

# FTD COMPANIES, INC.

## **FORM 8-K** (Current report filing)

Filed 08/03/17 for the Period Ending 07/31/17

Address	3113 WOODCREEK DRIVE DOWNERS GROVE, IL 60515
Telephone	630 719-7800
CIK	0001575360
Symbol	FTD
SIC Code	5960 - Nonstore Retailers
Industry	Other Specialty Retailers
Sector	Consumer Cyclical
Fiscal Year	12/31

**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): **July 31, 2017**

**FTD Companies, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other jurisdiction  
of Incorporation)

**001-35901**  
(Commission  
File Number)

**32-0255852**  
(I.R.S. Employer  
Identification No.)

**3113 Woodcreek Drive**  
**Downers Grove, Illinois 60515**  
(Address of Principal Executive Offices) (ZIP Code)

**Telephone: (630) 719-7800**  
(Registrant's Telephone Number, Including Area Code)

**N/A**  
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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.

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

**Appointment of Executive Vice President and Chief Operating Officer**

On July 31, 2017, FTD Companies, Inc. (the “Company”) announced the appointment of Simha Kumar, 44, as Executive Vice President and Chief Operating Officer, effective August 1, 2017. Mr. Kumar will lead the Company’s U.S. consumer businesses-FTD.com, ProFlowers, Shari’s Berries and Personal Creations. He will report directly to John Walden, the Company’s President and Chief Executive Officer. From 2014 to 2017, Mr. Kumar served as President of the Toys, Sporting Goods and Fitness retail divisions at Sears Holdings Corporation (“Sears”), with operations across approximately 1,700 retail stores and online channels. At Sears he also served as Senior Vice President, Chief of Staff to the Chief Executive in 2014. From 2011 to 2014, Mr. Kumar held key leadership roles at Amazon.com, including Category Leader, Consumer Electronics (Audio, Accessories and Headphones) and Category Leader, Consumer Electronics (Musical Instruments). Mr. Kumar worked at JPMorgan Chase from 2005 to 2011, serving as the Director of the Corporate Strategy group as well as the Director of Marketing for the Cards and Payments Division. Earlier in his career, he held positions as an Associate at McKinsey & Company, Manager of E-commerce for Bluespark, Inc., a technology start-up based in Canada, and Investment Banking Analyst at Deutsche Bank Securities.

Mr. Kumar holds a Bachelor of Arts from Western University, Ontario, Canada, a Master of Philosophy from the University of Cambridge, United Kingdom, and a Master of Business Administration from the Wharton School of the University of Pennsylvania.

There are no family relationships, as defined in Item 401 of Regulation S-K, between Mr. Kumar and any of the Company’s executive officers or directors or persons nominated or chosen to become a director or executive officer. There is no arrangement or understanding between Mr. Kumar and any other person pursuant to which Mr. Kumar was appointed. There are no transactions in which Mr. Kumar has an interest requiring disclosure under Item 404(a) of Regulation S-K.

In connection with Mr. Kumar’s appointment, the Company entered into an employment agreement with Mr. Kumar dated as of August 1, 2017 (the “Employment Agreement”). Pursuant to the Employment Agreement, Mr. Kumar is eligible to receive a base salary of \$500,000 per year and a target annual bonus of 100% of base salary, subject to certain performance criteria to be established by the Board of Directors. To the extent the bonus paid to Mr. Kumar with respect to the Company’s 2017 fiscal year is less than 50% of his annual earned base salary for the fiscal year (prorated for the period of time employed during such year), the Company will make an additional payment to Mr. Kumar so that the amount of bonus paid to Mr. Kumar for the 2017 fiscal year equals 50% of his pro rated salary for 2017. Mr. Kumar is also eligible to participate in each of the Company’s employee benefit plans that is made generally available to either the Company’s employees or to the Company’s senior executives. The Employment Agreement also required Mr. Kumar to enter into customary confidentiality and non-competition agreements.

