ARC DOCUMENT SOLUTIONS, INC.

FORM 8-K
(Current report filing)

Filed 04/15/11 for the Period Ending 04/14/11

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

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, 2011

AMERICAN REPROGRAPHICS COMPANY

(Exact name of registrant as specified in its charter)

STATE OF DELAWARE	**001-32407**	**20-1700361**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1981 N. Broadway, Suite 385, Walnut Creek, California	**94596**
(Address of principal executive offices)	(Zip Code)

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

(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))

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

(b) On April 14, 2011, American Reprographics Company's (the "Company") announced that Jonathan R. Mather, the Company's Chief Financial Officer, has chosen not to relocate to Northern California in connection with the Company's consolidation initiatives, including relocation of the Company's corporate finance and accounting functions within the Company's executive offices in Walnut Creek, California and intends to retire from the Company in the near future. Mr. Mather will continue in his position during such time as is necessary to ensure a smooth transition to a new Chief Financial Officer of the Company.

(c) On April 14, 2011, the Company also announced that Jorge Avalos, 35, was appointed Chief Accounting Officer/Vice President Finance of the Company on April 14, 2011 in connection with the relocation of the Company's corporate finance and accounting functions within the Company's executive offices in Walnut Creek, California. Mr. Avalos joined the Company in June 2006 as the Company's Director of Finance and became the Company's Corporate Controller in December 2006 and Vice President, Corporate Controller in December 2010. From March 2005 through June 2006, Mr. Avalos was employed with Vendare Media Group, an online network and social media company, as its controller. From September 1998 through March 2005, Mr. Avalos was employed with PricewaterhouseCoopers LLP, a global professional services firm focusing on audit and assurance, tax and advisory services, and left as an assurance manager.

The Company entered into an executive employment with Mr. Avalos (the "Employment Agreement"), in connection with Mr. Avalos' appointment as the Company's Chief Accounting Officer/Vice President Finance, effective April 14, 2011 through and including April 14, 2014. Under the Employment Agreement, Mr. Avalos is entitled to receive an annual base salary of $260,000 and an annual incentive bonus of up to $150,000, payable in cash. In addition, the Employment Agreement provides that Mr. Avalos is entitled to receive severance benefits in the event of specified termination events, including payment of twelve months base salary and accelerated vesting of outstanding equity awards. The foregoing summary of the Employment Agreement is not a complete description of the terms of such agreement and is qualified by reference to the full text of the Employment Agreement, which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

On April 14, 2011, in connection with Mr. Avalos' appointment as Chief Accounting Officer/Vice President Finance, the Compensation Committee approved a grant of 15,000 shares of restricted stock to Mr. Avalos, at a price per share of $9.94, which was the closing price of the Company's common stock on the New York Stock Exchange on the date the restricted stock was granted. Assuming Mr. Avalos' continued employment with the Company, the shares of restricted stock will vest 25% on each of the first four anniversaries of the date of grant. The grant is also subject to the terms of the Company's standard form of restricted stock award agreement under its 2005 Stock Plan, as amended.

A copy of the press release relating to the Company's consolidation initiatives is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Description
10.1	Executive Employment Agreement, dated April 14, 2011, by and between American Reprographics Company and Jorge Avalos
99.1	American Reprographics Company Press Release dated April 14, 2011

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 14, 2011	AMERICAN REPROGRAPHICS COMPANY
	By: /s/ Kumarakulasingam Suriyakumar
	Kumarakulasingam Suriyakumar
	Chief Executive Officer and President

EXHIBIT INDEX

Exhibit No.	Description
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Exhibit 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the " **Agreement** ") is entered into by and between **American Reprographics Company** , a Delaware corporation (" **ARC** " **)** as the employer, and **Jorge Avalos** , a resident of California, an individual (" **Executive** "), as the employee, on April 14, 2011 (" **Effective Date** ").

RECITALS

WHEREAS , as of the Effective Date, Executive was appointed Chief Accounting Officer/Vice President Finance of ARC.

WHEREAS , the parties now wish to enter into this Agreement as of the Effective Date to reflect Executive's appointment as Chief Accounting Officer/Vice President Finance.

Now, therefore, in consideration of the promises, covenants and agreements set forth in this Agreement, the parties agree as follows:

1. Position and Duties

(a) ARC hereby employs Executive as its Chief Accounting Officer/Vice President Finance, and Executive agrees to serve ARC in such capacity, upon the terms and conditions set forth herein.

