

# FTD COMPANIES, INC.

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

Filed 02/06/17 for the Period Ending 02/01/17

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): **February 1, 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))
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**Item 5.02      Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

**Appointment of Chief Executive Officer and Director**

On February 1, 2017, FTD Companies, Inc. (the “Company”) announced the appointment of John C. Walden, 57, as President and Chief Executive Officer, effective March 1, 2017. Mr. Walden will succeed Christopher W. Shean, a member of the Company’s Board of Directors, who has served as interim President and Chief Executive Officer since November 3, 2016. Mr. Shean will remain on the Board of Directors. Mr. Walden has also been appointed to the Company’s Board of Directors, effective as of March 1, 2017.

From 2014 to 2016, Mr. Walden served as Chief Executive of Home Retail Group plc, the United Kingdom’s leading home and general merchandise retailer. Beginning in 2012, Mr. Walden was Managing Director and Chief Executive of Home Retail’s principal division, Argos, Ltd. Prior to joining Argos, Mr. Walden was with Inversion, Inc., a strategic retail and technology consultancy he founded in 2008. From 2007 to 2008, Mr. Walden served as Executive Vice President Chief Customer Officer at Sears Holdings Corp. From 1999 to 2007, Mr. Walden held various executive leadership roles at Best Buy Company, Inc., including Executive Vice President Customer Business Group, Executive Vice President Human Capital and Leadership, and President Internet and Direct Channels Division. Prior to joining Best Buy, Mr. Walden served in leadership roles at Peapod, Inc., a leading online supermarket and pioneer of online retailing. Earlier in his career, Mr. Walden also held management roles at Ameritech Corporation and Storage Technology Corporation, and practiced corporate and securities law with Sidley Austin LLP. Mr. Walden holds a Masters in Management from the Kellogg Graduate School of Management, Northwestern University, a Juris Doctor from Chicago-Kent College of Law, Illinois Institute of Technology, and a Bachelor of Science in Finance from the University of Illinois.

There are no family relationships, as defined in Item 401 of Regulation S-K, between Mr. Walden 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. Walden and any other person pursuant to which Mr. Walden was appointed. There are no transactions in which Mr. Walden has an interest requiring disclosure under Item 404(a) of Regulation S-K.

In connection with Mr. Walden’s appointment, the Company entered into an employment agreement with Mr. Walden dated February 1, 2017 (the “Employment Agreement”). Pursuant to the Employment Agreement, Mr. Walden is eligible to receive a base salary of \$1,000,000 per year and a target annual bonus of 150% of base salary, subject to certain performance criteria to be established by the Board of Directors. Mr. Walden 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 provides for an initial three-year term, which will be automatically renewed for additional successive one-year terms, subject to either party’s right to terminate upon 180 days’ notice of non-renewal. A notice of non-renewal from the Company will be construed as a termination without cause and would trigger a severance payment and extended health care coverage, as discussed below. The Employment Agreement also required Mr. Walden to enter into customary confidentiality and non-competition agreements.

Pursuant to the Employment Agreement, if Mr. Walden’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 18 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. Walden’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 or, in certain circumstances, be deemed to vest in full with a corresponding payment of cash or stock by the Company. If Mr. Walden’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 severance payment equal to the sum of (i) two times his then-current annual base salary and (ii) two times his target bonus for the year of termination. Mr. Walden will also be entitled to any earned but unpaid bonus for the fiscal year preceding his termination and a prorated bonus for the year of termination, as well as eligibility to receive, for a period of 12 months following the date of termination, reimbursement for COBRA health care continuation

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coverage expenses. If Mr. Walden'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.

In addition, the Employment Agreement provides that Mr. Walden will receive a grant in March 2017, following the Company's public disclosure of financial results for the 2016 fiscal year, of (i) 140,000 restricted stock units and (ii) 1,000,000 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 one year after the date of grant.

\* \* \* \* \*

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 Annual Report on Form 10-K for the year ended December 31, 2016.

