

# ARC DOCUMENT SOLUTIONS, INC.

## FORM 8-K (Current report filing)

Filed 04/22/08 for the Period Ending 04/17/08

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, 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 17, 2008**

**AMERICAN REPROGRAPHICS COMPANY**

(Exact name of registrant as specified in its charter)

**STATE OF DELAWARE**

(State or other Jurisdiction of  
Incorporation)

**001-32407**

(Commission File Number)

**20-1700361**

(IRS Employer Identification No.)

**1981 N. Broadway, Suite 385, Walnut Creek, California**

(Address of Principal Executive Offices)

**94596**

(Zip Code)

Registrant's telephone number, including area code: **(925) 949-5100**

\_\_\_\_\_  
(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))
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**Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers**

- (e) American Reprographics Company (the “Company”) and Rahul K. Roy, the Company’s Chief Technology Officer, entered into an amendment of Mr. Roy’s employment agreement, effective April 17, 2008. Pursuant to the amendment, the term of Mr. Roy’s employment agreement was extended through and including March 31, 2011, Mr. Roy’s annual base salary was increased from \$400,000 to \$450,000, and the annual incentive bonus he is eligible to receive was increased from \$300,000 to 80% of his annual base salary.

The First Amendment to Executive Employment Agreement between the Company and Mr. Roy, dated April 17, 2008, is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 5.02.

The Company and Jonathan R. Mather, the Company’s Chief Financial Officer, entered into an amendment of Mr. Mather’s employment agreement, effective April 17, 2008. Pursuant to the amendment, the term of Mr. Mather’s employment agreement was extended through and including March 31, 2012, Mr. Mather’s annual base salary was increased from \$360,000 to \$375,000, the annual incentive bonus he is eligible to receive was increased from 60% to 80% of his annual base salary, and severance compensation payable to Mr. Mather in the event of specified termination events was increased from nine to twelve months of base salary. The amendment of Mr. Mather’s employment agreement additionally includes a discretionary restricted stock bonus under the American Reprographics Company 2005 Stock Plan, as amended. The Company awarded Mr. Mather 60,000 shares of common stock at a price per share of \$15.28, which was the closing price of the Company’s common stock on the New York Stock Exchange on the date the restricted stock was awarded. One hundred percent of the 60,000 shares of restricted common stock awarded to Mr. Mather will vest at the end of four years of continuous service to the Company by Mr. Mather, provided that one hundred percent of the shares will vest sooner in the event of Mr. Mather’s death, permanent disability, or in the event of specified termination events.

The First Amendment to Executive Employment Agreement between the Company and Mr. Mather, dated April 17, 2008, is attached hereto as Exhibit 99.2 and is incorporated by reference into this Item 5.02. The Restricted Stock Award Grant Notice between the Company and Mr. Mather, dated April 17, 2008, pursuant to which 60,000 shares of restricted common stock were awarded to Mr. Mather is attached hereto as Exhibit 99.3 and is incorporated by reference into this Item 5.02.

**Item 9.01 Financial Statements and Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	First Amendment to Executive Employment Agreement between American Reprographics Company and Rahul K. Roy dated April 17, 2008
99.2	First Amendment to Executive Employment Agreement between American Reprographics Company and Jonathan R. Mather dated April 17, 2008
99.3	Restricted Stock Award Grant Notice between American Reprographics Company and Jonathan R. Mather dated April 17, 2008

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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: April 22, 2008

AMERICAN REPROGRAPHICS COMPANY

By:           /s/ Kumarakulasingam Suriyakumar            
Kumarakulasingam Suriyakumar  
Chief Executive Officer and President

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## **EXHIBIT INDEX**

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99.3	Restricted Stock Award Grant Notice between American Reprographics Company and Jonathan R. Mather dated April 17, 2008



**FIRST AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT**

**This First Amendment to Employment Agreement** is entered into by and between **American Reprographics Company**, a Delaware corporation (“**ARC**”) as the employer, and **Rahul K. Roy**, an individual residing in the State of California (“**Executive**”), as the employee, on April 17, 2008.

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

ARC and Executive entered into an Executive Employment Agreement dated January 7, 2005 (“**Agreement**”), under which Executive is employed as Chief Technology Officer of ARC.

