a compromise of disputed claims, and nothing contained herein shall be construed as an admission of liability by or on behalf of any party, all such liability being expressly denied. Further, by executing this letter, the parties release and forever discharge each other and all of their respective successor or predecessor entities, all of their past and present directors, officers, employees, members, representatives, attorneys, agents, successors, and assigns from any and all claims which they or any of them may have or claim to have from the beginning of time through the date of this Letter arising from any claims or causes of action whatsoever, including but not limited to claims or causes of action arising out of or relating to the Leases, excluding any claims first occurring after the date of this letter agreement or any damage to the Leased Premises caused by Tenants. Notwithstanding this paragraph the parties agree to cooperate in the filing of any reports with law enforcement or insurance companies where applicable for any inventory determined after inspection to be missing.

All capitalized terms not defined herein shall have the meaning ascribed to such term in the respective Leases between Landlords and Tenants.

In the interest of time, each party agrees to accept any notice required by this letter agreement by email, with a copy to their respective counsel by email, with the original notice to be subsequently sent by either overnight mail or certified mail.

If at any time any of the parties hereto reasonably determine that any further documentation or assurances are reasonably necessary or desirable to carry out the provisions of this letter agreement and the transactions contemplated herein, the appropriate parties hereto shall execute and deliver, or cause to be executed and delivered, any and all proper documentation or assurances and to do, or cause to be done, all things reasonably necessary or proper to carry out fully the provisions hereof.

Please sign a copy of this letter and return it to my attention to evidence your agreement to the terms set forth herein.

Sincerely,

/s/ Edward M. Kress

Edward M. Kress, Secretary of
Rex Radio and Television, Inc, Kelly & Cohen
Appliances, Inc. and Stereo Town, Inc.

Agreed to and acknowledged
this ____ day of September, 2009
Appliance Direct, Inc., AD-Mobile, Inc.,
AD-Daphne, Inc., AD-Gadsden, Inc.,
AD-Auburn, Inc., AD-Florence, Inc.,
AD-Decatur, Inc., AD-Montgomery, Inc.,
AD-Brunswick, Inc., AD-Gautier, Inc.,
AD-Greenville, Inc., AD-Meridian, Inc.,
AD-Columbus, Inc., AD-Natchez, Inc.,
AD-Vicksburg, Inc. and AD-Gainesville, Inc.

By: Appliance Direct, Inc.

Name: /s/ Sam Pak

Title: CEO

EMK-KRA:pas\45915 1

cc: Christopher J. Coleman, Esq. (Via E-mail and Fedex)
Douglas L. Bruggeman

Schedule A

Store Number	Location	Weekly Rent
14	7163 Airport Boulevard Mobile, Alabama	\$1,467.21
23	Daphne, Alabama	\$1,484.54
27	Dothan, Alabama	\$1,423.41
24	Gadsden, Alabama	\$1,492.01
29	Auburn, Alabama	\$1,494.50
102	Florence, Alabama	\$1,416.57
103	Decatur, Alabama	\$1,427.51
181	Montgomery, Alabama	\$1,459.47
154	Brunswick, Georgia	\$1,467.04
17	Gautier, Mississippi	\$1,510.44
25	Greenville, Mississippi	\$1,608.06
137	Meridian, Mississippi	\$1,575.23
138	Columbus, Mississippi	\$1,597.48
296	Natchez, Mississippi	\$1,571.03
127	Vicksburg, Mississippi	\$1,582.54

AMENDMENT NO. 4 TO EMPLOYMENT AGREEMENT

THIS AMENDMENT NO. 4 TO EMPLOYMENT AGREEMENT (this "Amendment") is entered into as of the 30th day of September, 2009 between Rex Radio and Television, Inc., an Ohio corporation (the "Corporation"), and David L. Bearden ("Employee").

