

NOODLES & CO

FORM 8-K (Current report filing)

Filed 06/14/17 for the Period Ending 06/14/17

Address	520 ZANG ST., SUITE D BROOMFIELD, CO 80021
Telephone	7202141921
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Industry	Restaurants & Bars
Sector	Consumer Cyclical
Fiscal Year	01/03

**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): June 13, 2017

NOODLES & COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-35987
(Commission File Number)

84-1303469
(I.R.S. Employer
Identification No.)

520 Zang Street, Suite D, Broomfield, CO
(Address of Principal Executive Offices)

80021
(Zip Code)

Registrant's Telephone Number, Including Area Code: (720) 214-1900

Check the appropriate box below if the Form 8-K 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))

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

On June 13, 2017, the board of directors (the “Board”) of Noodles & Company (the “Company”) appointed Dave Boennighausen, 39, as the permanent Chief Executive Officer (“CEO”) of the Company, effective immediately. Also on June 13, 2017, Paul J.B. Murphy III, 62, was appointed a Class III director, filling a vacancy on the Board, and named as Executive Chairman of the Company. Mr. Murphy’s appointment will take effect on July 10, 2017, and, concurrently, Robert Hartnett will step down as non-executive Chairman of the Board but remain a director of the Company. The Board also appointed Susan Daggett, 56, Vice President of Finance at the Company, to be the interim Chief Financial Officer (“CFO”), effective immediately, to fill the vacancy created by Mr. Boennighausen’s appointment as permanent CEO.

Mr. Boennighausen served as the Company’s CFO from July 2012 through his appointment as CEO on June 13, 2017. He became a member of the Board in August 2015 and will remain a director. Mr. Boennighausen has held various roles at the Company, including Vice President of Finance and Executive Vice President of Finance, since joining the Company in 2004. He holds an MBA from the Stanford Graduate School of Business and received a BS in Finance and Marketing from Truman State University.

Mr. Murphy was appointed Del Taco Restaurants, Inc., Chief Executive Officer in February 2009 and will step down from that role in July 2017 before assuming his position as Executive Chairman of the Company. From 1996 to 2008, Mr. Murphy held various roles with Einstein Noah Restaurant Group, Inc., including serving as its President and Chief Executive Officer beginning in 2003. Mr. Murphy holds a Bachelor’s Degree in Religious Studies from Washington & Lee University.

On June 13, 2017, the Company entered into an employment agreement with Mr. Murphy (the “Murphy Agreement”) effective July 10, 2017. Pursuant to the Murphy Agreement, Mr. Murphy will receive a base salary of \$550,000 per year and shall be eligible to receive an annual bonus of 50 percent of base salary upon achieving certain targeted goals that will be established by the Board. Additionally, Mr. Murphy is entitled to the following equity awards pursuant to the Company’s 2010 Stock Incentive Plan: (i) nonqualified stock options to purchase 100,000 shares of the Company’s Class A common stock, par value \$0.01 per share (the “Common Stock”), that vest in four ratable installments over four years subject to Mr. Murphy’s continued employment with the Company through the applicable vesting date; (ii) time-vesting restricted stock units with respect to 150,000 shares of Common Stock that vest in four ratable installments, subject to Mr. Murphy’s continued employment with the Company through the applicable vesting date; and (iii) performance-vesting restricted stock units with respect to 50,000 shares of Common Stock that vest upon achievement of certain performance conditions.

Under the Murphy Agreement, Mr. Murphy is also eligible for group insurance, retirement and vacation benefits that are available to the Company’s other executive employees and a payment to cover certain relocation expenses. If Mr. Murphy’s employment is terminated by the Company without cause (as defined in the Murphy Agreement), he will be entitled to receive 12 months of continued base salary and Company-paid “COBRA” health continuation coverage, subject to his execution of a release of claims in favor of the Company. In addition, the Murphy Agreement prohibits Mr. Murphy from competing with the Company or soliciting its employees for twelve months following his termination of employment.

Mr. Murphy and the Company will also enter into the Company’s standard form of directors’ indemnification agreement, pursuant to which the Company agrees to indemnify its directors to the fullest extent permitted by applicable law and subject to certain conditions to advance expenses in connection with proceedings as described in the indemnification agreement.

Ms. Daggett has served as the Company’s Vice President of Finance since August 2016. She has extensive experience in the restaurant industry having served as Executive Vice President of Smiling Moose Franco, LLC, from March 2016 through July 2016, and President of Smiling Moose Deli Franchise Company from November 2013 to March 2016. Ms. Daggett was Owner and President of Nuthatch Hill Consulting, LLC, which focused on the retail and real estate industries, from January 2005 to October 2013. In connection with her appointment as interim CFO, the Company has provided Ms. Daggett with a letter pursuant to which the Company agrees to pay Ms. Daggett a nondiscretionary bonus of \$8,333.00 a month, payable monthly, for the duration of her tenure as interim CFO. The nondiscretionary bonus Ms. Daggett will receive is in addition to the base salary she receives from the Company, which will remain unchanged.

The Company is commencing a search to consider both internal and external candidates for a permanent replacement for the role of CFO.