(b) Executive shall report to the Chief Financial Officer ("CFO") of ARC. Executive's responsibilities shall be commensurate with the position of chief accounting officer and vice president finance of a publicly-traded company and Executive shall perform such other duties as ARC's CFO shall designate from time to time. Executive shall have the authority generally incident and necessary to perform such duties. Executive will be a member of the executive team.

(c) During the term of this Agreement, Executive will devote all of his employment time and attention to the affairs of ARC and use his best efforts to promote the business and interests of ARC. Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of ARC, and not to do any act which would injure the business, interests, or reputation of ARC or any of its subsidiaries or affiliates.

2. Term

The term of this Agreement and of Executive's employment hereunder shall commence on the Effective Date hereof and continue until April 14, 2014 unless otherwise terminated in accordance with the provisions hereof; provided, however, that this Agreement will automatically be extended on a year-to-year basis on the terms and conditions set forth herein, including the bonus provisions of Section 3(b), unless either party gives written notice to the other at least one hundred twenty (120) days prior to the expiration of the term of this Agreement, which includes any extensions, that this Agreement shall terminate at the end of such term, or extension thereof.

3. Direct Compensation

In consideration of the services to be provided by Executive, Executive shall receive compensation, less all applicable taxes, social security payments and other items that ARC is required by law to withhold or deduct therefrom, as follows:

(a) **Base Salary.** Executive's annual Base Salary shall be $260,000, payable in installments in accordance with ARC's customary payroll procedures.

(b) **Incentive Bonus.** During the term of this Agreement, Executive shall be eligible to receive an annual Incentive Bonus ("**Incentive Bonus**") of up to $150,000 contingent upon achievement of performance criteria to be established by ARC's CFO in consultation with Executive and approved by the Compensation Committee of ARC's Board of Directors. The value of the Incentive Bonus shall be paid in cash no later than the 60th day after the close of each fiscal year.

(c) **Additional Bonuses .** ARC may from time to time, in its absolute discretion, establish additional bonus programs for Executive.

4. General Benefits

During the term of this Agreement, Executive shall be entitled to other benefits provided by ARC to its senior executives from time to time, including but not limited to, 401(k) and other retirement plans, deferred compensation, paid holidays, sick leave and other similar benefits. Executive shall be entitled to four (4) weeks paid vacation each calendar year accrued and vested in accordance with ARC's vacation policy applicable to senior management. During the term of this Agreement, Executive shall receive an automobile allowance in the sum of $500.00 per month.

5. Stock Plans

Executive shall be granted a one-time grant of 15,000 restricted shares of ARC common stock, to be approved by the Compensation Committee of ARC's Board of Directors. The restricted shares of ARC common stock shall vest in equal installments of twenty-five percent (25%) on each of the first four anniversaries of the date of grant, subject to Executive's continued employment with ARC on each vesting date. In addition, in the sole discretion of the Board of Directors of ARC, Executive shall be eligible to participate in stock option, stock purchase, stock bonus and similar plans of ARC established from time to time by ARC.

6. Group Insurance or Benefit Plans

During the term of this Agreement, Executive shall be automatically covered by ARC group insurance programs (including any self-insured programs sponsored by ARC), including medical, dental, vision, disability, and life, if any. Executive's spouse and children who are eligible for coverage may join the insurance programs, subject to ARC's policies and applicable laws. The premiums for all insurance programs for Executive and Executive's spouse and eligible children shall be paid by ARC.

7. Reimbursement of Business-Related Expenses

Executive shall be entitled to receive prompt reimbursement for reasonable expenses incurred by him in performing services hereunder during the term of this Agreement, in accordance with the policies and procedures then in effect and established by ARC for its employees.

8. Obligations and Restrictive Covenants .

(a) **Obligations .** During the term of this Agreement, Executive shall not engage in any other employment, occupation or consulting activity for any direct or indirect remuneration. This obligation shall not preclude Executive from: (i) serving in any volunteer capacity with any professional, community, industry, civic, educational or charitable organization; (ii) serving as a member of corporate boards of directors, provided that ARC's CEO has given written consent, and these activities or services do not materially interfere or conflict with Executive's responsibilities or ability to perform his duties under this Agreement; or (iii) engaging in personal investment activities for himself and his family which do not interfere with the performance of his duties and obligations hereunder.

