

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: July 14, 2020
(Date of earliest event reported)

ARC Document Solutions, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32407
(Commission File Number)

20-1700361
(IRS Employer
Identification Number)

12657 Alcosta Blvd, Suite 200, San Ramon, CA
(Address of principal executive offices)

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

94583
(Zip Code)

Not Applicable
(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	ARC	The New York Stock Exchange

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 2.02. Results of Operations and Financial Condition

On July 15, 2020, ARC Document Solutions, Inc. (the “Company”) issued a press release reporting its expectation regarding certain preliminary financial results for the second quarter 2020. A copy of the press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

The information contained in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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

(e) *Compensatory Arrangements of Certain Officers.*

2020 Voluntary Temporary Base Salary Reductions

On July 14, 2020, in response to the continuing COVID-19 global pandemic, the Company entered into letter agreements amending the executive employment agreements with each of Kumarakulasingham Suriyakumar, President and Chief Executive Officer; Jorge Avalos, Chief Financial Officer; Dilantha Wijesuriya, Chief Operating Officer, and Rahul K. Roy, Chief Technology Officer (collectively, the “Letter Agreements”). The Letter Agreements provide for continuation of voluntary base salary reductions previously disclosed on April 7, 2020, at the following levels, until further agreement between the parties to each agreement: (a) in the case of Mr. Suriyakumar, a forty-five percent (45%) temporary base salary reduction, and (b) in the case of each of Messrs. Avalos, Wijesuriya and Roy, a thirty percent (30%) temporary base salary reduction.

The foregoing summary of the Letter Agreements is not a complete description of the terms of such agreements and is qualified by reference to the full text of such agreements, which are attached hereto as Exhibit 10.1, 10.2, 10.3 and 10.4 and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits.*

Exhibit Index

Exhibit No.	Description
<u>10.1</u>	<u>Letter Agreement, dated July 14, 2020, between ARC Document Solutions, Inc. and Kumarakulasingham Suriyakumar</u>
<u>10.2</u>	<u>Letter Agreement, dated July 14, 2020, between ARC Document Solutions, Inc. and Jorge Avalos</u>
<u>10.3</u>	<u>Letter Agreement, dated July 14, 2020, between ARC Document Solutions, Inc. and Dilantha Wijesuriya</u>
<u>10.4</u>	<u>Letter Agreement, dated July 14, 2020, between ARC Document Solutions, Inc. and Rahul Roy</u>
<u>99.1</u>	<u>ARC Document Solutions, Inc. Press Release, dated July 15, 2020</u>

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 hereunto duly authorized.

Dated: July 15, 2020

ARC DOCUMENT SOLUTIONS, INC.

By: /s/ Jorge Avalos

Jorge Avalos

Chief Financial Officer

Exhibit Index

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<u>99.1</u>	<u>ARC Document Solutions, Inc. Press Release, dated July 15, 2020</u>



July 14, 2020

Re: Temporary Base Salary Reduction

Dear Suri:

In response to the continuing COVID-19 global pandemic, this letter confirms our agreement regarding a voluntary reduction in Base Salary payable pursuant to the Amended and Restated Executive Employment Agreement, effective as of February 9, 2018, as amended, between yourself and ARC Document Solutions, Inc. ("ARC") (collectively, the "Executive Agreement") on terms set forth below. (Terms not otherwise defined in this letter shall have the meaning ascribed to them in the Executive Agreement.)

1. Effective as of July 5, 2020, Base Salary payable under the Executive Agreement shall be voluntarily reduced by forty-five percent (45%) (the "Base Salary Reduction") until further agreement between the parties to the Executive Agreement (the "Effective Period").
2. Notwithstanding anything to the contrary contained in this letter, if your employment with ARC is terminated by ARC without Cause or by you for Good Reason during the Effective Period, any severance benefits payment to you under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 3(a) of the Executive Agreement, without taking into account the Base Salary Reduction.