Pursuant to the Employment Agreement, if Mr. Kumar’s employment is terminated without cause, or he resigns for good reason, other than in connection with a change in control of the Company, then he will receive an additional 12 months of vesting credit under his outstanding equity awards had each applicable award been structured to vest in equal monthly installments over the vesting schedule for that award. The Employment Agreement also provides that if Mr. Kumar’s employment is terminated without cause, or he resigns for good reason, in connection with a change in control or the execution of a definitive agreement for a change in control, then his outstanding equity awards will vest in full. If Mr. Kumar’s employment is terminated without cause, or he resigns for good reason (whether or not in connection with a change in control), then he will be entitled to a separation payment equal to the sum of (i) his then-current annual base salary and (ii) his target bonus for the year of termination. Mr. Kumar will also be entitled to any earned but unpaid bonus for the fiscal year preceding his termination, as well as be eligible to receive, for a period of 12 months following the date of termination, reimbursement for COBRA health care continuation coverage expenses. If Mr. Kumar’s employment is terminated due to his death or disability, then he will receive an additional 12 months of vesting credit under his outstanding equity awards had each applicable award been structured to vest in equal monthly installments over the vesting schedule for that award.

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In addition, the Employment Agreement provides that Mr. Kumar will receive a grant in August 2017 following the Company's public disclosure of financial results for the quarterly period ended June 30, 2017, of (i) 25,000 restricted stock units and (ii) 200,000 options to purchase shares of the Company's common stock at an exercise price equal to the closing price of the Company's common stock on the grant date. The grants are to vest in four equal annual installments beginning August 1, 2018.

The foregoing is not a complete description of the Employment Agreement and is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2017.

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In connection with the appointment of Mr. Kumar as the Company's Executive Vice President and Chief Operating Officer, on July 31, 2017 the Company eliminated the position of Executive Vice President, U.S. Consumer Floral, held by Helen Quinn. As a result of the foregoing position change, Ms. Quinn will continue with the Company through September 17, 2017, during which time she will work to transition her responsibilities. As a result of the elimination of her position, subject to the execution of a separation agreement between the Company and Ms. Quinn (the "Separation Agreement"), Ms. Quinn will receive separation benefits consisting of 18 months' of her current annual salary, payable in a lump sum, and up to \$20,000 reimbursement for relocation expenses.

The foregoing is not a complete description of the Separation Agreement and is qualified in its entirety by reference to the full text of the Separation Agreement, a copy of which will be filed as an exhibit to the Company's Current Report on Form 10-Q for the quarterly period ending September 30, 2017.

**Item 7.01 Regulation FD Disclosure.**

In connection with the announcement of Mr. Kumar's appointment, the Company issued a press release. A copy of the press release is furnished as Exhibit 99.1 to this report. The information in this Item 7.01 and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release of FTD Companies, Inc., dated July 31, 2017

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**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.

Dated: August 2, 2017

**FTD COMPANIES, INC.**

By: /s/ Stephen Tucker

Name: Stephen Tucker

Title: Executive Vice President and  
Chief Financial Officer

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## EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release of FTD Companies, Inc., dated July 31, 2017

# FTD Companies, Inc. Announces Appointment of Simha Kumar as Chief Operating Officer

## *Proven E-Commerce Executive to Lead US Floral and Gifting Businesses*

**DOWNERS GROVE, Ill. — July 31, 2017** — FTD Companies, Inc. (Nasdaq: FTD) (“FTD” or the “Company”), a premier floral and gifting company, today announced the appointment of Simha Kumar as Executive Vice President and Chief Operating Officer, effective August 1, 2017. Mr. Kumar will lead FTD’s U.S. consumer businesses - FTD.com, ProFlowers, Shari’s Berries, and Personal Creations - and provide enterprise leadership as the Company completes its ongoing strategic review and embarks on its future plans. He will report directly to John Walden, FTD’s President and Chief Executive Officer.

“I am very pleased to welcome Simha to FTD,” said Mr. Walden. “He has built a track record of successful growth in ecommerce businesses, with particular strengths in customer-driven analytics, along with extensive turnaround and operating leadership experience. He will be a valuable partner as we shape and execute an ambitious strategic agenda.”

