

SVB FINANCIAL GROUP

FORM 8-K (Current report filing)

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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): **May 11, 2017**

SVB Financial Group

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-15637
(Commission File Number)

91-1962278
(I.R.S. Employer Identification No.)

3003 Tasman Drive, Santa Clara, CA 95054-1191

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(408) 654-7400**

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 240.142-12)
- 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 for Certain Officers.

Appointment of Chief Financial Officer

On May 12, 2017, SVB Financial Group (the “**Company**”) announced the appointment of Daniel J. Beck, age 44, as the Company’s Chief Financial Officer, to become effective on June 5, 2017. Mr. Beck most recently served as Chief Financial Officer and Treasurer of BancWest Corporation, a subsidiary of BNP Paribas Group, since June 2016, and as Chief Financial Officer of Bank of the West, since June 2015. Mr. Beck joined Bank of the West as Executive Vice President and Corporate Controller in June 2008 and served in that capacity until his appointment as Chief Financial Officer. Prior to joining Bank of the West, Mr. Beck held various finance and accounting roles with Wells Fargo Bank, the Federal Home Loan Mortgage Corporation, E*TRADE Financial Corporation and Deloitte & Touche LLP. Mr. Beck holds a B.S. in Accounting from Virginia Commonwealth University and a B.S. in Biology from Virginia Polytechnic Institute and State University.

In connection with his appointment, Mr. Beck entered into an offer agreement with the Company, dated as of April 28, 2017 (the “**Offer Agreement**”), pursuant to which he will receive an annual base salary (“**Base Salary**”) of \$525,000 and be eligible to participate in the Company’s Incentive Compensation Plan (“**ICP**”), with an annual target cash incentive (“**Incentive Compensation**”) of 70% of his base salary. Actual ICP payments will be based on his performance as determined by the Compensation Committee of the Board of Directors of the Company. Additionally, Mr. Beck will receive an equity award for 2017 with a target value of \$650,000, of which \$487,500 will be in the form of restricted stock units and the remainder in the form of stock options.

Mr. Beck will also receive a one-time signing bonus of: (A) \$300,000 in cash, which will be subject to repayment if his employment is terminated in certain circumstances within one year of his start date, and (B) an equity award with a target value of \$300,000 in the form of restricted stock units.

All equity awards described above will be subject to the terms and conditions of the Company’s 2006 Equity Incentive Plan, as amended, and will vest with respect to one-fourth of the underlying shares on each annual anniversary of the grant date.

The foregoing description of the Offer Agreement is qualified in its entirety by the text of the agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

There is no arrangement or understanding between Mr. Beck and any other persons pursuant to which he was appointed as an officer of the Company, no family relationship between Mr. Beck and any directors or executive officers of the Company and no related party transaction between Mr. Beck and the Company that would require disclosure under Item 404(a) of Regulation S-K.

President of Silicon Valley Bank

As previously announced on a Current Report on Form 8-K filed by the Company on January 26, 2017, Michael Descheneaux (the Company’s current Chief Financial Officer) will assume the role of President of Silicon Valley Bank, the Company’s principal banking subsidiary, effective June 5, 2017.

In connection with his new role, Mr. Descheneaux entered into a letter agreement with the Company dated as of May 11, 2017, relating to his severance arrangement (the “**Letter Agreement**”). Pursuant to the Letter Agreement, in the event Mr. Descheneaux is terminated other than for “cause” (as defined in the Letter Agreement) or by reason of his death or disability following the effectiveness of his appointment, but on or before July 1, 2019, he will be entitled to receive the greater of: (A) the direct cash amount he would be eligible to receive under the Company’s broad-based Severance Benefit Policy (and if applicable, the Company’s Change in Control Severance Plan) or (B) if the termination occurs on or after (i) the effectiveness of his appointment through December 31, 2017, a multiple of two

times his annual Base Salary and Incentive Compensation; (ii) January 1, 2018 through July 1, 2018, a multiple of one and one-half times his Base Salary and Incentive Compensation; (iii) July 2, 2018 through December 31, 2018, a multiple of one times his Base Salary and Incentive Compensation; or (iv) January 1, 2019 through July 1, 2019, a multiple of one-half times his Base Salary and Incentive Compensation, each as in effect at such time. Following July 1, 2019, Mr. Descheneaux will only be eligible to receive severance benefits in accordance with the plans, programs or policies of the Company as may be in effect from time to time.

The foregoing description of Mr. Descheneaux's Letter Agreement is qualified in its entirety by the text of the agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD.

On May 12, 2017, the Company issued a press release announcing the management changes noted above. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
10.1	Offer Agreement, dated April 28, 2017, by and between Daniel Beck and the Company.
10.2	Letter Agreement, dated May 11, 2017, by and between Michael Descheneaux and the Company.
99.1	Press release dated May 12, 2017.