(b) **Non-Competition; Non-Solicitation .** The Parties hereto recognize that Executive's services are unique and the restrictive covenants set forth in this Section 8 are essential to protect the business (including trade secret and other confidential information disclosed by ARC to, learned by, or developed by, Executive during the course of employment by ARC) and the goodwill of ARC. For purposes of this Section 8, all references to "ARC" shall include ARC's predecessors, subsidiaries and affiliates. As part of the consideration for the compensation and benefits to be paid to Executive hereunder, during the term of this Agreement Executive shall not:

(i) Engage in any business similar or related to or competitive with the business conducted by ARC described from time to time in ARC's Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the " **Core Business of ARC** ");

(ii) Render advice or services to, or otherwise assist, any other person, association, corporation, or other entity that is engaged, directly or indirectly, in any business similar or related to, or competitive with, the Core Business of ARC;

(iii) Transact any business in any manner with or pertaining to suppliers or customers of ARC which, in any manner, would have, or is likely to have, an adverse effect upon the Core Business of ARC; or

(iv) Induce any employee of ARC to terminate his or her employment with ARC, or hire or assist in the hiring of any such employee by any person or entity not affiliated with ARC.

For purposes of this Agreement, "affiliate" shall mean any entity which owns or controls, is owned or controlled by, or is under common ownership or control, with ARC.

9. Confidentiality

Executive acknowledges that it is the policy of ARC to maintain as secret and confidential all valuable and unique information heretofore or hereafter acquired, developed or used by ARC relating to the business, operations, employees and customers of ARC, which information gives ARC a competitive advantage in the industry, and which information includes technical knowledge, know-how or trade secrets and information concerning operations, sales, personnel, suppliers, customers, costs, profits, markets, pricing policies, and other confidential information and materials (the " **Confidential Information** ").

(a) **Non-Disclosure .** Executive recognizes that the services to be performed by Executive are special and unique, and that by reason of his duties he will be given, acquire or learn Confidential Information. Executive recognizes that all such Confidential Information is the sole and exclusive property of ARC. Executive shall not, either during or after his employment by ARC, disclose the Confidential Information to anyone outside ARC or use the Confidential Information for any purpose whatsoever, other than for the performance of his duties hereunder, except as authorized by ARC in connection with performance of such duties.

(b) **Return of Confidential Information .** Executive shall deliver promptly upon termination of employment with ARC, or at any time requested by ARC, all memos, notes, records, reports, manuals, drawings, and any other documents, whether in electronic form or otherwise, containing any Confidential Information, including without limitation all copies of such materials in any format which Executive may then possess or have under his control.

(c) **Ownership of Inventions; Assignment of Rights .** Executive agrees that all information, inventions, intellectual property, trade secrets, copyrights, trademarks, content, know-how, documents, reports, plans, proposals, marketing and sales plans, client lists, client files and materials made by him or by ARC (the " **Work Product** ") are the property of ARC and shall not be used by him in any way adverse to the interests of ARC. Executive assigns to ARC any and all rights of every nature which Executive may have in any such Work Product; provided, however, that such assignment does not apply to any right which qualifies fully under California Labor Code Section 2870. This section shall survive any termination of this Agreement and the employment relationship between Executive and ARC. Executive shall not deliver, reproduce or in any way allow such documents or things to be delivered or used by any third party without specific direction or consent of the Board of Directors. Likewise, Executive shall not disclose to ARC, use in ARC's business, or cause ARC to use, any information or material that is a trade secret of others.

(d) **Predecessors, Subsidiaries and Affiliates** . For purposes of this Section 9, references to ARC include its predecessors, subsidiaries and affiliates.

10. Termination .

Notwithstanding any other term or provision contained in this Agreement, this Agreement and the employment hereunder will terminate prior to the expiration of the term of this Agreement under the following circumstances:

(a) **Death .** Upon Executive's death.

(b) **Disability .** Upon Executive becoming "Permanently Disabled", which, for purposes of this Agreement, shall mean Executive's incapacity due to physical or mental illness or cause, which, in the written opinion of Executive's regular licensed physician, results in the Executive being unable to perform his duties on a full-time basis for six (6) months during a period of twelve (12) months.