Mr. Kumar commented, “I believe we have a tremendous opportunity across FTD’s business for future growth. I am excited to begin working with FTD’s employees and partners to position the Company for success.”

Mr. Kumar has over 18 years of experience in e-commerce and consumer facing industries. Mr. Kumar joins FTD from Sears Holding Corporation where he served as President of the Toys, Sporting Goods and Fitness retail divisions from December 2014 to July 2017, with operations across approximately 1,700 retail stores and online channels. At Sears Holdings he also served as Senior Vice President, Chief of Staff to the Chief Executive in 2014 where he led the execution of efficiency actions including pricing, promotional effectiveness and process improvements to drive margin expansion. From 2011 to 2014, Mr. Kumar held key leadership roles at Amazon.com, including Category Leader, Consumer Electronics (Audio, Accessories and Headphones) and Category Leader, Consumer Electronics (Musical Instruments) where he led merchandising, operations, marketing and financial planning for these categories and developed innovative technology tools for improved customer interaction and experience. Mr. Kumar worked at JPMorgan Chase from 2005 to 2011, serving as the Director of the Corporate Strategy group as well as the Director of Marketing for the Cards and Payments Division. Earlier in his career, he held positions as an Associate at McKinsey & Company, Manager of E-commerce for Bluespark, Inc., a technology start-up based in Canada, and Investment Banking Analyst at Deutsche Bank Securities.

Mr. Kumar holds a Bachelor of Arts from Western University, Ontario, Canada, a Master of Philosophy from the University of Cambridge, United Kingdom, and a Master of Business Administration from the Wharton School of the University of Pennsylvania.

### **About FTD Companies, Inc.**

FTD Companies, Inc. is a premier floral and gifting company. Through our diversified family of brands, we provide floral, specialty foods, gifts and related products to consumers primarily in the United States and the United Kingdom. We also provide floral products and services to retail florists and other retail locations throughout these same geographies. FTD has been delivering flowers since 1910 and the highly-recognized FTD® and Interflora® brands are supported by the iconic Mercury Man logo®, which is displayed in nearly 35,000 floral shops in over 125 countries. In addition to FTD and Interflora, our diversified portfolio of brands includes the following trademarks: ProFlowers®, ProPlants®, Shari's Berries®, Personal Creations®, RedEnvelope®, Flying Flowers®, Flowers Direct™, Ink Cards™, Postagram™ and Gifts.com™. FTD Companies, Inc. is headquartered in Downers Grove, Ill. For more information, please visit [www.ftdcompanies.com](http://www.ftdcompanies.com).

### **Cautionary Information Regarding Forward-Looking Statements**

This release contains certain forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, as amended, based on our current expectations, estimates and projections about our operations, industry, financial condition, performance, results of operations, and liquidity. Statements containing

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words such as “may,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “project,” “projections,” “business outlook,” “estimate,” or similar expressions constitute forward-looking statements. These forward-looking statements include, but are not limited to, statements about the Company's strategies and future financial performance; statements regarding expected synergies and benefits of the Company's acquisition of Provide Commerce; expectations about future business plans, prospective performance and opportunities, including potential acquisitions; revenues; segment metrics; operating expenses; market trends, including those in the markets in which the Company competes; liquidity; cash flows and uses of cash; capital expenditures; depreciation and amortization; tax payments; foreign currency exchange rates; hedging arrangements; the Company's ability to repay indebtedness and invest in initiatives; the Company's products and services; pricing; marketing plans; competition; settlement of legal matters; and the impact of accounting changes and other pronouncements. Potential factors that could affect these forward-looking statements include, among others, the factors disclosed in the Company's most recent Annual Report on Form 10-K and the Company's other filings with the Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), including, without limitation, information under the captions “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors.” Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that may cause actual performance and results to differ materially from those predicted. Reported results should not be considered an indication of future performance. Except as required by law, we undertake no obligation to publicly release the results of any revision or update to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. In addition, the Company may not provide guidance of the type provided in this release in the future.

### **Contacts**

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