

# ARC DOCUMENT SOLUTIONS, INC.

## FORM 8-K (Current report filing)

Filed 03/23/06 for the Period Ending 03/17/06

Address	1981 N. BROADWAY, SUITE 385 WALNUT CREEK, CA 94596
Telephone	925 949-5100
CIK	0001305168
Symbol	ARC
SIC Code	7330 - Mailing, Reproduction, Commercial Art And
Industry	Business Services
Sector	Services
Fiscal Year	12/31



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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) March 17, 2006

**AMERICAN REPROGRAPHICS COMPANY**

(Exact Name of Registrant as Specified in its Charter)

STATE OF DELAWARE (State or other jurisdiction of Incorporation or Organization)	001-32407 (Commission File Number)	20-1700361 (I.R.S. Employer Identification No.)
700 North Central Avenue, Suite 550, Glendale, California (Address of Principal Executive Offices)		91203 (Zip Code)

Registrant's telephone number, including area code (818) 500-0225

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 1.01 Entry into a Material Definitive Agreement**

The Company, Sathiyamurthy Chandramohan, Chairman of the Board and Chief Executive Officer, and Kumarakulasingam Suriyakumar, President and Chief Operating Officer, have entered into an amendment to their respective employment agreements effective March 17, 2006. Given the significant expected savings to the Company resulting from the financial restructuring of the Company's debt in December 2005, the Company, Mr. Chandramohan and Mr. Suriyakumar believe it is appropriate to amend the employment agreement of each of Mr. Chandramohan and Mr. Suriyakumar to waive the mandatory bonus provision for 2006. Under their existing employment agreements, the reduction in interest cost would result in a bonus to Messrs. Chandramohan and Suriyakumar which would be higher than originally contemplated.

The Second Amendment to Employment Agreement between American Reprographics Company and Mr. Sathiyamurthy Chandramohan, effective March 17, 2006 is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 1.01. The Second Amendment to Employment Agreement between American Reprographics Company and Mr. Kumarakulasingam Suriyakumar, effective March 17, 2006 is attached hereto as Exhibit 99.2 and is incorporated by reference into this Item 1.01.

American Reprographics Company issued a press release reporting these amendments to the employment agreements of these two executive officers. A copy of the press release is attached hereto as Exhibit 99.3 and is incorporated by reference into this Item 1.01.

### **Item 9.01 Financial Statements and Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Second Amendment to Employment Agreement between American Reprographics Company and Mr. Sathiyamurthy Chandramohan, effective March 17, 2006
99.2	Second Amendment to Employment Agreement between American Reprographics Company and Mr. Kumarakulasingam Suriyakumar, effective March 17, 2006
99.3	American Reprographics Company Press Release dated March 23, 2006

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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: March 23, 2006

AMERICAN REPROGRAPHICS COMPANY

By: /s/ Sathiyamurthy Chandramohan  
Sathiyamurthy Chandramohan  
Chief Executive Officer

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## EXHIBIT INDEX

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99.3	American Reprographics Company Press Release dated March 23, 2006



**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT**

**This Second Amendment to Employment Agreement** is effective as of March 17, 2006 and is entered into by and between **American Reprographics Company**, a Delaware corporation (“**ARC**”) as the employer, and **Sathiyamurthy Chandramohan** (“**Executive**”), as the employee.

**This Second Amendment** is entered into with reference to the following facts:

ARC and Executive entered into an Employment Agreement dated January 7, 2005 (“Agreement”). The parties entered into a First Amendment to the Agreement effective as of November 18, 2005. The parties now wish to enter into this Second Amendment to amend Section 3(b) of the Agreement, as amended.

**Now therefore**, the parties agree as follows:

1. A new Section 3(b)(iv) is added to the Agreement to read as follows:  
  
(iv) Notwithstanding anything to the contrary contained in this Section 3(b), Executive waives the Incentive Bonus otherwise earned for the fiscal year ending December 31, 2006 and payable during the fiscal year ending December 31, 2007. All other provisions of Section 3(b), including the method of calculation of an Incentive Bonus, shall remain in full force and effect with respect to any Incentive Bonus which may be earned for the fiscal year ending December 31, 2007 or thereafter.
2. In all other respects the Employment Agreement remains in full force and effect without modification.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment to Employment Agreement as of the date first hereinabove set forth.

AMERICAN REPROGRAPHICS COMPANY,  
a Delaware corporation

By: /s/ Kumarakulasingam Suriyakumar  
Name: Kumarakulasingam Suriyakumar  
Title: President

EXECUTIVE

/s/ Sathiyamurthy Chandramohan  
Sathiyamurthy Chandramohan





**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT**

**This Second Amendment to Employment Agreement** is effective as of March 17, 2006 and is entered into by and between **American Reprographics Company**, a Delaware corporation (“**ARC**”) as the employer, and **Kumarakulasingam Suriyakumar** (“**Executive**”), as the employee.

**This Second Amendment** is entered into with reference to the following facts:

ARC and Executive entered into an Employment Agreement dated January 7, 2005 (“Agreement”). The parties entered into a First Amendment to the Agreement effective as of November 18, 2005. The parties now wish to enter into this Second Amendment to amend Section 3(b) of the Agreement, as amended.

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2. In all other respects the Employment Agreement remains in full force and effect without modification.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment to Employment Agreement as of the date first hereinabove set forth.

AMERICAN REPROGRAPHICS COMPANY,  
a Delaware corporation

By: /s/ S. Chandramohan  
Name: S. Chandramohan  
Title: CEO

EXECUTIVE

/s/ Kumarakulasingam Suriyakumar  
Kumarakulasingam Suriyakumar



**AMERICAN REPROGRAPHICS COMPANY EXECUTIVES WAIVE  
2006 PERFORMANCE BONUS**

**~ Recent debt refinancing would have resulted in higher-than-anticipated bonus ~**

GLENDALE, California (March 23, 2006) — American Reprographics Company (NYSE: ARP), the nation's leading provider of reprographics services and technology today announced that S. Chandramohan, Chairman and CEO, and K. Suriyakumar, President and COO, have entered into an amendment to their respective employment agreements to waive the mandatory performance bonus provision for 2006.

As a result of the Company refinancing its Second Lien Credit and Guaranty Agreement in December 2005, which is expected to save the Company more than \$8 million annually on a pre-tax basis, bonuses to Chandramohan and Suriyakumar could have been significantly higher than originally contemplated by the Company.

“Given the recent debt refinancing, we realized the formula for calculating our performance bonuses is no longer consistent with the company's objectives to deliver value to its shareholders,” said Chandramohan.

The Company's Board of Directors Compensation Committee Chairman, Manuel Perez de la Mesa, said, “The Compensation Committee has reviewed the potential impact of the performance bonus plans for Messrs. Chandramohan and Suriyakumar and approved the proposed change in their employment agreements. We believe this to be in the best interests of both the Company and of the shareholders.”

**About American Reprographics Company**

American Reprographics Company is the leading reprographics company in the United States providing business-to-business document management services to the architectural, engineering and construction, or AEC industries. The Company provides these services to companies in non-AEC industries, such as technology, financial services, retail, entertainment, and food and hospitality, which also require sophisticated document management services. American Reprographics Company provides its core services through its suite of reprographics technology products, a network of more than 200 locally-branded reprographics service centers across the U.S., and on-site at their customers' locations. The Company's service centers are arranged in a hub and satellite structure and are digitally connected as a cohesive network, allowing the provision of services both locally and nationally to more than 65,000 active customers.

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