There are no family relationships between Mr. Boennighausen, Mr. Murphy, or Ms. Daggett and any director or executive officer of the Company, and they do not have any direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01. Regulation FD Disclosure.

The Company's press release announcing these changes is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished pursuant to Item 7.01 of this report, including the Press Release, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press Release dated as of June 14, 2017

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.

Noodles & Company

By: /s/ DAVE BOENNIGHAUSEN

Name: Dave Boennighausen

Title: Chief Executive Officer

DATED: June 14, 2017

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated as of June 14, 2017



Noodles & Company Announces Senior Management and Board of Directors Changes

Dave Boennighausen Promoted to Chief Executive Officer

Paul Murphy Appointed Executive Chairman

Sue Daggett Named Interim Chief Financial Officer

BROOMFIELD, Colo., June 14, 2017 (Globe Newswire) - Noodles & Company (NASDAQ: NDLS) today announced that Dave Boennighausen has been promoted to the permanent role of Chief Executive Officer of the Company, effective immediately. Additionally, Paul Murphy has been appointed Executive Chairman of the Company, effective July 10th. In conjunction with Mr. Murphy's appointment, Robert Hartnett will step down as Chairman of the Company's board, but will remain a director.

Andrew Taub, Managing Partner at L Catterton and a director at Noodles and Company stated, "Dave is a proven leader who has made numerous contributions to the Company during his long tenure, most recently while serving as our interim Chief Executive Officer. His financial and business acumen and vision, as well as his ability to bring people together, have been enormous assets during this period of transition, and we are confident that he is the right long-term leader for Noodles & Company going forward." Taub continued, "The addition of Paul Murphy as Executive Chairman is outstanding for Noodles & Company. Paul has extensive knowledge of the restaurant industry, and brings with him many years of operational and executive leadership experience, in addition to a strong track record of enacting positive change. I speak for the entire Board when I say that we very much look forward to working under his stewardship."

Mr. Boennighausen has served as the Company's interim Chief Executive Officer since July of 2016 and as Chief Financial Officer since July of 2012. He joined the Company's board of directors in August of 2015. Prior to being named Chief Financial Officer, Mr. Boennighausen held various roles since joining Noodles & Company in 2004, including Vice President of Finance and Executive Vice President of Finance.

Dave Boennighausen commented, "I am honored to lead Noodles & Company, as we continue to solidify our foundation for improved performance across all areas of the business. We have a unique brand and an experienced and passionate team, and I believe we are taking the necessary steps in order to activate the brand and improve momentum. I am thrilled at the opportunity to work alongside Paul and our entire board to help us fulfill our potential."

Mr. Murphy currently serves as Chief Executive Officer of Del Taco Restaurants, Inc., having held the position since February of 2009. He has resigned his position effective July 7, 2017 in order to relocate permanently to Denver. Previously, he held various roles with Einstein Noah Restaurant Group from 1996 to 2008, including President and Chief Executive Officer from 2003 until 2009.

Paul Murphy stated, "Noodles & Company is a truly differentiated brand and I feel privileged to join the Company at such an exciting time. It is fortuitous that this opportunity arose just as my wife and I were planning to return to Denver where we already own a home. I look forward to working closely with Dave, and contributing to the important work already being done to get Noodles & Company back on track to take advantage of the sizable growth opportunity ahead."

The Company also announced that Sue Daggett has been named interim Chief Financial Officer. Ms. Daggett has served as the Company's Vice President of Finance since August of 2016. Ms. Daggett has extensive restaurant experience, having previously served as President of Smiling Moose Deli Franchise Company and in various executive positions at Einstein Noah Restaurant Group.

The Company's board of directors has initiated a search among both internal and external candidates to identify a qualified individual to serve as the Company's permanent Chief Financial Officer.

About Noodles & Company

Noodles & Company is a fast-casual restaurant chain where globally inspired dishes come together to create a World Kitchen. Recognized by Parents Magazine as a Top Family Friendly Restaurant and Health Magazine as one of America's Healthiest Fast Food Restaurants, Noodles & Company is a restaurant where Japanese Pan Noodles rest comfortably next to Penne Rosa and Wisconsin Mac & Cheese, but where world flavors don't end at just noodles. Inspired by some of the world's most celebrated flavor combinations, Noodles & Company's menu offers soups, salads and shareables, too. Everything is made fresh to order, just as you like it, using quality ingredients. Dishes are delivered to the table allowing guests time to sit and relax or grab a quick bite.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions intended to identify forward-looking statements. These statements reflect the Company's current views with respect to future events and are based on currently available operating, financial and competitive information. Examples of forward-looking statements include all matters that are not historical facts, such as statements regarding the Company's future financial performance in light of management changes. The Company's actual results may differ materially from those anticipated in these forward-looking statements due to reasons including, but not limited to those discussed in the Company's filings with the Securities and Exchange Commission, including in its Annual Report on Form 10-K for the year ended January 3, 2017. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the statements. Also, the forward-looking statements contained herein represent the Company's estimates and assumptions only as of the date hereof. Unless required by United States federal securities laws, the Company does not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made.

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