**Item 7.01 Regulation FD Disclosure.**

In connection with the announcement of Mr. Walden'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

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
99.1	Press Release of FTD Companies, Inc., dated February 1, 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: February 6, 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 February 1, 2017

## **FTD Companies, Inc. Announces Appointment of John C. Walden as President and Chief Executive Officer**

***Proven Digital and Multi-Channel Retail Veteran to Lead FTD***

***Executive Leadership Transition to be Complete March 1, 2017***

**DOWNERS GROVE, Ill. - February 1, 2017** - FTD Companies, Inc. (Nasdaq: FTD) (“FTD” or the “Company”), a premier floral and gifting company, today announced the appointment of John C. Walden as President, Chief Executive Officer and member of the Board of Directors, effective March 1, 2017. Mr. Walden will succeed Christopher W. Shean, one of FTD’s Directors, who has served as interim President and Chief Executive Officer since November 3, 2016 while the Company conducted a formal search for a permanent Chief Executive Officer. Mr. Shean will remain on the Board of Directors.

“On behalf of the Board of Directors and employees, I am thrilled to welcome John to FTD. We believe that his strategic leadership skills and track record of success in creating transformational operational and financial results over his distinguished digital and multi-channel retail career make him an excellent executive to lead FTD,” said Robert Berglass, Chairman of FTD’s Board of Directors. “The Board quickly recognized that John has a tremendous energy and passion to capitalize on the opportunities that lie ahead as we build upon FTD’s strong foundation to scale and grow over the next several years.”

Mr. Berglass continued, “I would like to thank Chris for his strategic leadership during this time of executive transition. We appreciate his contributions to FTD and look forward to continuing to work with him as a director on our Board.”

Mr. Walden commented, “I am honored and excited to lead FTD and I look forward to working with the board, management, member florists and other partners to reinvigorate an entrepreneurial culture across our brands and help drive growth and shareholder value.”

Mr. Walden has been at the forefront of multi-channel, consumer-driven retailing for over 20 years. From 2014 to 2016, Mr. Walden served as Chief Executive of Home Retail Group plc, the United Kingdom’s leading home and general merchandise retailer with 1,100 stores, multiple digital channels, approximately \$9.0 billion in net sales and the parent company of the Argos, Homebase and Habitat retail chains. Beginning in 2012 Mr. Walden was Managing Director and Chief Executive of Home Retail’s principal division, Argos, Ltd. As CEO of Argos and Home Retail Group, Walden led a successful transformation of Argos from a catalogue business into a leading digital retailer. Argos reached 60% of sales via digital channels and achieved market leadership in mobile commerce, introduced the market-leading FastTrack same-day delivery and collection service to customers through an innovative hub-and-spoke distribution network, and added 120 innovative “digital” small store locations, validating a low cost/high return path for store growth and store estate re-engineering. During 2016, Mr. Walden led the successful sale of Homebase to Wesfarmers, and subsequently the successful sale of Argos and the balance of Home Retail Group to J Sainsbury plc.

Prior to Argos, in 2008 Mr. Walden founded Inversion, Inc., a strategic retail and technology consultancy, and from 2007 to 2008 he served as Executive Vice President Chief Customer Officer at Sears Holdings Corp. From 1999 to 2007, Mr. Walden held various executive leadership roles at Best Buy Company, Inc., including Executive Vice President Customer Business Group, Executive Vice President Human Capital and Leadership, and President Internet and Direct Channels Division. During this time Walden created Best Buy’s first Internet business and helped to initiate, and ultimately lead Best Buy’s “customer

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centricity” transformation that is credited with producing some of Best Buy’s most successful growth initiatives. He also served in leadership roles at Peapod, Inc., a leading online supermarket and pioneer of online retailing. Earlier in his career, Mr. Walden also held management roles at Ameritech Corporation and Storage Technology Corporation, and practiced corporate and securities law with Sidley Austin LLP.

Mr. Walden holds a Masters in Management from the Kellogg Graduate School of Management, Northwestern University, a Juris Doctor from Chicago-Kent College of Law, Illinois Institute of Technology, and a Bachelor of Science in Finance from the University of Illinois.

### **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, Canada, the United Kingdom and the Republic of Ireland. 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 approximately 40,000 floral shops in nearly 150 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 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

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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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