Recitals

A. The Corporation and Employee entered into an Employment Agreement dated October 11, 2005, as amended by Amendment No. 1 to Employment Agreement dated December 10, 2007, Amendment No. 2 to Employment Agreement dated March 6, 2008 and Amendment No. 3 to Employment Agreement dated February 19, 2009 (collectively, the "Agreement").

B. Amendment No. 3 to Employment Agreement provided for payment of a "Transition Bonus" and the Corporation and Employee desire to amend the Agreement with respect to the termination of Employee's employment and payment of the Severance Payment as described herein.

NOW, THEREFORE, the Corporation and Employee hereby amend the Agreement as follows:

1. **Definitions.** All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Agreement.
 2. **Payment Effective as of Termination of Employment.** Employee's employment with the Corporation was terminated effective as of June 30, 2009. As of June 30, 2009, the Chief Executive Officer of the Corporation determined that the transition of operational control of retail stores to Appliance Direct, Inc. ("AD") had not occurred. Notwithstanding the fact that the Corporation maintains that the transition has not occurred and in lieu of any other payment from Corporation to Employee pursuant to the Employment Agreement, the Corporation agrees to pay to Employee a non-refundable Severance Payment in the amount of \$450,000.00 payable as follows: (i) \$225,000.00 on or before January 31, 2010 (but not before January 1, 2010); and (ii) \$225,000.00 on or before January 31, 2011 (but not before January 1, 2011), subject to the execution of, and expiration of any applicable waiting period pursuant to, the Employment Severance Agreement and Release of Claims in the form attached hereto as Exhibit "A".
 3. **Effectiveness.** This Amendment shall be effective as of the date first written above. Except as specifically amended by this Amendment, all other applicable terms and conditions of the Agreement shall remain in full force and effect and are hereby ratified and confirmed.
 4. **Miscellaneous.** This Amendment shall be deemed to be a contract made under the laws of the State of Ohio and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants, and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed, all as of the day and year first above written.

REX RADIO AND TELEVISION, INC.

By: /s/ Douglas Bruggeman

Douglas Bruggeman
Vice President-Finance

EMPLOYEE

/s/ David L. Bearden

David L. Bearden

**EMPLOYMENT SEVERANCE AGREEMENT AND
RELEASE OF CLAIMS**

This Employment Severance Agreement and Release of Claims (hereinafter referred to as the "Agreement") is made and entered into by and between David L. Bearden, on behalf of himself individually, and on behalf of his heirs, executors, administrators, representatives, agents, attorneys and assigns (hereinafter collectively referred to as "Employee") and Rex Radio and Television, Inc., on behalf of its past and present officers, directors, partners, associates, employees, agents, shareholders, representatives, attorneys and assigns (hereinafter collectively referred to as "Employer").

In consideration of the mutual promises herein contained, the parties agree as follows:

1. **Termination Date.** Employee has been employed by Employer since October 11, 2005 pursuant to the terms and conditions of an Employment Agreement between Employee and Employer, as amended by that certain Amendment No. 1 to Employment Agreement dated December 10, 2007, that certain Amendment No. 2 to Employment Agreement dated March 6, 2008, that certain Amendment No. 3 to Employment Agreement dated February 19, 2009 and that certain Amendment No. 4 to Employment Agreement dated concurrently herewith (collectively, the "Employment Agreement"). Employee and Employer have agreed that Employee was terminated from his employment with Employer effective June 30, 2009 ("Employee's Termination Date"). As of Employee's Termination Date, Employee was no longer required to perform any services or report to work at Employer and was not considered an employee of Employer for any purpose or under any circumstance, including in the event Employee exercises his right to rescind this Agreement under Section 6 below.

