EMMIS COMMUNICATIONS CORP
Form 8-K
August 03, 2017

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): August 1, 2017

EMMIS COMMUNICATIONS CORPORATION
(Exact name of registrant as specified in its charter)

INDIANA
(State of incorporation or organization)

0-23264
(Commission file number)

35 1542018
(I.R.S. Employer Identification No.)

ONE EMMIS PLAZA
40 MONUMENT CIRCLE
SUITE 700
INDIANAPOLIS, INDIANA 46204
(Address of principal executive offices)

(317) 266-0100
(Registrant's Telephone Number, Including Area Code)

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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o 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 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 o
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. o

Item 2.01 Completion of Acquisition or Disposition of Assets

On August 1, 2017, subsidiaries of Emmis Communications Corporation ("Emmis") completed the sale of substantially all of the assets of radio station KPWR(FM), Los Angeles, CA to affiliates of the Meruelo Group. At closing, Emmis received gross proceeds of approximately $80.1 million. After payment of transaction costs and withholding for estimated tax obligations, net proceeds totaled $73.6 million and are being used to repay term loan indebtedness under Emmis' senior credit facility.

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

Effective August 1, 2017, we signed a new employment agreement with Patrick M. Walsh, who serves as our President and Chief Operating Officer, that is effective through July 31, 2019. Mr. Walsh's annual base compensation for the term of the employment agreement is $625,000, with annual increases of up to 2.5% as set forth in the employment agreement. The company retains the right to pay up to ten percent of Mr. Walsh's base salary in shares of our common stock, and has the right to pay any incentive compensation in cash or shares of our common stock. Mr. Walsh's annual incentive compensation targets for fiscal years 2018, 2019 and 2020 are 100% of his base compensation. In the event that Mr. Walsh's employment terminates upon expiration of the employment agreement, Mr. Walsh's annual incentive compensation for fiscal year 2020 will be pro-rated. Additionally, the award of any annual incentive compensation is based upon achievement of certain performance goals to be determined each year by our Compensation Committee. On August 1, 2017, Mr. Walsh received an option, which vests at the end of the two year term, to acquire 62,500 shares of our common stock, as well as a restricted stock award of 176,679 shares of our common stock, half of which are to vest upon the first anniversary of the grant and the other half are to vest upon the completion of the two year term. Mr. Walsh is also eligible to earn performance-based awards at the end of the two year term with a fair market value of $300,000, $500,000 or $700,000 based on certain increases in share price set forth in the employment agreement. Mr. Walsh continues to receive an automobile allowance of $1,000 per month and is reimbursed for up to $5,000 per year in premiums for life and disability insurance and professional fees related to estate planning. Mr. Walsh retains the right to participate in all of our employee benefit plans for which he is otherwise eligible. The agreement remains subject to termination by our board of directors for cause (as defined in the agreement), by Mr. Walsh for good reason (as defined in the agreement) or by Mr. Walsh upon the acceptance of a chief executive officer position at a non-competitive company as set forth in the employment agreement. Mr. Walsh is entitled to certain termination benefits upon disability or death, and certain severance benefits. The description of the employment agreement set forth above is qualified in its entirety by reference to the employment agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K, and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
10.1	Employment Agreement with Patrick M. Walsh effective August 1, 2017.

Note to this Form 8-K: Certain statements included in this report which are not statements of historical fact, including but not limited to those identified with the words "expect," "will" or "look" are intended to be, and are, by this Note, identified as "forward-looking statements," as defined in the Securities and Exchange Act of 1934, as amended. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future result, performance or achievement expressed or implied by such forward-looking statement. Such factors include, among others:

- general economic and business conditions;
- fluctuations in the demand for advertising and demand for different types of advertising media;
- our ability to service our outstanding debt;
- competition from new or different media and technologies;
- loss of key personnel;

•increased competition in our markets and the broadcasting industry, including our competitors changing the format of a station they operate
to more directly compete with a station we operate in the same market;
•our ability to attract and secure programming, on-air talent, writers and photographers;
•inability to obtain (or to obtain timely) necessary approvals for purchase or sale transactions or to complete the transactions for other reasons
generally beyond our control;
•increases in the costs of programming, including on-air talent;
•fluctuations in the market price of publicly traded or other securities;
•new or changing regulations of the Federal Communications Commission or other governmental agencies;
•enforcement of rules and regulations of governmental and other entities to which the Company is subject;

- changes in radio audience measurement methodologies;
- war, terrorist acts or political instability; and
- other factors mentioned in documents filed by the Company with the Securities and Exchange Commission.

Emmis does not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

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, thereunto duly authorized.

	EMMIS COMMUNICATIONS CORPORATION	
Date: August 3, 2017		
	By:	/s/ J. Scott Enright
		J. Scott Enright, Executive Vice President, General Counsel and Secretary