(c) **Termination by ARC for Cause .** Upon written notice to Executive, ARC may terminate this Agreement for "Cause," which, for purposes of this Agreement, shall mean termination by ARC in its reasonable discretion because of Executive's:

(i) willful refusal without proper cause to perform (other than by reason of physical or mental disability or death) the duties set forth in this Agreement or delegated from time to time in writing by the Board of Directors or ARC's CEO, which remains uncorrected for thirty (30) days following written notice to Executive by ARC's CEO; or

(ii) gross negligence, self dealing or willful misconduct of Executive in connection with the performance of his duties hereunder, including, without limitation, misappropriation of funds or property of ARC or its affiliates, securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of ARC or its affiliates, or any willful act or gross negligence having the effect of injuring the reputation, business or business relationships of ARC or its affiliates; or

(iii) fraud, dishonesty or misappropriation of ARC business and assets that harms the business of ARC or its affiliates; or

(iv) habitual insobriety, abuse of alcohol, abuse of prescription drugs, or use of illegal drugs; or

(v) engaging in any criminal activity involving moral turpitude; or

(vi) indictment or being held for trial in connection with a misdemeanor involving moral turpitude or any felony; or

(vii) conviction of a felony or entry into a guilty plea that negatively reflects on Executive's fitness to perform the duties or harms the reputation or business or ARC or its affiliates; or

(viii) any material breach of any covenants under this Agreement or other material policy of ARC, other than under clauses (i) through (vii) of this Section 10(c), which remains uncorrected for thirty (30) days following written notice to Executive by ARC's CEO.

(d) **Termination by ARC without Cause .** Upon written notice to Executive, ARC may terminate this Agreement at any time without any Cause or reason whatsoever.

(e) **Termination by Executive with Good Reason .** Upon written notice to ARC of any of the following "Good Reasons," and the failure of ARC to correct the reduction, change or breach within thirty (30) days after receipt of such notice, Executive may terminate this Agreement after the occurrence of:

(i) a material change by ARC in the nature of Executive's title, duties, authorities and responsibilities set forth in this Agreement without Executive's express written consent; or

(ii) a reduction in Executive's compensation as established under this Agreement, without Executive's express written consent; or

(iii) a change in the officers (other than a change in the persons who occupy such positions) to whom Executive reports without Executive's express consent; or

(iv) a material breach by ARC of any material sections of this Agreement, other than as set forth in clauses (i) through (iii) of this Section 10(e); or

(v) a Change of Control, as defined in Section 10(g), as a result of which Executive is not offered the same or comparable position in the surviving company, or is offered such position but within twelve (12) months after Executive accepts such position, Executive's employment is terminated either without Cause or for a Good Reason described in subsections (i), (ii), (iii) of this Section 10(e) or in subsection (iv) as to the employment agreement then applicable to Executive.

(f) **Termination by Executive without Good Reason .** Upon forty-five (45) days prior written notice to ARC, Executive may terminate this Agreement and resign from Executive's employment hereunder without any Good Reason.

(g) **Change of Control** .

(i) For purposes of this Agreement, "Change of Control" shall mean:

(A) ARC merges or consolidates with any other corporation (other than one of ARC's affiliates), as a result of which ARC is not the surviving company, or the shares of ARC voting stock outstanding immediately after such transaction do not constitute, become exchanged for or converted into, more than fifty percent (50%) of the Voting Shares of the merged or consolidated company (as defined below);

(B) ARC sells or otherwise transfers or disposes of all or substantially all of its assets;

(C) Any third person or entity shall become the Beneficial Owner, as defined by Rule 13(d)-3 under the Securities Exchange Act of 1934, in one transaction or a series of related transactions within any twelve (12) month period, of at least fifty percent (50%) of the Voting Shares of ARC's then outstanding voting securities.

(ii) For purposes of this Agreement, "Voting Shares" shall mean the combined voting securities entitled to vote in the election of directors of a corporation, including ARC, or the merged, consolidated or surviving company, if other than ARC.

(h) **Expiration**. For purposes of this Agreement, the expiration of this Agreement at the end of its term, including any extensions, does not constitute a termination.

11. Severance Benefits

(a) **Basic Benefits**. Upon expiration or termination of this Agreement for any reason, and subject to the provisions of Section 11(e), Executive will be entitled to: (i) payment for all Base Salary and unused vacation accrued and prorated, but unpaid, as of the effective date of termination, (ii) payment, when due, of any earned but unpaid Incentive Bonus for the preceding fiscal year, (iii) any unreimbursed business expenses authorized by this Agreement, provided that such reimbursement will be paid to Executive no later than 30 days after the effective date of termination, (iv) continuation of any benefits under Section 6 as required by applicable law (e.g., COBRA), and (v) such rights as then exist with respect to then vested stock options, restricted stock or other rights under similar plans.

(b) **Termination by ARC for Cause or by Executive without Good Reason .** If this Agreement and Executive's employment hereunder is terminated by ARC for Cause pursuant to Section 10(c), or by Executive without Good Reason pursuant to Section 10(f), Executive shall not be entitled to any additional payments or benefits hereunder.