2. Payment. In accordance with the terms of this Agreement, Employer shall pay to Employee the sum of \$450,000.00 (the "Severance Payment") as provided in the Employment Agreement, as follows: (i) \$225,000.00 on or before January 31, 2010 (but not before January 1, 2010); and (ii) \$225,000.0 on or before January 31, 2011 (but not before January 1, 2011, except as such payment may be accelerated in the event of a Change in Control). All applicable federal, state and local taxes will be deducted from the Severance Payment at the regular rate. In the event of a Change in Control (as hereinafter defined), the Employer's obligation to make payment of the Severance Payment (or the balance thereof then due hereunder) shall be accelerated so that such amount is immediately payable by Employer to Employee in full. Employee is not obligated to seek other employment or take any other action as a condition for receiving the amount payable to Employee hereunder, nor shall the amount of any payment hereunder be reduced by any setoff or compensation earned as a result of Employee's employment by another employer because the Severance Payment is non-refundable and not subject to reduction or forfeiture.

3. Additional Consideration. Employee acknowledges that, in exchange for a waiver of any potential claims under the Age Discrimination in Employment Act as specified in Section 5(b) below, he is receiving consideration in addition to anything of value to which he is entitled.

4. Insurance. Employer agrees to extend all rights pursuant to the Comprehensive Omnibus Budget Reconciliation Act of 1986, as amended, 29 U.S.C. §§ 1161-1168 ("COBRA") for a period of eighteen (18) months from Employee's Termination Date. Payment of all premiums during that period shall be at Employee's sole cost and expense.

5. Release.

- (a) As a material inducement to enter into this Agreement, Employee knowingly and voluntarily releases, acquits and forever discharges Employer and its past and present officers, directors, partners, associates, employees, agents, shareholders,

representatives, attorneys and assigns from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature which arise from or are related to his employment with Employer and/or the termination of his employment with Employer that existed on or before the date this Agreement was signed.

By executing this Agreement, Employee is waiving all claims against Employer and its present officers, directors, partners, associates, employees, agents, shareholders, representatives, attorneys and assigns arising under federal, state and local labor and antidiscrimination laws and any other restriction on Employer's right to terminate employment, including, without limitation:

- (a) Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000e, et seq., and 42 U.S.C. § 1981A;
- (b) The Age Discrimination in Employment Act of 1967 ("ADEA"), as amended, 29 U.S.C. § 621, et seq., including The Older Workers Benefit Protection Act, 29 U.S.C. § 626;
- (c) The Employment Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001, et seq.;
- (d) The Family and Medical Leave Act of 1993, 29 U.S.C. § 2601, et seq.;
- (e) The Americans with Disabilities Act of 1990, 42 U.S.C. § 12201, et seq.; and
- (f) All applicable local and state statutes, including but not limited to Missouri Revised Statutes § 213.055, et seq.

For purposes of implementing a full and complete release and discharge, Employee expressly acknowledges that he has not filed and will not file a claim(s) with an administrative agency, including but not limited to, the Equal Employment Opportunity Commission ("EEOC") and any state or local agency with the same or comparable jurisdiction.

- (b) Employer hereby irrevocably releases, acquits and forever discharges Employee and Employee's heirs, successors and assigns from any and all charges, complaints, claims, liabilities, obligations, powers, agreements, controversies, damages, actions, causes of action, suits, rights, demands, defenses, costs, losses, debts, setoffs and expenses of any nature which arise from or are related in any way to the October 11, 2005 Employment Agreement between Employer and Employee, as amended, Employee's employment by the Employer, and/or the termination of his employment with Employer.
- (c) This Agreement is intended to include within its effect all claims, which exist at the time of execution, respecting events occurring through the date of execution, and this Agreement contemplates the extinguishment of any such claim or claims; provided, however, the foregoing provisions of this Section 5 shall not apply to any claims that may arise after the date hereof, including but not limited to any claim relating to the Employer's performance of this Agreement.

6. Older Workers Benefit Protection Act. YOU WILL WANT TO DISCUSS THIS AGREEMENT WITH A LAWYER. PLEASE REVIEW THIS AGREEMENT AND THE NOTICE ATTACHED AS EXHIBIT 1 AND CONSIDER THEM FOR UP TO TWENTY-ONE (21) DAYS. YOU SHOULD THOROUGHLY REVIEW AND UNDERSTAND THE EFFECT OF THIS AGREEMENT BEFORE ACTING UPON IT.