The initial term of the Agreement expired as of February 9, 2008, and the Agreement was automatically extended on a year-to-year basis thereafter pursuant to Section 2 of the Agreement. The parties now wish to enter into this First Amendment to amend the Agreement.

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

1. All capitalized terms in this First Amendment not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

2. Section 1(b) (“**Position and Duties**”) is amended to replace “report to ARC’s Chief Operating Officer (“**COO**”)” with “report to ARC’s Chief Executive Officer (“**CEO**”),” and to delete “**COO**” from subparagraph (xi).

2. Section 2 of the Agreement (“**Term**”) is amended to replace “the third (3rd) anniversary of the Effective Date” with “March 31, 2011.”

3. Section 3(a) of the Agreement (“**Base Salary**”) is amended to replace “\$400,000” with “\$450,000,” and to replace “annual review by the COO” with “annual review by the CEO.”

4. Section 3(b) of the Agreement (“**Incentive Bonus**”) is amended to delete the first sentence in its entirety and to add the following:

During the term of this Agreement, Executive shall be eligible to receive an annual Incentive Bonus (“**Incentive Bonus**”) in an amount equal to eighty percent (80%) of Executive’s Base Salary per year upon successful completion of all performance objectives and technology deliverables established by ARC’s CEO, in consultation with Executive (“**Technology Development Plan**”). The Technology Development Plan shall be revised and updated at least quarterly by ARC’s CEO, in order to reflect ARC’s then-current technology priorities.

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Section 3(b) of the Agreement is further amended to add the following:

The Incentive Bonus payable to Executive, if any, for each fiscal year during the term of this Agreement, commencing with the fiscal year ending December 31, 2008, shall be increased or decreased, as the case may be, by the percentage by which ARC's annual earnings per share, on a fully diluted basis and as reported pursuant to the Securities Exchange Act of 1934, as amended ("EPS"), is greater than the highest EPS first publicly forecasted by ARC for the applicable fiscal year, or less than the lowest EPS first publicly forecasted by ARC for the applicable fiscal year. For example, if ARC's first public EPS forecast is a range of \$1.52 to \$1.60, and EPS for that year is \$1.76, the Incentive Bonus payable to Executive, if any, shall be increased by ten percent (10%), and if EPS for that year is \$1.36, the Incentive Bonus Payable to Executive, if any, shall be decreased by ten percent (10%).

5. Section 8 ("Reimbursement of Business Related Expenses"), Section 9 ("Obligations and Restrictive Covenants"), Section 10 ("Confidentiality; Inventions"), and Section 11 ("Termination") are amended to replace each reference to "ARC's COO" with "ARC's CEO."

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

IN WITNESS WHEREOF, the undersigned have executed this First 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: Chief Executive Officer and President

EXECUTIVE

/s/ Rahul K. Roy  
Rahul K. Roy



**FIRST AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT**

**This First Amendment to Employment Agreement** is entered into by and between **American Reprographics Company**, a Delaware corporation (“**ARC**”) as the employer, and **Jonathan R. Mather**, an individual residing in the State of California (“**Executive**”), as the employee, on April 17, 2008.

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

ARC and Executive entered into an Executive Employment Agreement dated November 29, 2006 (“**Agreement**”), under which Executive is employed as Chief Financial Officer of ARC. The parties now wish to enter into this First Amendment to amend the Agreement.

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

1. All capitalized terms in this First Amendment not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

2. Section 2 of the Agreement (“**Term**”) is amended to replace “the third (3rd) anniversary of the Effective Date” with “March 31, 2012.”

