

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): December 31, 2008

VSE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

0-3676 54-0649263
(Commission File Number) (I.R.S. Identification Number)

2550 Huntington Avenue
Alexandria, Virginia 22303-1499
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (703) 960-4600

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.

Background

As previously reported in a Form 8-K filed on April 28, 2008, VSE Corporation ("VSE") and Donald M. Ervine ("Mr. Ervine") entered into an agreement dated April 22, 2008 (the "Transition Agreement"), pursuant to which Mr. Ervine, effective as of April 28, 2008, resigned as VSE's Chief Executive Officer, President and Chief Operating Officer and agreed to serve as VSE's Executive Chairman of VSE's board of directors until December 31, 2008, followed by service as VSE's Non-executive Chairman of VSE's board of directors for a period of two years from January 1, 2009 through December 31, 2010. For a description of the Transition Agreement, please see Item 5.02 of the Form 8-K filed on April 28, 2008. Further, a copy of the Transition Agreement may be found as Exhibit 10.2 to the Form 8-K filed on April 28, 2008.

Amendments to the Transition Agreement

On December 30, 2008, VSE and Mr. Ervine executed a Statement of Amendment Number One to the Transition Agreement for the purpose of modifying certain provisions of the Transition Agreement to ensure compliance with Section 409A of the Internal Revenue Code of 1986, as amended. The modifications generally relate to the timing aspects of certain compensatory provisions in the Transition Agreement. A copy of the Statement of Amendment Number One is filed

as Exhibit 10.1 to this Form 8-K.

On December 31, 2008, VSE and Mr. Ervine executed a Statement of Amendment Number Two to the Transition Agreement for the purpose of extending the terms of Mr. Ervine's services under the Transition Agreement (a) as Executive Chairman until March 31, 2009, and (b) as Non-Executive Chairman until March 31, 2011. As a result of the extension of Mr. Ervine's services as Executive Chairman until March 31, 2009, the Statement of Amendment Number Two also provides that Mr. Ervine will participate in VSE's 2006 Restricted Stock Plan, on a pro rata basis (being one fourth of the restricted stock award that Mr. Ervine would have otherwise been entitled had he been a participant for the entire fiscal year), for restricted stock awards in respect of VSE's fiscal year ending December 31, 2009. A copy of the Statement of Amendment Number Two is filed as Exhibit 10.2 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit
Number

10.1 Statement of Amendment Number One to the Transition Agreement,
dated December 30, 2008, by and between VSE and Donald M. Ervine.

10.2 Statement of Amendment Number Two to the Transition Agreement,
dated December 31, 2008, by and between VSE and Donald M. Ervine.

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 thereunto duly authorized.

VSE CORPORATION
(Registrant)

Date: January 6, 2009 /s/ C. S. Weber

C. S. Weber
Executive Vice President
and Secretary

STATEMENT OF AMENDMENT NUMBER ONE
TO THE TRANSITION AGREEMENT BETWEEN
VSE CORPORATION AND DONALD M. ERVINE

WHEREAS, VSE Corporation ("Employer") and Donald M. Ervine ("Employee") entered into a Transition Agreement dated April 22, 2008 ("Agreement");

WHEREAS, Section 12 of the Agreement provides that the Agreement may be modified by a writing signed by each of Employer and Employee; and

WHEREAS, Employer and Employee wish to modify the Agreement to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended;

NOW THEREFORE, effective April 22, 2008, the Agreement shall be amended as follows:

1. Section 5(a)(ii) shall be amended by deleting the phrase "that will be awarded during the three-month period ending on March 31, 2009" and replacing such phrase with "that will be awarded and paid to Mr. Ervine on or before March 15, 2009."

2. The last sentence of Section 5(d) shall be restated and amended to read as follows:

"Upon receipt of the expense statements, the Company shall promptly reimburse Mr. Ervine for his expenses; all such reimbursement for expenses incurred in a calendar year shall be paid by not later than March 15 of the calendar year following the year in which such expenses were incurred."

3. Section 5(e) shall be modified by the addition of the following material at the end of such section to read as follows:

"...to the extent such amounts are not subject to Section 409A of the Internal Revenue Code of 1986, as amended ('Section 409A'). Amounts otherwise payable to Mr. Ervine which are subject to Section 409A may not be paid until Mr. Ervine ceases performing services as a Non-Executive Chairman or otherwise incurs a 'separation from service' from VSE as such term is defined by Treas. Reg. Section 1.409A-1(h)."

4. Section 6 shall be amended by the addition of the following material at the end of such section to read as follows:

"Any such incentive bonus shall be paid as a lump sum distribution, subject to any applicable withholding, and shall be paid by no later than March 15 following the end of the Company's fiscal year."

5. Section 12 shall be amended by the addition of the following material at the end of such section to read as follows:

"Notwithstanding the above, the payment of any benefits under this Agreement which is subject to Section 409A may not be accelerated except in compliance with the provisions of Treas. Reg. Section 1.409A-3(j)(4)(ix) or such other events and conditions which may be permitted in generally applicable guidelines published in the Internal Revenue Bulletin. The Company reserves any discretion to distribute benefits in accordance with the requirements of such regulations and/or such guidelines."