(c) **Termination by ARC without Cause; Termination by Executive with Good Reason .** If this Agreement and Executive's employment hereunder is terminated by ARC without Cause pursuant to Section 10(d), or by Executive for Good Reason as defined in Section 10(e), subject to Executive's compliance with the provisions of Section 14 below, Executive shall receive the following additional payments or benefits:

(i) Executive's Base Salary for twelve (12) months following the effective date of such termination, paid as and when due as if this Agreement had not been terminated;

(ii) Continuation of coverage and premium payments by ARC under ARC's group insurance programs for Executive and his eligible family members under Section 6 for the period during which Base Salary is paid under Section 11(c)(i) above; and

(iii) all unvested stock options, restricted stock or similar rights granted to Executive shall accelerate and become vested and exercisable immediately as of the effective date of termination.

(d) **Termination because of Death or Disability of Executive .** If this Agreement and Executive's employment hereunder is terminated under Sections 10(a) or (b) by reason of Executive's death or by reason of being Permanently Disabled, Executive or his family shall be entitled to continuation of coverage and premium payments by ARC under ARC's group insurance programs for Executive and his eligible family members under Section 6 for a period of twelve (12) months after the termination of employment.

(e) **Parachute Payments.** In the event that the severance, acceleration of stock options and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G (as it may be amended or replaced) of the Internal Revenue Code of 1986, as amended or replaced (the "Code"), and (ii) but for this Section 11 (e), would be subject to the excise tax imposed by Section 4999 (as it may be amended or replaced) of the Code (the " **Excise Tax** "), then Executive's benefits hereunder shall be either:

(i) provided to Executive in full; or

(ii) provided to Executive only as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under the Excise Tax. Unless ARC and Executive otherwise agree in writing, any determination required under this Section 11(e) shall be made in writing in good faith by ARC's independent public accountants (the " **Accountants** "). In the event of a reduction in benefits hereunder, Executive shall be given the choice of which benefits to reduce. For purposes of making the calculations required by this Section 11(e), the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code. ARC and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 11(e). ARC shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 11(e).

(f) **<u>409A Compliance.</u>**

(i) **<u>6-Month Delay Rule.</u>** Except as provided in paragraph (ii) below, in the event that Executive is a "specified employee" (as defined in Section 409A(a)(2)(B)(i) of the Code and regulations thereunder) at the time of the termination of his employment with ARC, payment of all amounts subject to Section 409A of the Code that would otherwise be made under Section 11 of this Agreement, including any installments, may not be paid before a date that is six (6) months and two (2) days after the date of termination from employment (including death). Such amounts that otherwise would have been paid during such six- (6-) month period will be paid as of the date that is six (6) months and two (2) days after the date of employment termination.

(ii) **<u>Exception.</u>** In the event that payment of amounts under Section 11 of this Agreement at the time(s) of payment specified under its terms (without regard to this Section 11(f)) does not cause any amount of the payment to fail to comply with the provisions of Section 409A, and does not result in any excise tax or additional tax penalty under Section 409A, then the six- (6-) month delay rule of paragraph (i) above will not apply and payment of such amounts will be made at the time(s) specified under the applicable terms of Section 11 of this Agreement without regard to this Section 11(f).

(iii) **<u>General Compliance.</u>** During the term of this Agreement, ARC and Executive agree to modify and administer the Agreement to the extent possible to comply with Section 409A and to avoid incurring any excise and other additional tax liability that might be imposed on Executive or ARC.

12. Arbitration and Equitable Relief

(a) **Arbitration .** In consideration of Executive’s employment with ARC, its promise to arbitrate all employment-related disputes, and Executive’s receipt of the compensation paid to Executive by ARC, at present and in the future, Executive agrees that any and all controversies, claims, or disputes with anyone (including ARC and any employee, officer, director, shareholder or benefit plan of ARC in their capacity as such or otherwise) arising out of, relating to, or resulting from Executive’s employment with ARC or the termination of that employment with ARC, including any provision of this Agreement, shall be subject to binding arbitration under the arbitration rules set forth in the California Code of Civil Procedure Sections 1280 through 1294.2, including section 1283.05 collectively (the “ **Rules** ”) and pursuant to California law. Disputes which Executive agrees to arbitrate, and hereby agrees to waive any right to a trial by jury, include without limitation, any common law claims, statutory claims under Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act of 1990, the Age Discrimination In Employment Act of 1967, the Older Workers Benefit Protection Act, the California Fair Employment And Housing Act, the California Labor Code (except for workers compensation or unemployment insurance claims), or ERISA, claims of harassment, discrimination or wrongful termination and any other statutory claims under state or federal law.

(b) **Procedure .** Any arbitration will be administered by JAMS and a neutral arbitrator will be selected in a manner consistent with its rules for the resolution of employment disputes. The arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication and motions to dismiss and demurrers, prior to any arbitration hearing. The arbitrator shall have the power to award any remedies, including attorneys’ fees and costs, available under applicable law. ARC will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that Executive shall pay the first $200.00 of any filing fees associated with any arbitration Executive initiates. The arbitrator shall administer and conduct any arbitration in a manner consistent with the Rules. To the extent that the JAMS rules for the resolution of employment disputes conflict with the Rules, the Rules shall take precedence. The decision of the arbitrator shall be in writing.

(c) **Remedy .** Except as provided by the Rules and this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between ARC and Executive. Accordingly, except as provided for by the Rules and this Agreement, neither ARC nor Executive will be permitted to pursue court action regarding claims that are subject to arbitration. The arbitrator will not have the authority to disregard or refuse to enforce any lawful ARC policy, and the arbitrator shall not order or require ARC to adopt a policy not otherwise required by law which ARC has not adopted.

(d) **Availability of Injunctive Relief .** In addition to the right under the Rules to petition the court for provisional relief, ARC may also petition the court for injunctive relief, notwithstanding any provision in this Agreement requiring arbitration, where ARC alleges or claims a violation of this Agreement, or any separate agreement between Executive and ARC regarding trade secrets, confidential information or non-solicitation, or California Labor Code Section 2870. No bond shall be required of ARC. Executive understands and agrees that any breach or threatened breach of this Agreement or of any such separate agreement will cause irreparable injury to ARC or its affiliates and that money damages will not provide an adequate remedy therefore, and Executive hereby consents to the issuance of an injunction. In the event either Party seeks injunctive relief, the prevailing Party shall be entitled to recover reasonable costs and attorneys' fees related thereto.

(e) **Administrative Relief .** This Agreement does not prohibit Executive from pursuing an administrative claim with a local, state or federal administrative body such as the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission or the Workers' Compensation Board. This Agreement does, however, preclude Executive from pursuing court action regarding any such claim.

(f) **Voluntary Nature of Agreement .** Executive acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by ARC or anyone else. Executive further acknowledges and agrees that he has carefully read this Agreement, that he has asked any questions needed for him to understand the terms, consequences and binding effect of this Agreement, and that he fully understands this Agreement, **including that he is waiving his right to a jury trial** . Finally, Executive acknowledges that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

13. Governing Law

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California without regard to California conflict of laws principles.

14. Release

In exchange for the benefits and other consideration under this Agreement to which Executive would not otherwise be entitled, Executive shall enter into and execute a release substantially in the form attached hereto as Exhibit A (the " **Release** ") upon his termination of employment. Unless the Release is executed by Executive and delivered to ARC within thirty (30) days after the termination of Executive's employment with ARC, Executive shall receive only the basic severance benefits provided under Section 11(a) of this Agreement and no additional benefits under Section 11.

15. Notices

Any notices or other communications desired or required under this Agreement shall be in writing, signed by the Party making the same, and shall be deemed delivered when personally delivered or on the second business day after the same is sent by certified or registered mail, postage prepaid, addressed as follows (or to such other address as may be designated by like written notice):

If to Executive:	At the last residential address known by ARC
If to ARC:	American Reprographics Company 1981 North Broadway, Suite 385 Walnut Creek, CA 94596 Attn.: Chief Financial Officer

16. Severability

In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

17. Assignment

Except as otherwise specifically provided herein, neither party shall assign this Agreement or any rights hereunder without the consent of the other party, and any attempted or purported assignment without such consent shall be void; provided that Executive's consent under this Agreement shall not be required hereby for any of the transactions involving a Change of Control. This Agreement shall otherwise bind and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, legatees, devisees, executors, administrators and legal representatives.

18. Entire Agreement

This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous negotiations, correspondence, understandings and agreements between the parties regarding the subject matter of this Agreement. Any prior employment agreement, bonus agreement or other compensation agreement between Executive and ARC or any predecessor, or affiliate of ARC, is hereby amended and superseded as of the Effective Date. This Agreement may not be amended or modified except in writing signed by both parties.

19. Waiver

If either party waives any breach of any provisions of this Agreement, he or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

20. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first hereinabove set forth.

