

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 24, 2004**

Health & Nutrition Systems International, Inc.

(Exact name of registrant as specified in its charter)

Florida
(State or Other Jurisdiction
of Incorporation)

000-29245
(Commission
File Number)

65-0452156
(I.R.S. Employer
Identification No.)

3750 Investment Lane, Suite 5, West Palm Beach, Florida 33404

(Address of Principal Executive Office) (Zip Code)

(561) 863-8446

(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 Principal Officers; Election of Directors; Appointment of Principal Officers

Effective September 24, 2004, the Registrant's Chief Executive Officer, Christopher Tisi, has resigned from his position as chief executive officer, but will remain an employee of the Company. James A. Brown, Chairman of the Board, has been elected to assume the position of Chief Executive Officer to fill the vacancy created by Mr. Tisi's resignation. A copy of the press release is being filed with this report as Exhibit 99.1. As a result of Mr. Tisi's resignation, Mr. Tisi's employment agreement with the Company has been amended, a copy of which is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

- (a) Financial statements of businesses acquired.
Not applicable.
- (b) Pro forma financial information
Not applicable.
- (c) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release issued by the Company on September 24, 2004
99.2	Second Amendment to Employment Agreement dated effective as of September 24, 2004 between the Company and Christopher Tisi.

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.

HEALTH & NUTRITION SYSTEMS INTERNATIONAL INC.

Date: September 24, 2004

By: /s/ JAMES A. BROWN

James A. Brown

Chairman of the Board

INDEX TO EXHIBITS

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For more information, contact:
At the Company:
Mona Lalla, Director of Operations
Telephone: (561) 863.8446
Email: lallam@hnsglobal.com

**HEALTH & NUTRITION SYSTEMS INTERNATIONAL INC. ANNOUNCES
MANAGEMENT REALIGNMENT**

FOR IMMEDIATE RELEASE:

West Palm Beach, FL, September 24, 2004 - The Board of Directors of Health & Nutrition Systems International Inc. (OTCBB: HNNS) announced today that it has entered into an amendment to its employment contract with Christopher Tisi which provides for Mr. Tisi to step down as Chief Executive Officer of the Company in order to consider making, and facilitate the submission of, a stalking horse bid to acquire substantially all of the assets of the Company if it determines to seek protection under Chapter 11 of the federal bankruptcy laws. Although Mr. Tisi will not serve in any executive capacity with the Company under the terms of the agreement, he will continue as an employee of the Company, and will continue to assist the Company in conducting its operations. The Company disclosed in their recent 10-Q filing that they were evaluating the advisability of seeking protection under the bankruptcy laws.

Mr. James A. Brown, Chairman of the Board, has been elected to serve as Chief Executive Officer while the Company continues to examine its strategic options, and will continue to serve in that role should the Company choose to file for reorganization. Mr. Brown has been Chairman of HNS since May 2003.

Mr. Tisi executed a two-year employment agreement in April 2004, which provided for Mr. Tisi to serve as the Chief Executive Officer of the Company thru December 31, 2005. The amendment to the contract provides for a hiatus period through the emergence of the Company from a reorganization, should a reorganization occur. During that time certain, provisions of the contract are suspended while Mr. Tisi considers making a stalking horse bid for the Company's assets, and, if the Company determines to file for reorganization, to pursue his possible bid. After the hiatus period, or upon the Company's emergence from reorganization, the employment agreement will be reinstated under the terms of the amendment.

HNS develops and markets weight management products in over 25,000 health, food and drug store locations. The Company's products can be found in CVS, GNC, Rite Aid, Vitamin Shoppe, Vitamin World, Walgreens, Eckerd and Wal-Mart. The Company's HNS Direct division distributes to independent health food stores, gyms and pharmacies. For more information, visit: <http://www.hnsglobal.com/>.

This news release contains forward-looking statements. These forward-looking statements concern the Company's operations, economic performance and financial condition and are based largely on the Company's beliefs and expectations. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. Such factors and risks include, among others, the factors described in the Company's filing with the Securities and Exchange Commission, general economic conditions, consumer confidence and changes in consumer preference, introduction of products that compete with the Company's products, and the availability and deployment of capital. The risks and uncertainties related to our business are stated in more detail in the Company's annual report on Form 10-KSB. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why the actual results could differ from those projected in the forward- looking statements.

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT (“Second Amendment”) effective as of September 24, 2004 (“Effective Date”) is entered into by and between HEALTH AND NUTRITION SYSTEMS INTERNATIONAL, INC. (hereinafter “HNS”, “Company” or the “Employer”, a Florida corporation, and Chris Tisi, an individual (the “Employee”).