Exhibit Index

**Exhibit
No.**

Description

10.1 Offer Agreement, dated April 28, 2017, by and between Daniel Beck and the Company.

10.2 Letter Agreement, dated May 11, 2017, by and between Michael Descheneaux and the Company.

99.1* Press release dated May 12, 2017.

* This exhibit is intended to be furnished and shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934.



April 28, 2017

Dear Dan,

I am very pleased to offer you the position of Chief Financial Officer for SVB Financial Group (the “*Company*”). Your start date for this position is to be determined.

The Chief Financial Officer position has been designated an “executive officer” position pursuant to applicable SEC rules, and will report to me. The Compensation Committee of the Board of Directors must approve any compensation awarded to an executive officer. Accordingly, the Compensation Committee has approved for you the following total compensation package:

Base Compensation:

As a Chief Financial Officer, your base salary will be \$43,750.00 on a monthly basis (the annualized equivalent of \$525,000.00 (“*Base Salary*”)). SVB Financial Group has 26 pay periods per year, and paydays are bi-weekly.

Incentive Compensation:

As the Chief Financial Officer, your annual target incentive compensation under our Incentive Compensation Plan (“*ICP*”) will be 70% of your Base Salary. Awards under our ICP are paid at the sole discretion of SVB, and for 2017, will be prorated. The ICP is funded with a pool of dollars generated by the firm achieving or exceeding targeted levels of success and return. Profits must be high enough to support a minimal level of financial performance including earnings per share. Your actual award will be subject to such funding, as well as your individual performance and the approval of the Compensation Committee.

Signing Cash Bonus:

In connection with your offer, we are pleased to offer you a one-time signing cash bonus of \$300,000.00. The bonus will be paid to you as soon as practicable after you commence employment and once all required new hire paperwork is complete. Should you voluntarily leave SVB Financial Group or any of its affiliated companies or be terminated for any reason other than through no fault of your own (e.g. a restructure) anytime within one year from your start date, you would be obligated to repay the entire amount.

Equity Compensation:

In connection with your offer, you will also receive a one-time sign-on equity award in restricted stock units with a target value of \$300,000.00. Additionally, you will receive an equity award with a target value of \$650,000.00, of which \$487,500.00 will be in restricted stock units and \$162,500.00 will be in stock options. The grant date of these awards is expected to be as soon as is administratively feasible following your hire date.

Please note that the equity awards described above will be granted in accordance with the Compensation Committee’s normal grant practices and will be subject to: (i) annual vesting over four years in equal installments, (ii) your continued employment, and (iii) the terms under our 2006 Equity Incentive Plan, as amended. Moreover, the indicated values of the above awards are target values. The actual value of each equity award on the day of grant is subject to stock price fluctuations.



Benefits:

As a full-time and benefited employee, SVB Financial Group offers a full range of benefits for you and your qualified dependents. In addition to our medical, dental and vision plans, you will accrue sick leave at a rate of 10 days per year and you will participate in SVB's "time away from work" practice, in which you will collaborate directly with your manager to plan time away from work to refresh and renew. The Company also observes holidays recognized by the Federal Reserve Bank. A detailed presentation of SVB Financial Group's benefits program is accessible from our internal on-boarding website.

Other Provisions:

Your employment with us is contingent upon your providing legal proof of your identity and authorization to work in the United States. Furthermore, this offer is being made contingent upon satisfactory completion of a background check subject to your permission to procure consumer reports about you (including, but not limited to, information from the motor vehicle department, credit, criminal, prior employment and education records). Your employment is also contingent upon successful completion of reference checks, review and approval of any potential conflicts of interest, and your starting work with the Company on or before the agreed upon start date that is yet to be determined.

To comply with the government-mandated confirmation of employment eligibility, please review the "Lists of Acceptable Documents" as approved by the Department of Homeland Security for establishing identity and employment eligibility (the "I-9" process). Please refer to our internal on-boarding website for additional information, and bring the required I-9 documents on your first day.

Nothing in this offer, or your acceptance of it, alters your at-will employment status with the Company. Either party has the right to terminate your employment at any time with or without cause or notice. It is also important to note that SVB Financial Group reserves the right to change your benefits at any time, with or without notice.

To confirm your acceptance of our offer, please sign one copy of this letter and email a scanned copy to Linda Bader. This offer supersedes any and all other written or verbal offers and is valid until May 5, 2017 unless earlier withdrawn.

Within 72 business hours of returning your signed offer letter, you will receive an automated email with instructions for accessing SVB Financial Group's on-boarding website. This site contains important information and materials that you should review, complete, and bring on your first day.

Dan, we are very enthusiastic about your joining the SVB Financial Group team. We are sure you will find SVB Financial Group a stimulating and team-oriented company. The work environment is one of challenge, opportunity, and reward for success. If you have any questions, please do not hesitate to call Linda Bader.