6.. A new Section 18 shall be added to read as follows:

"18. Section 409A. To the extent that such requirements are applicable, this Agreement is intended to comply with the requirements of Section 409A and shall be interpreted and administered in accordance with that intent. If any provision of this Agreement would otherwise conflict with or frustrate this intent, that provision shall be interpreted and deemed amended so as to avoid the conflict. The nature of any such amendment shall be determined by the Company. Notwithstanding the above, if Mr. Ervine qualifies as a 'specified employee,' as defined in Treas. Reg. Section 1.409A-1(i), incurs a 'separation from service,' as defined in Treas. Reg. Section 1.409A-1(h), for any reason other than death and becomes entitled to a distribution under the Agreement, then to the extent required by Section 409A, no distribution otherwise payable to Mr. Ervine during the first six months after the date of such separation from

service, shall be paid to Mr. Ervine until the date which is one day after the date which is six months after the date of such separation from service (or, if earlier, the date of Mr. Ervine's death)."

IN WITNESS WHEREOF, the parties hereto have executed this Statement of Amendment Number One.

VSE CORPORATION

By: /s/ Maurice A. Gauthier

Maurice A. Gauthier,
Chief Executive Officer, President
and Chief Operating Officer

By: /s/ Donald M. Ervine

Donald M. Ervine

Date: 12/30/2008

STATEMENT OF AMENDMENT NUMBER TWO
TO THE TRANSITION AGREEMENT BETWEEN
VSE CORPORATION AND DONALD M. ERVINE

This Statement of Amendment Number Two to the Transition Agreement between VSE Corporation and Donald M. Ervine (this "Agreement") is entered into as of December 31, 2008, by and between VSE Corporation, a Delaware corporation (the "Company" or "VSE"), and Donald M. Ervine ("Mr. Ervine"), an individual currently residing in Fairfax, Virginia.

RECITALS:

R. 1. Mr. Ervine is currently employed as the Executive Chairman of VSE's board of directors, pursuant to a Transition Agreement dated as of April 22, 2008 between VSE and Mr. Ervine, as amended by a Statement of Amendment Number One to the Transition Agreement between VSE Corporation and Donald M. Ervine dated as of December 30, 2008 (as so amended, the "Transition Agreement"). Sections of the Transition Agreement that are referenced herein are referred to as "TA Sections." Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Transition Agreement.

R. 2. To extend the period during which VSE will benefit from the experience and ability of Mr. Ervine arising from his prior senior VSE positions VSE desires to extend the terms of Mr. Ervine's services under the Transition Agreement (a) as Executive Chairman until March 31, 2009, and (b) as Non-Executive Chairman until March 31, 2011.

NOW, THEREFORE, in consideration of the mutual promises, covenants and undertakings contained in this Agreement, the Company and Mr. Ervine, intending to be bound legally, hereby agree as follows:

1. Amendments to the Transition Agreement.

(a) References to "This Agreement." Any reference in the Transition Agreement to "this Agreement" or "This Agreement" shall be deemed to be a reference to the Transition Agreement as defined in and as amended by this Agreement.

(b) TA Section 1. The entire text of TA Section 1 is hereby deleted and replaced with the following:

Effective as of April 28, 2008, Mr. Ervine resigned as VSE's Chief Executive Officer ("VSE's CEO"), President and Chief Operating Officer. Subject to Section 8, Mr. Ervine will continue to serve hereunder as Chairman in an executive capacity as contemplated by Article V, Section 1 of VSE's bylaws ("Executive Chairman") from April 28, 2008 to March 31, 2009. Subject to Section 8, from April 1, 2009 to March 31, 2011, Mr. Ervine will serve hereunder as Chairman, without being either an executive or employee of VSE ("Non-Executive Chairman").

(c) TA Section 5. All references in TA Sections 5(a)(i) and (iv), 5(b), 5(c) and 5(e) to the dates "December 31, 2008," "January 1, 2009" and "December 31, 2010" are hereby deleted and replaced with the dates "March 31, 2009," "April 1, 2009" and "March 31, 2011," respectively.

(d) TA Section 5(a). The following text is hereby added as clause (v) to TA Section 5(a):

(v) Mr. Ervine will participate in VSE's 2006 Restricted Stock Plan at his current salary base of \$360,000 per annum and will be eligible, on a pro rata basis (being one fourth of the restricted stock award that Mr. Ervine would have otherwise been entitled had he been a participant for the entire fiscal year), for restricted stock awards in respect of VSE's fiscal year ending December 31, 2009, that will be awarded and paid to Mr. Ervine on or before March 15, 2010. Mr. Ervine's participation, eligibility and related rights and benefits set forth above in this Section 5(a)(v) shall not be adversely affected by Mr. Ervine not being a VSE

employee, whether hereunder or otherwise, after
March 31, 2009.

(e) TA Section 8(c). All references in TA Section 8(c) to the dates
"December 31, 2008" and "December 31, 2010" are hereby deleted and replaced with
the dates "March 31, 2009" and "March 31, 2011," respectively.

2. Other Provisions. This Agreement shall be governed by, and construed
and enforced in accordance with, TA Sections 9, 10, 11, 12, 13, 14, 15 and 16.

3. Effect of Agreement. As amended above, the terms and conditions of the
Transition Agreement remain in full force and effect and shall supersede any
obligations and rights of the Company and its subsidiaries, on the one hand, and
Mr. Ervine, on the other hand, respecting Mr. Ervine's employment, mentoring,
consulting and advisory services, and compensation and benefits in respect of
such services on or after April 28, 2008.

IN WITNESS WHEREOF, VSE and Mr. Ervine have duly executed this Agreement
as of the date first above written.

VSE CORPORATION

By: /s/ C. S. Weber

C. S. Weber,
Executive Vice President

By: /s/ Donald M. Ervine

Donald M. Ervine