Except as specifically amended by this letter, the Executive Agreement remains in full force and effect without modification.

Please confirm your acknowledgement and agreement with the foregoing by signing where indicated below.

Very truly yours,

ARC Document Solutions, Inc.

/s/ Dilantha Wijesuriya
Dilantha Wijesuriya
Chief Operating Officer

ACKNOWLEDGED AND AGREED:

/s/ Kumarakulasingam Suriyakumar

By: Kumarakulasingam Suriyakumar



July 14, 2020

Re: Temporary Base Salary Reduction

Dear Jorge:

In response to the continuing COVID-19 global pandemic, this letter confirms our agreement regarding a voluntary reduction in Base Salary payable pursuant to the Employment Agreement, dated May 1, 2014, between yourself and ARC Document Solutions, Inc. ("ARC"), as amended (collectively, the "Executive Agreement") on terms set forth below. (Terms not otherwise defined in this letter shall have the meanings ascribed to them in the Executive Agreement.)

1. Effective as of July 5, 2020, Base Salary payable under the Executive Agreement shall be voluntarily reduced by thirty percent (30%) (the "Base Salary Reduction") until further agreement between the parties to the Executive Agreement (the "Effective Period").
2. Notwithstanding anything to the contrary contained in this letter, if your employment with ARC is terminated by ARC without Cause or by you for Good Reason during the Effective Period, any severance benefits payment to you under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 3(a) of the Executive Agreement, without taking into account the Base Salary Reduction.

Except as specifically amended by this letter, the Executive Agreement remains in full force and effect without modification.

Please confirm your acknowledgement and agreement with the foregoing by signing where indicated below.

Very truly yours,

ARC Document Solutions, Inc.

/s/ Kumarakulasingam Suriyakumar
Kumarakulasingam Suriyakumar
Chief Executive Officer

ACKNOWLEDGED AND AGREED:

/s/ Jorge Avalos

By: Jorge Avalos



July 14, 2020

Re: Temporary Base Salary Reduction

Dear Dilantha:

In response to the continuing COVID-19 global pandemic, this letter confirms our agreement regarding a voluntary reduction in Base Salary payable pursuant to the Employment Agreement, dated May 1, 2014, between yourself and ARC Document Solutions, Inc. ("ARC"), as amended (collectively, the "Executive Agreement") on terms set forth below. (Terms not otherwise defined in this letter shall have the meanings ascribed to them in the Executive Agreement.)

1. Effective as of July 5, 2020, Base Salary payable under the Executive Agreement shall be voluntarily reduced by thirty percent (30%) (the "Base Salary Reduction") until further agreement between the parties to the Executive Agreement (the "Effective Period").
2. Notwithstanding anything to the contrary contained in this letter, if your employment with ARC is terminated by ARC without Cause or by you for Good Reason during the Effective Period, any severance benefits payment to you under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 3(a) of the Executive Agreement, without taking into account the Base Salary Reduction.

Except as specifically amended by this letter, the Executive Agreement remains in full force and effect without modification.

Please confirm your acknowledgement and agreement with the foregoing by signing where indicated below.

Very truly yours,

ARC Document Solutions, Inc.

/s/ Kumarakulasingam Suriyakumar
Kumarakulasingam Suriyakumar
Chief Executive Officer

ACKNOWLEDGED AND AGREED:

/s/ Dilantha Wijesuriya

By: Dilantha Wijesuriya



July 14, 2020

Re: Temporary Base Salary Reduction

Dear Rahul:

In response to the continuing COVID-19 global pandemic, this letter confirms our agreement regarding a voluntary reduction in Base Salary payable pursuant to the Employment Agreement, dated May 1, 2014, between yourself and ARC Document Solutions, Inc. ("ARC"), as amended (collectively, the "Executive Agreement") on terms set forth below. (Terms not otherwise defined in this letter shall have the meanings ascribed to them in the Executive Agreement.)