WHEREAS, Employer and Employee entered into that certain Employment Agreement effective as of January 1, 2004 (“Original Employment Agreement”); and

WHEREAS, Employer and Employee amended the Original Employment Agreement by letter dated April 14, 2004 (“First Amendment”)(hereinafter the Original Employment Agreement as amended by the First Amendment shall be referred to as the “Employment Agreement”); and

WHEREAS, Employer has announced its intention to seek protection and commence proceedings (“Bankruptcy Proceedings”) under Title 11 of the United States Code (“Bankruptcy Code”) and potentially attempt to sell substantially all of its assets in connection with the Bankruptcy Proceedings; and

WHEREAS, in 2003, an affiliate of Employee had attempted to acquire substantially all of the assets of Employer but such transaction was not able to be consummated; and

WHEREAS, Employer has inquired whether an affiliate of Employee would be interested in making a proposal to acquire substantially all of the assets of Employer in connection with the Bankruptcy Proceedings; and

WHEREAS, an affiliate of Employee is interested in making a proposal to acquire substantially all of the assets of Employer in connection with the Bankruptcy Proceedings but Employee is unwilling to forgo his rights and remedies under the Employment Agreement as amended by the First Amendment in order to make such proposal; and

WHEREAS, Employer and Employee agreed that Employee could discuss with Employer’s principal supplier a future business relationship between an affiliate of Employee and the principal supplier in the event that an affiliate of Employee were to acquire substantially all of the assets of Employer in connection with Bankruptcy Proceedings; and

WHEREAS, Employer and Employee agree that while the affiliate of Employee has been and is engaged in the process of making its proposal, negotiating such proposal, and/or implementing such proposal it is appropriate to amend the Employment Agreement as provided in this Second Amendment; and

WHEREAS, all capitalized terms set forth in this Second Amendment if not defined herein shall have the meaning set forth in the Employment Agreement.



NOW THEREFORE, in consideration of the mutual promises, covenants and agreements hereby exchanged, as well as the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged Employer and Employee, intending to be legally bound, hereby agree as follows:

Section 1. Hiatus Period. For purposes of this Second Amendment the “Hiatus Period” means the period of time between the 12:01 a.m. on the Effective Date and the earliest of the following (a) entry of an order in the Bankruptcy Proceeding confirming a plan in which substantially all of the assets of Employer are sold, (b) entry of an order in the Bankruptcy Proceedings converting the case to a case under chapter 7 of the Bankruptcy Code, (c) entry of an order dismissing the Bankruptcy Proceedings.

Section 2. Amendments to Employment Agreement.

§2.1. **General Amendment.** The Employment Agreement is amended to include the definition of all capitalized terms set forth in this Second Amendment.

§2.2. **General Description of Duties and Employer’s Responsibilities.** Section 2.2 of the Employment Agreement is amended to add the following sentences: “Notwithstanding the foregoing, from and during the Hiatus Period, Employee shall (a) step down as Chief Executive Officer and President of Employer, (b) make no hiring or firing decisions regarding employees, independent contractors, or agents on behalf of Employer (c) endorse or sign no checks, wire transfers, or monetary exchanges on behalf of Employer, (d) make no decisions regarding or have input on behalf of Employer regarding the Bankruptcy Proceedings, (e) execute no amendments or modifications to any written contracts on behalf of Employer, or (f) execute no new written contracts on behalf of Employer.” At the termination of the Hiatus Period, Employee shall be reinstated as CEO without further notice and with all the rights and duties specifically set forth in the Employment Agreement and generally associated with that position.

§2.3. **Salary.** Section 3.1.1 of the Employment Agreement is amended to add the following sentence: “Notwithstanding the foregoing, from and during the Hiatus Period, the Employee’s base salary shall be ten percent (10%) less than his then current base salary.”

§2.4. **Non-Compete.** Section 5.2(a) of the Employment Agreement is amended to add the following sentence: “Notwithstanding the foregoing, during the Hiatus Period, the Employee may solicit and negotiate with clients of Employer regarding business transactions and opportunities with such clients that are contingent upon Employee or his affiliate being the successful purchaser of substantially all of the assets of Employer.”

Section 3. Effect of Amendment. The terms of the Employment Agreement not specifically addressed in this Second Amendment remain in full force and effect. For the avoidance of doubt and notwithstanding anything in the Employment Agreement to the contrary, Employer and Employee agree that this Second Amendment, the actions contemplated herein, and the actions described in the recitals set forth herein, will not (a) extend the Term of the

Employment Agreement, (b) constitute a breach of the Employment Agreement by either Employer or Employee, (c) effectuate a termination of the Employment Agreement, (c) extend any of the dates or periods set forth in Section 2.3 or 2.4 of the Employment Agreement, (d) effectuate a resignation by Employee under Section 2.6 of the Employment Agreement, or (e) extend or alter the manner or timeframes utilized in connection with calculating the Later Period Adjustments under Section 3.2 of the Employment Agreement. Should there exist any discrepancy between the Employment Agreement and the Second Amendment, the Second Amendment shall control.

Section 4. Miscellaneous.

§4.1. **Merger/Integration.** This Second Amendment contains all of the understandings and agreements of the parties with respect to the subject matter discussed herein. All prior agreements whether oral or written with respect to the subject matter discussed herein are merged herein and shall be of no further force or effect.

§4.2. **Representations.** The parties acknowledge that the recitals set forth herein are true and accurate.

§4.3. **Counterparts.** This Second Amendment may be executed in any number of counterparts. All executed counterparts shall constitute one instrument notwithstanding that all signatories are not signatories to the original or the same counterpart. A facsimile execution shall be sufficient and effective as an original.

The parties, by signing below, agree to the terms and conditions set forth in this Second Amendment.

EMPLOYER:

HEALTH AND NUTRITION
SYSTEMS INTERNATIONAL, INC.

Date: September 24, 2004

By: /s/ JAMES A. BROWN
James A. Brown
Chairman

Witness:

/s/ MONA LALLA
Mona Lalla

EMPLOYEE:

Date: September 24, 2004

By: /s/ CHRIS TISI
Chris Tisi

Witness:

/s/ JAMIE HEITHOFF
Jamie Heithoff