3. Section 3(a) of the Agreement (“**Base Salary**”) is amended to replace “\$360,000” with “\$375,000.”

4. Section 3(b) of the Agreement (“**Incentive Bonus**”) is amended to replace “an amount equal to sixty percent (60%) of Executive’s Base Salary per year” with “an amount equal to eighty percent (80%) of Executive’s Base Salary per year.” Section 3(b) is further amended to add the following:

The Incentive Bonus payable to Executive, if any, for each fiscal year during the term of this Agreement, commencing with the fiscal year ending December 31, 2008, shall be increased or decreased, as the case may be, by the percentage by which ARC’s annual earnings per share, on a fully diluted basis and as reported pursuant to the Securities Exchange Act of 1934, as amended (“**EPS**”), is greater than the highest EPS first publicly forecasted by ARC for the applicable fiscal year, or less than the lowest EPS first publicly forecasted by ARC for the applicable fiscal year. For example, if ARC’s first public EPS forecast is a range of \$1.52 to \$1.60, and EPS for that year is \$1.76, the Incentive Bonus payable to Executive, if any, shall be increased by ten percent (10%), and if EPS for that year is \$1.36, the Incentive Bonus Payable to Executive, if any, shall be decreased by ten percent (10%).

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5. Section 5 of the Agreement (“Stock Plans”) is amended to add the following:

Executive shall additionally be granted an award of sixty thousand (60,000) restricted shares of ARC’s common stock, subject to the terms and conditions of ARC’s customary form of Restricted Stock Option Agreement, with one hundred percent (100%) of the restricted shares vesting on the fourth anniversary of the date of grant, provided that one hundred percent (100%) of the restricted shares shall immediately become vested prior to such fourth anniversary in the event of: (a) Executive’s death, (b) Executive becoming Permanently Disabled, (c) termination of the Agreement by ARC without Cause, or (d) termination of the Agreement by Executive with Good Reason.

6. Section 11(c)(i) of the Agreement (“Termination by ARC without Cause; Termination by Executive with Good Reason”) is amended to replace “nine (9) months” with “twelve (12) months.”

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

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

AMERICAN REPROGRAPHICS COMPANY,  
a Delaware corporation

By: /s/ Kumarakulasingam Suiryakumar  
Name: Kumarakulasingam Suriyakumar  
Title: Chief Executive Officer and President

EXECUTIVE

/s/ Jonathan R. Mather  
Jonathan R. Mather



**AMERICAN REPROGRAPHICS COMPANY  
RESTRICTED STOCK AWARD GRANT NOTICE  
2005 STOCK PLAN**

American Reprographics Company (the "Company"), pursuant to its 2005 Stock Plan (the "Plan"), hereby awards to Participant the number of shares of the Company's Common Stock set forth below ("Award"). This Award is subject to all of the terms and conditions as set forth herein, the Restricted Stock Award Agreement, the Plan, the Assignment Separate from Certificate, and the Joint Escrow Instructions, all of which are attached hereto and incorporated herein in their entirety.

Participant:	<u>Jonathan Mather</u>
Date of Grant:	<u>April 17, 2008</u>
Number of Shares Subject to Award:	<u>60,000</u>
Fair Market Value	<u>\$15.28 per share, \$916,800 in the aggregate</u>
Consideration:	<u>Participant's past services</u>
Vesting:	100% of the Shares vest after four years of Continuous Service from the Date of Grant; however, vesting of the Shares will be fully accelerated to 100% if Participant's Continuous Service terminates before the fourth anniversary of the Date of Grant due to (i) death, (ii) Participant's becoming "Permanently Disabled," (iii) involuntary termination by the Company without "Cause," or (iv) termination by Participant with "Good Reason" (as such terms are defined in the November 29, 2006 Executive Employment Agreement between the Company and Participant.).

**Additional Terms/Acknowledgements:** The undersigned Participant acknowledges receipt of, and understands and agrees to, this Grant Notice. Participant further acknowledges that as of the Date of Grant, this Grant Notice, the Restricted Stock Award Agreement, the Plan, the Assignment Separate from Certificate, and the Joint Escrow Instructions set forth the entire understanding between Participant and the Company regarding the acquisition of stock in the Company and supersede all prior oral and written agreements on that subject with the exception of Awards previously granted and delivered to Participant under the Plan.

**AMERICAN REPROGRAPHICS COMPANY****PARTICIPANT:**

By: /s/ Kumarakulasingam Suriyakumar  
Signature

/s/ Jonathan Mather  
Signature

Title: Chief Executive Officer and President

Date: April 17, 2008

Date: April 17, 2008

**ATTACHMENTS:** Restricted Stock Award Agreement, 2005 Stock Plan, Assignment Separate From Certificate, Joint Escrow Instructions