1. Effective as of July 5, 2020, Base Salary payable under the Executive Agreement shall be voluntarily reduced by thirty percent (30%) (the "Base Salary Reduction") until further agreement between the parties to the Executive Agreement (the "Effective Period").
2. Notwithstanding anything to the contrary contained in this letter, if your employment with ARC is terminated by ARC without Cause or by you for Good Reason during the Effective Period, any severance benefits payment to you under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 3(a) of the Executive Agreement, without taking into account the Base Salary Reduction.

Except as specifically amended by this letter, the Executive Agreement remains in full force and effect without modification.

Please confirm your acknowledgement and agreement with the foregoing by signing where indicated below.

Very truly yours,

ARC Document Solutions, Inc.

/s/ Kumarakulasingam Suriyakumar
Kumarakulasingam Suriyakumar
Chief Executive Officer

ACKNOWLEDGED AND AGREED:

/s/ Rahul Roy

By: Rahul Roy

ARC SUCCESSFULLY RE-ENGINEERS COMPANY FOR POST-COVID ERA

Smaller, leaner company expected to produce second quarter EBITDA of approximately \$10 million and cash flow from operations above \$20 million in spite of reduced sales of approximately \$63 million due to COVID-19 shutdowns

SAN RAMON, CA – (DATE) – ARC Document Solutions, Inc. (NYSE: ARC), a leading document solutions provider to a wide variety of industries, today said it has successfully re-engineered the Company to create opportunities for growth and strong margins in a post-COVID-19 era.

“While the impact of COVID-19 has been devastating to our industry and the markets we serve, we saw this as an opportunity to transform our business into a smaller but stronger company with potential for new growth and similar, if not better margins,” said Suri Suriyakumar, Chairman, President and CEO of ARC. “We have reimagined our business for a post-COVID era that includes offerings that range well beyond the construction vertical and our historical print segments, and we have aggressively removed costs related to segments of businesses that are no longer relevant to our existing customers.”

“We have also reconfigured our operating structure and costs to serve new customer needs today and in the future,” said Mr. Suriyakumar. “This will allow us to improve our EBITDA margins, continue to strengthen our cash position, and address a level of sales that is smaller, but has greater potential than our legacy business.”

Specifically, management reported that after reconfiguring its operations and cost structure, it expects second quarter adjusted EBITDA of approximately \$10 million and cash flow from operations is expected to be more than \$20 million. Management anticipates pandemic-reduced sales of approximately \$63 million.

ARC executives will be available for comment during the company’s second quarter earnings report scheduled for August 4, 2020, after the market close. The earnings call will provide additional details on ARC’s financial and operational performance for the period, and updates to current market conditions.

To access the live audio call, dial (833) 968-2212. International callers may join the conference by dialing (778) 560-2897. The conference code is 4563937 and will be required to dial in to the call. A live webcast will also be made available on the investor relations page of ARC Document Solution’s website at <http://ir.e-arc.com>. A replay of the webcast will be available on the website following the call’s conclusion.

About ARC Document Solutions (NYSE: ARC)

ARC provides a wide variety of document distribution and graphic production services to facilitate communication for professionals in the design, marketing, commercial real estate, construction and related fields. Follow ARC at www.e-arc.com.

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 and phrases such as “expected to produce”, “create opportunities for growth and strong margins”, “potential for new growth”, “transform our business into a smaller but stronger company”, “allow us to improve”, “continue to strengthen our cash position”, “greater potential than our legacy business”, 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. In addition to matters affecting the construction, managed print services, document management or reprographics industries, or the economy generally, factors that could cause actual results to differ from expectations stated in forward-looking statements include, among others, the factors described in the caption entitled “Risk Factors” in Item 1A in ARC Document Solution’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, Quarterly Reports on Form 10-Q, and other periodic filings and prospectuses. 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.

Contact Information:

David Stickney
VP Corporate Communications & Investor Relations
925-949-5114