

G III APPAREL GROUP LTD /DE/

FORM 8-K (Current report filing)

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Address	512 SEVENTH AVE NEW YORK, NY 10018
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Industry	Apparel & Accessories
Sector	Consumer Cyclical
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**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): March 13, 2017

G-III APPAREL GROUP, LTD.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-18183
(Commission File Number)

41-1590959
(IRS Employer
Identification No.)

512 Seventh Avenue
New York, New York
(Address of principal executive offices)

10018
(Zip Code)

Registrant's telephone number, including area code: **(212) 403-0500**

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 (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 1.01 Entry into a Material Definitive Agreement.

On March 13, 2017, the Compensation Committee of our Board of Directors made a special one-time award to certain key executives in connection with the acquisition of Donna Karan International Inc. One-half of the amount of each award will be paid in cash and the other half will be made in the form of performance-based Restricted Stock Units (“RSUs”). The Compensation Committee believes that the acquisition was a transformative event for G-III and that it was appropriate to recognize the roles played by the Company’s key executives in consummating this acquisition.

The total value of the special award made to each key executive officer (one-half as cash and one-half as RSUs) is as follows: Morris Goldfarb, Chairman and Chief Executive Officer-\$4,000,000; Sammy Aaron, Vice Chairman and President-\$2,500,000; Wayne S. Miller, Chief Operating Officer-\$550,000; Neal S. Nackman, Chief Financial Officer-\$200,000; and Jeffrey Goldfarb, Executive Vice President-\$350,000.

The RSUs will be issued pursuant to our 2015 Long-Term Incentive Plan, as amended (the “2015 Plan”). The number of shares covered by each RSU will be determined by dividing the dollar amount of the RSU award (one-half of each special award) by the closing price of our common stock on the second trading day after release of our earnings for the fiscal year ended January 31, 2017.

Each RSU award will be subject to performance-based and time-based vesting conditions. The performance-based vesting condition will be satisfied if (and only if) either the performance goal in clause (a) or (b) (each, a “Performance Condition”) is attained:

(a) the amount of the consolidated earnings before interest and financing charges, net, depreciation, amortization and income tax expense of the Donna Karan business is at least \$25,000,000 in either the fiscal year ending January 31, 2018, January 31, 2019 or January 31, 2020; or

(b) the average closing price per share of our common stock on the Nasdaq Global Select Market over a twenty consecutive trading day period (i) during the period beginning on the date of grant and ending on or prior to March 28, 2019 is at least \$30.00 (which is approximately 23% above the closing price on the trading date prior to the date of the Compensation Committee meeting at which the special awards were made) or (ii) if the stock price performance condition in clause (b) is not satisfied, during the period beginning subsequent to March 28, 2019 and ending on or prior to March 28, 2020 is at least \$31.50 (which is approximately 29% above the closing price on the trading date prior to the Compensation Committee meeting at which the special awards were made).

If either of the Performance Conditions is met, then, the RSUs will become vested as to one-third of the shares on each of March 28, 2018, March 28, 2019 and March 28, 2020 (the “Time-Based Vesting Condition”), subject to each executive’s continuous employment or service with us through the applicable Time-Based Vesting Condition date.

If n either of the Performance Conditions is satisfied, we will not issue any shares of common stock pursuant to the RSU awards. If one of the Performance Conditions is satisfied

after the first Time-Based Vesting Condition date (March 28, 2018), then, at the time the Performance Condition is met, we will issue the shares of common stock that would have been issued on any prior Time-Based Vesting Condition date as if the Performance Condition had been met on or prior to that date.

The number of shares of common stock to which any unvested RSUs relate will be subject to appropriate adjustment in the event of stock splits, stock dividends and other extraordinary corporate events.

A copy of the form of Restricted Stock Unit Agreement for these grants under the 2015 Plan is filed herewith as Exhibit 10.1.

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

(e) See “Item 1.01 Entry into a Material Definitive Agreement” above with respect to restricted stock unit grants to Morris Goldfarb, Sammy Aaron, Wayne S. Miller, Neal S. Nackman and Jeffrey Goldfarb.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Form of Restricted Stock Unit Agreement for March 2017 restricted stock unit grants.

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.

Date: March 17, 2017

G-III APPAREL GROUP, LTD.

By: /s/ Neal S. Nackman

Name: Neal S. Nackman

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
10.1	Form of Restricted Stock Unit Agreement for March 2017 restricted stock unit grants.

**G-III APPAREL GROUP, LTD.
2015 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT**

AGREEMENT, made as of the ___ day of March, 2017, between G-III APPAREL GROUP, LTD. (the “Company”) and _____ (the “Participant”), pursuant to the G-III Apparel Group, Ltd. 2015 Long-Term Incentive Plan (the “Plan”). Capitalized terms that are used but not defined in this Agreement shall have the meanings given to them by the Plan.

1. Restricted Stock Unit Award. In accordance with the Plan, the Company hereby grants to the Participant _____ restricted stock units (“RSUs”). Each RSU represents the right to receive one share of the Company’s common stock (a “Share”), subject to the terms and conditions of this Agreement and the Plan.

2. Vesting Conditions. Subject to attainment of one of the performance criteria set forth below, the Participant’s right to receive the Shares covered by this Agreement shall become vested in three equal annual installments on each of March 28, 2018, 2019 and 2020, subject to the Participant’s continuous employment or other service with the Company or its subsidiaries through the applicable vesting date. The Participant shall have no right to receive any Shares under this Agreement unless one of the following performance criteria in clause (a) or (b) below shall have been attained:

(a) *Operating Performance Criteria*. The operating performance criteria is satisfied if the amount of the consolidated earnings before interest and financing charges, net, depreciation, amortization and income tax expense of the Donna Karan business (“DK EBITDA”) is at least \$25,000,000 in either the fiscal year ending January 31, 2018, 2019 or 2020. For the purposes of calculating DK EBITDA, the Donna Karan business consists of the consolidated operations of Donna Karan International Inc. and its subsidiaries acquired by the Company on December 1, 2016, including, but not limited to, any new stores opened, any new licensing revenue generated and any additional product category added subsequent to the acquisition date that either bear a Donna Karan, DKNY or derivative label or has been sold by one of the Donna Karan divisions.

(b) Stock Price Performance Criteria . The stock price performance criteria is satisfied if (i) during any period of twenty consecutive trading days beginning on March 13, 2017 and ending on March 28, 2019, the average closing price per share of the Company's common stock on the Nasdaq Global Select Market is at least \$30.00 or (ii) if the stock price performance criteria in clause (i) is not satisfied, during any period of twenty consecutive trading days beginning after March 28, 2019 and ending on or prior to March 28, 2020, the average closing price per share of the Company's common stock on the Nasdaq Global Select Market is at least \$31.50.

All determinations with respect to the satisfaction of a performance criteria shall be made by the Committee. For the avoidance of doubt, the time-based vesting percentages will be cumulative prior to the attainment of one of the performance criteria, such that, if one of the performance criteria is attained and the Participant is then still in the continuous employ or service of the Company, then, upon the attainment of one of the performance criteria, the Participant's vested percentage in the Shares covered by the award will be equal to the vested percentage that would have been earned as of the date that performance criteria is attained if vesting had been determined as of that date solely in accordance with the above time-based vesting schedule.

3. Settlement of RSUs. If and when RSUs become vested, the Participant will have the right to receive a corresponding number of whole Shares from the Company in full settlement of such vested RSUs. Such Shares will be issued and delivered in certificated or electronic form as soon as practicable (but not more than 60 days) after the applicable RSU vesting date, subject to any applicable tax withholding and other conditions set forth in the Plan, this Agreement and/or applicable law.

4. Termination of Employment or Service . Upon the termination of the Participant's employment or other service with the Company and its subsidiaries, any unvested RSUs then covered by this Agreement shall be canceled and the Participant shall have no further rights with respect thereto.

5. No Rights as a Shareholder . The Participant shall have no ownership or other

rights of a stockholder with respect to Shares underlying the RSUs (including any right to receive dividends or to vote such Shares) unless and until such Shares are issued to the Participant in settlement of vested RSUs.

6. Tax Withholding. Prior to any settlement of vested RSUs, the Participant shall be required to pay or make adequate arrangements satisfactory to the Company for the payment of all applicable tax withholding obligations. The Participant hereby authorizes the Company to satisfy all or part of the amount of such tax withholding obligations by deducting such amount from cash compensation or other payments that would otherwise be owed to the Participant. The Committee, acting in its sole discretion and pursuant to applicable law, may permit the Participant to satisfy any such tax withholding obligations with Shares that would otherwise be issued to the Participant in settlement of vested RSUs, and/or with previously-owned Shares held by the Participant. The amount of the Participant's tax withholding obligation that is satisfied in Shares, if any, shall be based upon the Fair Market Value of the Shares on the date such Shares are delivered or withheld.

7. Restrictions on Transfer. Except as otherwise permitted by the Committee acting in its discretion under the Plan, the RSUs and the Participant's right to receive Shares in settlement of vested RSUs may not be sold, assigned, transferred, pledged or otherwise alienated or disposed of (except by will or the laws of descent and distribution), and may not become subject to attachment, garnishment, execution or other legal or equitable process, and any attempt to do so shall be null and void.

8. No Other Rights Conferred. Nothing contained herein shall be deemed to give the Participant a right to be retained in the employ of the Company or any affiliate or affect the right

of the Company and its affiliates to terminate or amend the terms and conditions of the Participant's employment.

9. Provisions of the Plan Control. The provisions of the Plan, the terms of which are incorporated in this Agreement, shall govern if and to the extent that there are inconsistencies between those provisions and the provisions hereof.

10. Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be modified except by written instrument executed by the parties.

12. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without regard to its principles of conflict of laws.

13. Counterparts. This Agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement.

G-III APPAREL GROUP, LTD.

By: _____

Participant