AMERICAN REPROGRAPHICS COMPANY, a Delaware corporation

By: /s/ Kumarakulasingam Suriyakumar
Kumarakulasingam Suriyakumar
Title: Chief Executive Officer, President and Chairman of the Board

EXECUTIVE

By: /s/ Jorge Avalos
Jorge Avalos

EXHIBIT A

RELEASE AGREEMENT

I understand that my position with American Reprographics Company ("ARC") terminated effective ___________(the "Separation Date"). ARC has agreed that if I choose to sign this Agreement, ARC will pay me severance benefits (minus the standard withholdings and deductions) pursuant to the terms of the Amended and Restated Executive Employment Agreement entered into on ___________, between myself and ARC (the "Severance Benefits"). I understand that I am not entitled to the Severance Benefits unless I sign this Agreement. I understand that in addition to the Severance Benefits, ARC will pay me all of my accrued salary and vacation, to which I am entitled by law.

In consideration for the Severance Benefits I am receiving under this Agreement, I agree not to use or disclose any of ARC's proprietary information without written authorization from ARC, to immediately return all Company property and documents (including all embodiments of proprietary information) and all copies thereof in my possession or control, and to release ARC and its officers, directors, agents, attorneys, employees, shareholders, and affiliates from any and all claims, debts, liabilities, demands, causes of action, attorneys' fees, damages, or obligations of every kind and nature, whether they are known or unknown, arising at any time prior to the date I sign this Agreement. This general release includes, but is not limited to: all federal and state statutory and common law claims, claims related to my employment or the termination of my employment or related to breach of contract, tort, wrongful termination, discrimination, wages or benefits, or claims for any form of compensation. This release is not intended to release any claims I have or may have against any of the released parties for (a) indemnification as a director, officer, agent or employee under applicable law, charter document or agreement, (b) severance and other termination benefits under my employment agreement and any related written documents, (c) health or other insurance benefits based on claims already submitted or which are covered claims properly submitted in the future, (d) vested rights under pension, retirement or other benefit plans, or (e) in respect of events, acts or omissions occurring after the date of this Release Agreement.

In releasing claims unknown to me at present, I am waiving all rights and benefits under Section 1542 of the California Civil Code, and any law or legal principle of similar effect in any jurisdiction:

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."**

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the federal Age Discrimination in Employment Act of 1967, as amended ("ADEA"). I also acknowledge that the consideration given for the waiver in the above paragraph is in addition to anything of value to which I was already entitled. I have been advised by this writing, as required by the ADEA that: (a) my waiver and release do not apply to any claims that may arise after my signing of this Agreement; (b) I should consult with an attorney prior to executing this release; (c) I have twenty-one (21) days within which to consider this release (although I may choose to voluntarily execute this release earlier); (d) I have seven (7) days following the execution of this release to revoke the Agreement; (e) this Agreement will not be effective until the eighth (8^{th}) day after this Agreement has been signed both by me and by ARC; and I will not be paid any of the Severance Benefits until this Agreement has become effective.

This Agreement constitutes the complete, final and exclusive embodiment of the entire agreement between ARC and me with regard to the subject matter hereof I am not relying on any promise or representation by ARC that is not expressly stated herein. This Agreement may only be modified by a writing signed by both me and a duly authorized officer of ARC. I accept and agree to the terms and conditions stated above:

AMERICAN REPROGRAPHICS COMPANY, a Delaware corporation	EXECUTIVE
By: ______________________	By: ______________________
______________________	Jorge Avalos
	Address: ______________________
Title: ______________________	______________________

Exhibit 99.1

ARC PROVIDES INSIGHT INTO FIRST QUARTER RESULTS AND ANNOUNCES FURTHER CONSOLIDATION

- First quarter revenue indicates core business sales likely to remain flat for most of 2011
- Further consolidations planned to facilitate additional cost reductions
- Corporate finance function to be consolidated into corporate headquarters
- CFO Mather to retire; search begun for new CFO
- Jorge Avalos, VP of Finance, appointed CAO

WALNUT CREEK, CA, April 14, 2011 — ARC (NYSE: ARC), the nation's leading provider of reprographics services and technology, today announced that March sales were consistent with sales in January and February, indicating first quarter revenues to be in the range of $105 to $107 million. While the quarterly sales figure was not unexpected, revenue from construction project printing in March was lackluster. Given that March is typically an indicator of annual revenue from the non-residential construction segment, management expects a difficult year for core business sales. As a result, ARC announced that it is further restructuring its operations and management to reduce costs and strengthen growing segments of its business.