IF YOU SIGN THIS AGREEMENT, YOU WILL HAVE SEVEN (7) DAYS AFTER YOU HAVE SIGNED TO CHANGE YOUR MIND. IF YOU DECIDE WITHIN THIS SEVEN (7) DAY PERIOD THAT YOU WILL ACCEPT THE AGREEMENT, YOU MUST SIGN EXHIBIT 1 ATTACHED TO THIS AGREEMENT AND RETURN IT TO EMPLOYER BY CERTIFIED MAIL.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNTIL THE SEVEN (7) DAY PERIOD AFTER YOU HAVE SIGNED THIS AGREEMENT HAS EXPIRED ("THE EFFECTIVE DATE"). UPON THE EFFECTIVE DATE, YOU SHALL RECEIVE PAYMENT AS DESCRIBED IN SECTION 2.

7. Change in Control. Change in Control for purposes of this Agreement means the Employer's written agreement to enter into a transaction the consummation of which would constitute a change in ownership or effective control as defined by Treasury Regulations issued pursuant to Section 409A of the Internal Revenue Code.

8. Non-Disparagement. Each party agrees that he or it will not make or induce others to make any public or private disparaging statements, oral or written regarding the other party or his or its business or work performance. Employer agrees that it will respond to any request for employment references for Employee by providing a neutral reference containing Employee's dates of employment and position(s) held.

9. No Reliance. The parties represent to each other that in executing this Agreement they do not rely and have not relied upon any representation or statement not set forth herein made by the other party or by any of the other party's agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

10. Choice of Law, Venue & Jurisdiction. This Agreement will be governed by and construed and enforced under the laws of the State of Ohio. The parties further consent to the jurisdiction and venue of a court of competent jurisdiction in Montgomery County, Ohio with respect to any dispute or claim arising under this Agreement or relating to the subject matter of this Agreement. Amounts payable hereunder shall bear interest at the rate of six percent (6%) per annum from the date due hereunder until payment, and in the event of any litigation to enforce the terms of this Agreement, the prevailing party shall be awarded reasonable attorneys' fees and costs.

11. Severability. In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

12. Integration. This Agreement sets forth the entire agreement between the parties hereto concerning the subject matter hereof and may not be changed without the written consent of the parties. This Agreement supersedes all prior agreements and understandings concerning the subject matter hereof.

13. Assignment. This Agreement is intended to be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

14. Counterparts. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

15. No Admission. Nothing in this Agreement shall be construed as an admission by Employee or Employer of any intentional or unintentional wrongdoing or any violation of any local, state or federal law. Rather, it is understood by the parties that the execution of this Agreement is a voluntary act to provide an amicable conclusion to Employee's employment with Employer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates written below.

Employee

David L. Bearden

Execution Date: _____, 2009

Sworn to and subscribed to in my presence on this ____ day of _____, 2009.

NOTARY PUBLIC

Employer:

Rex Radio and Television, Inc.

By: _____

Name: Douglas Bruggeman

Title: Vice President-Finance

Sworn to and subscribed in my presence on this ____ day of _____, 2009.

NOTARY PUBLIC

NOTICE OF ACCEPTANCE OF EMPLOYMENT SEVERANCE AGREEMENT

I, David L. Bearden, signed the Employment Severance Agreement and Release of Claims between myself and Employer on _____, 2009. Seven (7) days have now passed since my signing of the Employment Severance Agreement and Release of Claims. I have carefully read the Agreement, fully understand the Agreement, and completely accept the Agreement. Upon further reflection during the past seven (7) days, I have decided not to revoke the Employment Severance Agreement and Release of Claims.

David L. Bearden

Date: _____, 2009

Please send payment to the following address:

