

G III APPAREL GROUP LTD /DE/

FORM 8-K (Current report filing)

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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): April 26, 2018

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On April 26, 2018, the Compensation Committee of our Board of Directors granted restricted stock units, pursuant to our 2015 Long-Term Incentive Plan, as amended (the “2015 Plan”), that will enable the following persons to receive shares of our common stock, subject to satisfaction of specified conditions, as follows: (i) up to 132,122 shares to Morris Goldfarb, our Chairman and Chief Executive Officer, who is also a Director; (ii) up to 88,081 shares to Sammy Aaron, our Vice Chairman and President, who is also a Director; (iii) up to 66,061 shares to Wayne S. Miller, our Chief Operating Officer; (iv) up to 11,698 shares to Neal S. Nackman, our Chief Financial Officer; and (v) up to 33,030 shares to Jeffrey Goldfarb, our Executive Vice President, who is also a Director.

The above-named persons will be entitled to receive these shares of our common stock only if the performance conditions in clauses (a) and either (b)(1) or (b)(2) set forth below are satisfied:

(a) the average closing price per share of our common stock on the Nasdaq Global Select Market over a twenty consecutive trading day period ending on or prior to April 30, 2020 is at least \$41.78 (which is 15% above the closing price on the date of the grant); and either

(b) (1) (i) the amount of our consolidated earnings before interest and financing charges, net, and income tax expense (“EBIT”) for the fiscal year ending January 31, 2019, subject to certain adjustments for non-recurring items, is at least 10% greater than EBIT for the fiscal year ended January 31, 2018, subject to certain adjustments for non-recurring items (“Fiscal 2018 EBIT”), or (ii) if the performance condition in clause (i) is not satisfied, our EBIT for the fiscal year ending January 31, 2020, subject to certain adjustments for non-recurring items, is at least 20% greater than Fiscal 2018 EBIT; or

(2) the average closing price per share of our common stock on the Nasdaq Global Select Market over a forty consecutive trading day period ending on or before January 31, 2020 is at least \$45.4125 (which is 25% above the closing price on the date of grant).

(clauses (a) and (b) together, the “Performance Conditions”).

In addition, the right to receive shares of common stock pursuant to the above-described restricted stock unit grants will become vested in three equal annual installments on each of June 15, 2019, 2020 and 2021 (the “Time Vesting Condition”).

If the Performance Conditions are both satisfied, we will issue to an above-named grantee of restricted stock units one-third of the shares of common stock to which he is entitled under his grant on each of June 15, 2019, 2020 and 2021, but only if he remains employed by us or otherwise performs service for us on each vesting date. If both Performance Conditions are not satisfied within the above-described time periods, we will not issue any shares of common stock pursuant to the restricted stock unit grants. If both Performance Conditions are satisfied at any time during the above-reference time periods, we will issue shares of common stock in respect of all annual installment periods of the Time Vesting Condition for which shares have not previously been issued.

The number of shares of common stock to which the restricted stock units relate and the vesting price will be appropriately adjusted 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 our named executive officers, 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 April 26, 2018 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: April 30, 2018

G-III APPAREL GROUP, LTD.

By: /s/ Neal S. Nackman

Name: Neal S. Nackman

Title: Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
10.1	Form of Restricted Stock Unit Agreement for April 26, 2018 restricted stock unit grants.

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

AGREEMENT, made as of the 26th day of April, 2018 (the “Effective Date”), 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 the performance conditions 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 June 15, 2019, 2020 and 2021, subject to the Participant’s continuous employment or other service with the Company through the applicable vesting date. The Participant shall have no right to receive any Shares under this Agreement unless and until both of the following performance conditions shall have been attained:

(a) *First Performance Condition*. The first performance condition is satisfied if during any period of twenty consecutive trading days beginning on the Effective Date and ending on or before April 30, 2020, the average closing price per share of the Company’s common stock on the Nasdaq Global Select Market is at least \$41.78.

(b) *Second Performance Condition*. The second performance condition is satisfied if the performance condition in either (b)(1) or (b)(2) is satisfied: (1) (i) the amount of the Company’s consolidated earnings before interest and financing charges, net, and income tax expense and including pretax equity gain (loss) in unconsolidated affiliates of the Company (“EBIT”) for the fiscal year ending January 31, 2019, subject to certain adjustments (the “Adjustments”) for non-recurring items as set forth in the minutes of the meeting of the Committee approving (the “Approval”) the grant subject to this Agreement, is at least 10% greater than the amount of EBIT for the fiscal year ending January 31, 2018, subject to the Adjustments (“Fiscal 2018 EBIT”) or (ii) if the performance criteria in clause (i) is not satisfied, EBIT for the fiscal year ending January 31, 2020, subject to the Adjustments, is at least 20% greater than Fiscal 2018 EBIT or (2) during any period of forty consecutive trading days beginning on the Effective Date and ending on or before January 31, 2020, the average closing price per share of the Company’s common stock on the Nasdaq Global Select Market is at least \$45.4125.

All determinations with respect to the satisfaction of both performance criteria shall be made by the Committee and shall be in accordance with the terms set forth in the Approval. For the avoidance of doubt, the time-based vesting percentages will be cumulative prior to the attainment of both performance conditions, such that, if the performance conditions are attained and the Participant is then still in the continuous employ or service of the Company, then, upon the attainment of both performance conditions, 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 the performance conditions are 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, 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