"Revenue for the quarter was in line with our projections, but sales from construction project printing remain challenged," said K. "Suri" Suriyakumar, Chairman, President and CEO of ARC. "On the other hand we see exciting signs of growth in the Global Services and MPS segments of our business, and many of these AEC customers are beginning to hire. Our increased market share should drive our core business substantially as project work returns later in the year. With recent improvements in unemployment and vacancy rates, I think it is clear that an upturn is on its way."

Management announced that, given current market conditions, the Company is reducing the number of its branches in several local markets, while maintaining its extensive presence in major metropolitan areas, a feature of the Company that has been critical to its success. At the same time ARC's operational management is being restructured to address the decline in core business sales and the growth in new segments such as Global Services, MPS, Color and Technology Services. Company restructuring will continue throughout the second quarter, with anticipated annualized savings of more than $14 million.

Among the most significant management changes planned for the year is the consolidation of the corporate finance function into the Company's corporate headquarters in Walnut Creek, California. Since its inception, ARC's operations and finance offices have been decentralized in keeping with its historical management structure. The consolidation reflects the evolving centralization of ARC management and will foster a closer relationship between the finance and operations teams to address continuing economic challenges and an ongoing industry technology transition.

Jorge Avalos, ARC's Vice President and Corporate Controller, will be relocating to the Walnut Creek office and leading the consolidated financial accounting operations of the Company. Mr. Avalos has also been appointed Chief Accounting Officer of the Company. Mr. Avalos joined the Company in 2006 taking on increasing levels of responsibility throughout his career at ARC. Prior to joining the Company, Mr. Avalos was an assurance manager for PricewaterhouseCoopers, and the Corporate Controller for Vendare Media (later merged with Epic Media Group), an online advertising network and social media company.

Jonathan Mather, ARC's CFO, has chosen not to relocate to Northern California and will instead retire from the Company to remain close to his family and community in the Los Angeles-area. Mr. Mather will assist the finance team in relocating to Walnut Creek, and assist Mr. Suriyakumar in the engagement of a new CFO.

"When Jonathan joined us in 2006 after his tenure at NETGEAR, one of the stipulations of his employment was that his offices would remain close to his home in Southern California. While recognizing the necessity of the corporate office consolidation, he has chosen to remain in Los Angeles and we respect his decision," said Mr. Suriyakumar. "Jonathan has been the driving force behind the success of the finance function here at ARC over the past four and a half years. We are happy to have his good counsel and guidance throughout the transition, and we wish him well in his future endeavors."

ARC management will maintain its traditional quiet period leading up to the formal announcement of its first quarter results on May 3, 2011.

About ARC

ARC (American Reprographics Company) is the leading reprographics company in the United States providing business-to-business document management technology and services to the architectural, engineering and construction, or AEC industries. The Company also provides document management services to companies in non-AEC industries, such as technology, financial services, retail, entertainment, and food and hospitality. ARC provides its services through its suite of reprographics technology products, a network of hundreds of reprographics service centers around the world, and on-site at more than 5,500 customer locations. The Company's service centers are digitally connected as a cohesive network, allowing the provision of services both locally and nationally to more than 120,000 active customers.

Forward-Looking Statements

This press release contains forward-looking statements that are based on current opinions, estimates and assumptions of management regarding future events and the future financial performance of the Company. Words such as “will,” “on its way,” “expect” and similar expressions identify forward-looking statements and all statements other than statements of historical fact, including, but not limited to, any projections regarding earnings, revenues and financial performance of the Company, could be deemed forward-looking statements. We caution you that such statements are only predictions and are subject to certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Factors that could cause our actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, the current economic recession and downturn in the architectural, engineering and construction industries specifically, and the timing and nature of any economic recovery; our ability to streamline operations and reduce and/or manage costs; competition in our industry and innovation by our competitors; our failure to anticipate and adapt to future changes in our industry; our failure to take advantage of market opportunities and/or to complete acquisitions; our failure to manage acquisitions, including our inability to integrate and merge the business operations of the acquired companies or failure to retain key personnel and customers of acquired companies; our dependence on certain key vendors for equipment, maintenance services and supplies; damage or disruption to our facilities, our technology centers, our vendors or a majority of our customers; and our failure to continue to develop and introduce new services successfully. The foregoing list of risks and uncertainties is illustrative but is by no means exhaustive. For more information on factors that may affect our future performance, please review our periodic filings with the U.S. Securities and Exchange Commission, and specifically the risk factors set forth in our most recent reports on Form 10-K and Form 10-Q. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

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