Sincerely,

/s/ GREG BECKER

Greg Becker
President and Chief Executive Officer
SVB Financial Group

ACCEPTED BY, AS OF MAY 1, 2017:

/s/ DANIEL J. BECK

Daniel J. Beck

Actual Start Date: June 5, 2017



May 11, 2017

Michael Descheneaux
c/o Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054

Dear Mike,

I am very pleased to confirm your appointment to the position of President of Silicon Valley Bank. Your estimated start date for this position is June 5, 2017 (the “**Effective Date**”).

The Compensation Committee of the Board of Directors (the “Committee”) has approved the following benefit be added to your total compensation package.

Severance:

If on or following the Effective Date and through July 1, 2019 SVB Financial Group terminates your employment with SVB Financial Group for other than “Cause” (as defined in Exhibit A), your death or your disability, then subject to the Release Requirement and other terms and conditions set forth in Exhibit A, SVB Financial Group will pay to you the greater of: (i) the direct cash amount you would be eligible to receive under our standard broad-based Severance Benefit Policy (and if applicable, the Change in Control Severance Plan) based on your actual termination date, or (ii) the following severance amounts:

- If the termination occurs on or after the Effective Date through December 31, 2017, then you will receive two times (2x) your annual base salary (“Base Salary”) and annual target cash incentive compensation under our Incentive Compensation Plan (“Incentive Compensation”), both as in effect at that time;
- If the termination occurs on or after January 1, 2018 through July 1, 2018, then you will receive one and one-half times (1.5x) your Base Salary and target Incentive Compensation, both as in effect at that time;
- If the termination occurs on or after July 2, 2018 through December 31, 2018, then you will receive one times (1x) your Base Salary and target Incentive Compensation, both as in effect at that time; and
- If the termination occurs on or after January 1, 2019 through July 1, 2019, then you will receive one-half times (0.5x) your Base Salary and target Incentive Compensation, both as in effect at that time.

For purposes of clarification you will only be entitled to receive severance benefits under either: (a) this letter or (b) our standard broad-based Severance Benefit Policy (and if applicable, the Change in Control Severance Plan). Other than as set forth in this letter you will not be entitled to any other rights to receive severance under any other agreement, plan, policy or arrangement of SVB Financial Group. After July 1, 2019, you will only be eligible for severance benefits in accordance with the plans, programs, or policies of SVB Financial Group as they may be in effect from time to time.



Mike, we are very enthusiastic about your promotion within the SVB Financial Group team. We are sure you will continue to find SVB Financial Group a stimulating and team-oriented company. If you have any questions, please do not hesitate to call me.

Sincerely,

/s/ GREG BECKER

Greg Becker
President and Chief Executive Officer
SVB Financial Group

ACCEPTED:

/s/ MICHAEL DESCHENEAUX

Michael Descheneaux

Date: May 11, 2017



Exhibit A

Unless otherwise defined below, capitalized terms used herein will have the meanings set forth in this letter.

1. Release Requirement. The receipt of any severance benefits pursuant to this letter will be subject to your signing and not revoking a release of any and all claims and agreement by you to not disparage SVB Financial Group, in a form prescribed by SVB Financial Group (the "Release") and provided that such Release becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the "Release Deadline"). If the Release does not become effective and irrevocable by the Release Deadline, you will forfeit any rights to severance benefits under this letter. No severance benefits will be paid or provided until the Release becomes effective and irrevocable.

2. Section 409A.

(a) Notwithstanding anything to the contrary in this letter, no Deferred Payments will be paid or otherwise provided until you have a "separation from service" (within the meaning of Section 409A) from the relevant position or positions. Similarly, no severance payable to you, if any, pursuant to this letter that otherwise would be exempt from Section 409A solely pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until you have a "separation from service" (within the meaning of Section 409A).

(b) Notwithstanding anything to the contrary in this letter, if you are a "specified employee" within the meaning of Section 409A at the time of your termination of employment (other than due to death), then the Deferred Payments that are payable within the first six (6) months following your separation from service, will, to the extent required to be delayed pursuant to Section 409A(a)(2)(B) of the Code, become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of your separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if you die following your separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of your death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. In no event will the Company reimburse you for any taxes that may be imposed on you as a result of Section 409A. Each payment and benefit payable under this letter is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Any amount paid under this letter that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of this Agreement.

(d) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit will not constitute Deferred Payments for purposes of this letter.

(e) The provisions of this letter and the payments and benefits hereunder are intended to be exempt from or comply with the requirements of Section 409A so that none of the severance or other payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. SVB Financial Group



and you agree to work together in good faith to consider amendments to this letter and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to you under Section 409A.

