

Cardiovascular Systems Inc
Form 8-K
February 05, 2018

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): January 31, 2018

Cardiovascular Systems, Inc.

(Exact name of Registrant as Specified in its Charter)

Delaware 000-52082 41-1698056
(State or Other Jurisdiction (Commission (IRS Employer
of Incorporation) File Number) Identification No.)

1225 Old Highway 8 Northwest

St. Paul, Minnesota 55112-6416

(Address of Principal Executive Offices and Zip Code)

(651) 259-1600

(Registrant's telephone number, including area code)

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:

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.

As previously disclosed, on November 27, 2017, the Company and Kevin Kenny, the Company's previous Chief Operating Officer, agreed that Mr. Kenny's employment with the Company will end.

On January 31, 2018, the Company entered into a Separation Agreement with Mr. Kenny that provides Mr. Kenny with benefits substantially consistent with the Company's Executive Officer Severance Plan, which include 18 months of salary continuation benefits in the gross amount of \$645,000; a pro-rated bonus under the Company's fiscal year 2018 bonus plan, which will be calculated and paid following the close of fiscal year 2018; payment from the Company for accrued but unused paid time off in accordance with Company policy; and COBRA premiums paid by the Company for up to 18 months. The vesting of 15,122 shares of Mr. Kenny's time-based restricted stock that would have otherwise vested within the 12 month period following January 31, 2018 will be accelerated, and up to 33,203 shares of Mr. Kenny's performance-based restricted stock will vest, provided, and only to the extent, if any, that the performance criteria for such shares is met, as determined by the Company in or around August or September 2019 and 2020 (as applicable). Additionally, the Company will pay Mr. Kenny a gross amount of \$75,000 and reimburse Mr. Kenny for certain travel expenses. The Separation Agreement includes a release of claims by Mr. Kenny and he will continue to be bound by the terms of any restrictive covenant agreements he has with the Company. Mr. Kenny has the right under applicable law to rescind the Separation Agreement within 15 calendar days of his signature.

The foregoing summary of the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the Separation Agreement, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the three months ending March 31, 2018.

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.

Date: February 2, 2018

CARDIOVASCULAR
SYSTEMS, INC.

By: /s/ Laurence L. Betterley

Laurence L. Betterley
Chief Financial Officer