

TSR INC
Form 8-K
April 14, 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):

April 14, 2017

TSR, Inc.

(Exact name of registrant as specified in charter)

Delaware	0-8656	13-2635899
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

400 Oser Avenue, Suite 150, Hauppauge, NY	11788
(Address of principal executive offices)	(Zip Code)

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Registrant's telephone number, including area code: (631) 231-0333

(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 (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 240.14a-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))

Section 1 – Registrant’s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On April 14, 2017, TSR, Inc. (the “Company”) and Christopher Hughes, Senior Vice President of the Company and President of the Company’s wholly-owned subsidiary, TSR Consulting Services, Inc., entered into an Employment Agreement, dated April 14, 2017 and effective as of May 1, 2017. The current Employment Agreement between the Company and Mr. Hughes, dated as of March 1, 2012, was originally scheduled to expire on February 28, 2017, and was extended to March 31, 2017, and further extended to April 30, 2017.

The Employment Agreement will be effective May 1, 2017 and has a term of five years and one month, and is scheduled to expire on May 31, 2022. The Employment Agreement provides for an annual base salary of \$350,000, which the Company’s Compensation Committee will review on an annual basis, and which the Company’s Board of Directors may increase in the Board’s discretion. Mr. Hughes is eligible to receive an annual cash bonus in the discretion of the Compensation Committee, which may be based upon standards established by the Chairman of the Company and approved by the Compensation Committee. Mr. Hughes is entitled to receive advance payments of the bonus on a quarterly basis based on the amount of the bonus that would have been earned through the end of each quarter according to such standards. Such advance payments of the bonus are subject to recapture by the Company in the event that the amount paid as the advance exceeds the amount that Mr. Hughes was actually entitled to receive. Mr. Hughes is entitled to participate in any pension, profit-sharing, retirement, hospitalization, insurance, medical services or other employee benefit plan generally available to the Company’s executives, to the extent that he is eligible to participate under the terms and conditions of such plans.

The Company has the right to immediately terminate Mr. Hughes’ employment for “Cause” (as defined in the Employment Agreement), in which event Mr. Hughes shall be entitled to receive his base salary for the month in which the termination is effective.

The Company has the right to terminate Mr. Hughes’ employment upon fifteen days written notice in the event Mr. Hughes is unable to perform his duties on account of illness, accident or other physical or mental incapacity for a period of six consecutive months or an aggregate of 180 days in any period of twelve consecutive months, in which event Mr. Hughes shall be entitled to receive his base salary and reimbursement of approved expenses for the month in which termination is effective.

The Company may terminate Mr. Hughes’ employment for any other reason upon thirty days written notice, in which event Mr. Hughes shall be entitled to receive (a) severance from the Company in an amount equal to (i) two times his

base salary plus (ii) two times his bonus for the then-current fiscal year, or if that amount cannot be determined, two times the amount of the bonus paid to him in the prior fiscal year, and (b) continued group health insurance benefits until the earlier of the second anniversary of termination or such time as Mr. Hughes is eligible for comparable coverage under the group health insurance plans of another employer; provided that Mr. Hughes executes and delivers a release of all claims against the Company.

In the event that Mr. Hughes' employment is terminated without Cause during the six-month period prior to, or within one year after, a "Change in Control" (as defined in the Employment Agreement) of the Company, or if Mr. Hughes resigns from his employment for "Good Reason" within one year after a Change in Control of the Company, then Mr. Hughes shall be entitled to receive (a) his base salary through the date of termination or resignation plus his bonus pro-rated through such date, (b) an amount equal to two times his base salary plus two times his bonus for the then-current fiscal year, or if that amount cannot be determined, two times the bonus paid to him in the prior fiscal year, provided that Mr. Hughes executes and delivers a release of all claims against the Company, and (c) continued group health insurance benefits until the earlier of the second anniversary of termination or such time as Mr. Hughes is eligible for comparable coverage under the group health insurance plans of another employer. "Good Reason" means either (i) a material breach by the Company of the Employment Agreement, (ii) a material diminution in Mr. Hughes' authority, duties or responsibilities, (iii) a relocation by the Company of Mr. Hughes' principal place of business for the performance of his duties to a location that is anywhere outside of a 100 mile radius of the Borough of Manhattan.

The Employment Agreement incorporates the terms and provisions of that certain Maintenance of Confidence and Non-Compete Agreement between the Company and Mr. Hughes dated as of March 1, 2012.

A copy of the Employment Agreement is attached as Exhibit 10.1.

Section 5 – Corporate Governance and Management

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

On April 14, 2017, the Company and Christopher Hughes, Senior Vice President of the Company and President of the Company's wholly-owned subsidiary, TSR Consulting Services, Inc., entered into an Employment Agreement, dated April 14, 2017 and effective as of May 1, 2017. The current Employment Agreement between the Company and Mr. Hughes dated as of March 1, 2012, was originally scheduled to expire on February 28, 2017, and was extended to March 31, 2017, and further extended to April 30, 2017. The Employment Agreement dated April 14, 2017 and effective as of May 1, 2017 is described under Item 1.01 above, and a copy of the Employment Agreement is attached as Exhibit 10.1.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Employment Agreement, dated April 14, 2017 and effective as of May 1, 2017, between TSR, Inc. and Christopher Hughes.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TSR, INC.
(Registrant)

By: /s/ John G. Sharkey
John G. Sharkey
Vice President-Finance, Controller and Secretary

Date: April 14, 2017

EXHIBIT INDEX

Exhibit

Number Description

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