3. Definitions.

(a) “Cause” is defined as:

(i) your repeated unexplained or unjustified absence from SVB Financial Group or gross negligence, willful misconduct, or repeated, willful and flagrant insubordination in the performance of your duties to SVB Financial Group as directed by the Board of Directors (the “Board”) or Chief Executive Officer (“CEO”), which remains uncured more than thirty (30) days following written notice from the CEO of his or the Board’s belief that there is Cause for your termination under this clause (i);

(ii) Your willful commission of an act of fraud, breach of trust, or dishonesty including, without limitation, embezzlement, that results in material damage or harm to the business, financial condition or assets of SVB Financial Group; or

(iii) Your conviction of, or plea of no contest to, a felony or a crime involving moral turpitude causing material harm to the standing and reputation of SVB Financial Group, or that affects SVB Financial Group in a material financial way.

No act or failure to act by you will be deemed “willful” if done or omitted to be done by you in good faith and with the reasonable belief that your act or omission was in the best interest of SVB Financial Group or consistent with SVB Financial Group’s policies or the directive of the Board or CEO.

(b) “Code” is defined as the Internal Revenue Code of 1986, as amended.

(c) “Deferred Payment” is defined as any severance pay or benefits to be paid or provided to you (or your estate or beneficiaries) pursuant to this letter and any other severance payments or separation benefits to be paid or provided to you (or your estate or beneficiaries), that in each case, when considered together, are considered deferred compensation under Section 409A.

(d) “Section 409A” is defined as Section 409A of the Code and the final regulations and any guidance thereunder and any applicable state law equivalent, as each may be amended or promulgated from time to time.

(e) “Section 409A Limit” is defined as two (2) times the lesser of: (i) your annualized compensation based upon the annual rate of pay paid to you during the your taxable year preceding the taxable year of your separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which your separation from service occurred.



Silicon Valley Bank Names Michael Descheneaux President and Daniel Beck CFO
New Appointments Support Company's Continued Growth

SANTA CLARA, CA – May 12, 2017 -- Silicon Valley Bank, the bank of the world's most innovative companies and their investors, announced that Michael Descheneaux, SVB Financial Group's (Nasdaq: SIVB) Chief Financial Officer, has been promoted to president of Silicon Valley Bank and Daniel Beck, former CFO of Bank of the West, will become SVB Financial Group's CFO, effective June 5, 2017.

Silicon Valley Bank has experienced significant growth over the last decade, and continues to build the business, expand globally and provide the services, experience, and connections innovative companies and their investors need to be successful. Silicon Valley Bank is the 40th largest U.S. bank by assets and it was named the "Most Just Bank" in 2016 in *Forbes*. SVB works with more than half of the venture capital-backed companies in the U.S., and was the bank to 58 percent of U.S. VC-backed companies that had an IPO in 2016.

"Everything we do at Silicon Valley Bank is focused on our ability to increase our clients' probability of success," said Greg Becker, CEO of SVB Financial Group and Silicon Valley Bank. "Mike's passion for SVB, our clients and our employees, and his drive to keep looking forward and focus on what comes next, make him perfectly suited to lead our banking strategy and deliver on our mission to help our clients succeed. We are thrilled to welcome Dan as our new CFO. We will benefit from his strong banking and financial leadership experience as we continue to grow and reach new financial milestones in our business."

As CFO, Descheneaux has been responsible for all finance, treasury and accounting functions for the company since 2007. In addition, he oversaw the company's \$3 billion investment arm, SVB Capital, served on the Board of Directors for the company's joint venture bank in China, and has been instrumental in the company's leadership as a member of the executive committee.

"The opportunities for entrepreneurs, companies and investors in the innovation economy are strong and getting stronger," said Mike Descheneaux, incoming president of Silicon Valley Bank. "We are constantly amazed by the disruption, advancements, and inventions our clients envision and bring to market. It's our challenge to continue to deliver the services and expertise our clients need, at their pace, and in innovation hubs around the world. I am grateful for the opportunity to build on our incredible base and help Silicon Valley Bank deliver for our clients."

Beck joins SVB Financial Group from Bancwest Corp. where he was CFO and Treasurer and a member of the executive management committee. Previously he was CFO of Bank of the West and the bank's controller. In his former positions, Beck was responsible for leadership of the finance function, along with large scale transformation programs. He managed the relationships and communication with the parent company, regulators, rating agencies and management and he also played a lead role in the company's successful submission of its first Comprehensive Capital Analysis and Review (CCAR) stress test. Prior to joining Bancwest, Beck held financial positions at Wells Fargo and Freddie Mac and worked



Silicon Valley Bank

News

at Deloitte & Touche and E*Trade Financial Corporation earlier in his career . Beck earned a bachelor's degree in accounting from Virginia Commonwealth University and a bachelor's degree in biology from Virginia Polytechnic Institute and State University.

As CFO of SVB Financial Group, Beck will lead the finance, treasury and accounting functions for the company and he will be a member of the executive committee.

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