

ICAD INC
Form 8-K
November 20, 2018

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) November 16, 2018

iCAD, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

98 Spit Brook Road, Suite 100, Nashua, New Hampshire

1-9341
(Commission

File Number)

02-0377419
(IRS Employer

Identification No.)

03062

(Address of Principal Executive Offices)
(603) 882-5200

(Zip Code)

(Registrant's Telephone Number, Including Area Code)

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On November 16, 2018, iCAD, Inc. (the Company) granted to Michael Klein options to purchase 559,809 shares of common stock of the Company at an exercise price of \$2.89 per share, the closing price on the date of grant. On November 19, 2018 the Company entered into an employment agreement with Michael Klein to serve as Executive Chairman and Interim CEO of the Company for a term of two years ending on the earlier termination of the agreement or December 31, 2020. Mr. Klein's compensation will consist of an annual base salary of \$150,000, a target annual incentive bonus of 50% of his base salary if the Company achieves goals and objectives determined by the Compensation Committee, and the option grant described above.

Mr. Klein is also entitled to customary benefits, including participation in employee benefit plans as well as a monthly automobile allowance. Mr. Klein's employment agreement provides that if his employment is terminated without cause or if he terminates his employment for good reason (as such terms are defined in Mr. Klein's employment agreement), in each case while he serves as Interim CEO, then: (i) he will continue to receive an amount equal to his base salary for the 12 month periods from the date of his termination; (ii) he will receive the pro rata portion of any incentive bonus, if any, earned for the fiscal year of his termination; and (iii) he will receive reimbursement of monthly premiums for continued health benefits for 18 months. If the aggregate amount of payments under (i) and (ii) are less than \$250,000, then Mr. Klein shall be entitled to \$250,000.

In the event that within 12 months of a change in control, if Mr. Klein's employment is terminated by the Company without cause or he terminates his employment for good reason, in each case while he serves as Interim CEO, then: (i) he will continue to receive an amount equal to his base salary for the period of 24 months from the date of his termination; (ii) he will receive the pro rata portion of any incentive bonus, if any, earned for the fiscal year of his termination, and (iii) all unvested stock options and other equity awards granted by the Company shall immediately vest and become exercisable and shall remain exercisable for not less than 180 days thereafter.

This description of Mr. Klein's employment agreement is qualified in its entirety by the agreement filed as Exhibit 10.1 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit | |
|---------|---|
| No. | Description of Exhibit |
| 10.1 | <u>Employment Agreement between the Company and Michael Klein dated November 19, 2018</u> |

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 thereunto duly authorized.

iCAD, INC.
(Registrant)

By: /s/ Richard Christopher
Richard Christopher
Chief Financial Officer

Date: November 20, 2018