

Texas Roadhouse, Inc.
Form 8-K
January 12, 2015

**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) **January 8, 2015**

TEXAS ROADHOUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50972
(Commission
File Number)

20-1083890
(IRS Employer
Identification No.)

6040 Dutchmans Lane
(Address of principal executive offices)

40205
(Zip Code)

Registrant's telephone number, including area code **(502) 426-9984**

N/A

(Former name or former address, if changed since last report.)

Edgar Filing: Texas Roadhouse, Inc. - Form 8-K

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:

- 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))
-

Edgar Filing: Texas Roadhouse, Inc. - Form 8-K

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS, APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

(b), (c) On January 9, 2015, G. Price Cooper, IV, tendered to the Company his resignation as Chief Financial Officer. Effective January 12, 2015, the Board of Directors accepted Mr. Cooper's resignation and appointed Scott M. Colosi, the Company's President, to also serve as the Interim Chief Financial Officer. Mr. Colosi, 50, served as the Company's Chief Financial Officer from September 2002 until his appointment as President in August 2011. The Company has licensed or franchised restaurants to companies owned in part by certain of our executive officers. Disclosure regarding such licenses and franchises, including restaurants in which Mr. Colosi has an interest, is included on Exhibits to our Annual Report on Form 10-K.

(e) On January 8, 2015, we entered into new employment agreements with W. Kent Taylor, our Chairman and Chief Executive Officer; Scott M. Colosi, our President; and Celia P. Catlett, our General Counsel and Corporate Secretary. Each agreement became effective on January 8, 2015 with an initial three-year term expiring on January 7, 2018. Thereafter, each agreement has a term of one year ending on January 7 of the following year unless otherwise agreed to by the parties. The prior employment agreements with the officers each expired on January 7, 2015.

Base Salary. Each officer's employment agreement establishes an annual salary as shown in the table below which is subject to increase throughout the initial term of the agreements as shown below.

	2015 (\$)	2016 (\$)	2017 (\$)
W. Kent Taylor	525,000	525,000	525,000
Scott M. Colosi	450,000	450,000	450,000
Celia P. Catlett	250,000	275,000	300,000

Incentive Bonus. Each officer's employment agreement also establishes a new annual target incentive bonus amount as shown in the table below based on the achievement of defined goals established by the compensation committee of the Board of Directors. The targets are based upon earnings per share growth and pre-tax profits. Depending on the level of achievement of the goals, the bonus may be reduced to a minimum of \$0 or increased to a maximum of two times the base target amount under the current incentive compensation policy of the Board's Compensation Committee.

	Base Bonus (\$)	Minimum Bonus (\$)	Maximum Bonus (\$)
W. Kent Taylor	525,000	0	1,050,000
Scott M. Colosi	350,000	0	700,000
Celia P. Catlett	125,000	0	250,000

Stock Awards. Each officer's employment agreement provides for the granting of restricted stock units, the conditional right to receive shares of our common stock upon vesting. One-third of each officer's restricted stock units will vest each year on January 8 over a three year period, commencing on January 8, 2016, provided the officer is still

Edgar Filing: Texas Roadhouse, Inc. - Form 8-K

employed as of the vesting date. The aggregate numbers of restricted stock units granted are shown in the table below.

Edgar Filing: Texas Roadhouse, Inc. - Form 8-K

**Restricted Stock
Units**

W. Kent Taylor	45,000
Scott M. Colosi	60,000
Celia P. Catlett	30,000

Each of Mr. Colosi's and Ms. Catlett's employment agreement also provides for a retention grant of restricted stock units which will vest on January 8, 2018, provided the officer is still employed as of the vesting date. The aggregate numbers of retention restricted stock units granted are shown in the table below.

**Restricted Stock
Units**

Scott M. Colosi	20,000
Celia P. Catlett	10,000

Each of Messrs. Taylor's and Colosi's employment agreement provides for the granting of restricted stock units which will vest on January 8, 2016, subject to the achievement of defined goals established by the compensation committee of the Board of Directors. The targets are based upon earnings per share growth and pre-tax profits. Depending on the level of achievement of the goals, the number of restricted stock units may be reduced to zero or increased to a maximum of two times the target number of restricted stock units shown below. The target number of restricted stock units for each of the officers is set forth in the table below.

	Target # of Restricted Stock Units	Minimum # of Restricted Stock Units	Maximum # of Restricted Stock Units
W. Kent Taylor	85,000	0	170,000
Scott M. Colosi	30,000	0	60,000

Separation and Change in Control Arrangements. Except in the event of a change in control, the employment agreement with Mr. Taylor provides that no severance will be paid to him upon termination of employment, but he is entitled to receive a gift of a crisp \$100 bill if his employment is terminated by us without cause before the end of the term. Except in the event of a change in control, the employment agreements with Mr. Colosi and Ms. Catlett provide that if we terminate their employment without cause before the end of the term, and if the officer signs a release of all claims against us, we will pay a severance payment equal to the officer's base salary for a period of 180 days in addition to 50% of the officer's annual base incentive bonus amount. Similar payments are due to the officers if employment is terminated by reason of death or disability before the end of the term.

The employment agreements with each of the officers provide that if the officer's employment is terminated other than for cause following a change in control, or if the officer resigns for good reason following a change in control because he or she is required to move, the Company's successor does not agree to be bound by the agreement or the officer's duties, pay or total benefits are reduced, each officer will receive severance payments in an amount equal to the officer's base salary and incentive bonus through the end of the term of the agreement but not less than one year. In addition, generally upon termination by us without cause or termination for good reason by the officer within 12 months of a change in control, the officer's unvested stock options or other stock awards, if any, will become vested as of the date of termination. Moreover, with respect to each of Messrs. Colosi and Taylor, if his employment is terminated under such circumstances and the officer has not yet been granted performance-based restricted stock units for either or both of the second and third years of his employment agreement, the officer will be

Edgar Filing: Texas Roadhouse, Inc. - Form 8-K

issued the target number of restricted stock units set forth above for each of these years. The payments and acceleration of vesting of the stock options or other stock awards are contingent upon the officer signing a full release of claims against us.

Each officer has agreed not to compete with us during the term of his or her employment and for a period of two years following the last day of the term of his or her employment agreement, unless the officer's employment is terminated without cause following a change in control, in which case the officer has agreed not to compete with us through the date of the last payment of the officer's severance payments. The employment agreements contain a clawback provision that enables the Company to seek reimbursement to the Company of any compensation paid to the officer which is required to be recovered by any law, governmental regulation or order, or stock exchange listing requirement.

Also on January 8, 2015, we entered into an employment agreement on similar terms and conditions with G. Price Cooper, IV, to serve as Chief Financial Officer, before he announced resignation on January 9, 2015. The employment agreement provided for a base salary of \$350,000 for 2015, a base bonus amount of \$200,000 and grants of restricted stock units in the aggregate amount of 100,000.

ITEM 8.01. OTHER EVENTS

On January 8, 2015, the Compensation Committee approved the granting of 25,500 restricted stock units to each of our non-employee directors under our 2013 Long Term Incentive Plan as part of the director's compensation for services as a board member. One third of each director's restricted stock units will vest on each of January 8, 2016, January 8, 2017, and January 8, 2018, subject to each director's continued service with us.

Edgar Filing: Texas Roadhouse, Inc. - Form 8-K

SIGNATURE

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.

TEXAS ROADHOUSE, INC.

Date: January 12, 2015

/s/ Scott M. Colosi
Scott M. Colosi
President