

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) April 7, 2020

ARC Document Solutions, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
Incorporation or Organization)

001-32407

(Commission
File Number)

20-1700361

(I.R.S. Employer
Identification No.)

12657 Alcosta Blvd., Suite 200

San Ramon, California 94583

(Address of Principal Executive Offices, including Zip Code)

(Registrant's Telephone Number, Including Area Code): (925) 949-5100

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))
-

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 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On April 7, 2020, ARC Document Solutions, Inc. (the “Company”) received a notification letter (the “Notice”) from the New York Stock Exchange (the “NYSE”) advising that the Company is not in compliance with Section 802.01C of the NSYE’s Listed Company Manual because the 30-day trading-day average closing share price of the Company’s common stock was \$0.93 as of April 6, 2020, which was below the NYSE \$1.00 price standard (“Minimum Share Price Requirement”).

The Company plans to notify the NYSE of its intent to cure the deficiency and return to compliance with the NYSE continued listing requirements. In addition, the Company intends to monitor the closing share price of its common stock and consider available options if its common stock does not trade at a level likely to result in the Company regaining compliance with the Minimum Share Price Requirement by October 7, 2020.

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 April 7 and 8, 2020, in response to the COVID-19 global pandemic, the Company entered into amendments to 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 “Amendments”) providing for temporary base salary reductions. The Amendments provide for the following base salary reductions, not to exceed three months: (a) in the case of Mr. Suriyakumar, a fifty-percent (50%) temporary base salary reduction, and (b) in the case of each of Messrs. Avalos, Wijesuriya and Roy, a thirty-five percent (35%) temporary base salary reduction.

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

Item 8.01. Other Events.

On April 10, 2020, the Company issued a press release regarding the matters discussed in Items 3.01 and 5.02 above. A copy of the press release is furnished as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
<u>10.1</u>	<u>Amendment No. 2 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Kumarakulasingam Suriyakumar</u>
<u>10.2</u>	<u>Amendment No. 4 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Jorge Avalos</u>
<u>10.3</u>	<u>Amendment No. 3 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Dilantha Wijesuriya</u>
<u>10.4</u>	<u>Amendment No. 3 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Rahul Roy</u>
<u>99.1</u>	<u>ARC Document Solutions, Inc. Press Release, dated April 10, 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: April 10, 2020

ARC DOCUMENT SOLUTIONS, INC.

By: /s/ Jorge Avalos

Jorge Avalos

Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
<u>10.1</u>	<u>Amendment No. 2 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Kumarakulasingam Suriyakumar</u>
<u>10.2</u>	<u>Amendment No. 4 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Jorge Avalos</u>
<u>10.3</u>	<u>Amendment No. 3 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Dilantha Wijesuriya</u>
<u>10.4</u>	<u>Amendment No. 3 to Amended and Restated Executive Employment Agreement between ARC Document Solutions, Inc. and Rahul Roy</u>
<u>99.1</u>	<u>ARC Document Solutions, Inc. Press Release, dated April 10, 2020</u>

AMENDMENT NO. 2 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

ARC DOCUMENT SOLUTIONS, INC. (“ARC”) and KUMARAKULASINGAM SURIYAKUMAR (“Executive”) agree to enter into this AMENDMENT NO. 2 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (“Amendment No. 2”) effective as of April 4, 2020 (“Effective Date”).

RECITALS

WHEREAS, ARC and Executive entered into an Amended and Restated Employment Agreement, effective as of February 9, 2018, as amended (collectively, the “Executive Agreement”). All capitalized terms in this Amendment No. 2 not otherwise defined herein shall have the meanings ascribed to them in the Executive Agreement.

WHEREAS, the parties now wish to amend certain terms of the Executive Agreement as of the Effective Date.

Now, therefore, in consideration of the promises, covenants and agreements set forth in this Amendment No. 2, the parties agree as follows:

1. BASE SALARY.

A new Subsection 3(a)(i) is added to Section 3(a) of the Executive Agreement (Base Salary) as follows:

“3(a)(i) Executive agrees that the amount of base salary payable to Executive pursuant to Section 3(a) shall be voluntarily reduced by fifty percent (50%) (“Base Salary Reduction”) effective as of the Effective Date for a period not exceeding three months thereafter (the “Effective Period”). Notwithstanding anything to the contrary contained in this subsection, if Executive’s employment with ARC is terminated by ARC without Cause or by Executive for Good Reason during the Effective Period, any severance benefits payment to Executive under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 3(a), without taking into account the Base Salary Reduction.”

Except as specifically set forth in this Amendment No. 2, the Executive Agreement remains in full force and effect without modification.

IN WITNESS WHEREOF, the undersigned have executed this Amendment No. 2 as of the date first hereinabove set forth.

ARC DOCUMENT SOLUTIONS, INC.

EXECUTIVE

By: _____
Dilantha Wijesuriya

By: _____
Kumarakulasingam Suriyakumar

Title: Chief Operating Officer

AMENDMENT NO. 4 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

ARC DOCUMENT SOLUTIONS, INC. (“**ARC**”) and **JORGE AVALOS** (“**Executive**”) agree to enter into this AMENDMENT NO. 4 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (“**Amendment No. 4**”) dated as of April 4, 2020 (“**Effective Date**”).

RECITALS

WHEREAS, ARC and Executive entered into an Employment Agreement, dated May 1, 2014, as amended and restated on February 1, 2015 and June 9, 2015, as subsequently amended (“**Executive Agreement**”), under which Executive was employed as Chief Financial Officer. All capitalized terms in this Amendment No. 4 not otherwise defined herein shall have the meanings ascribed to them in the Executive Agreement.

WHEREAS, the parties now wish to amend certain terms of the Executive Agreement as of the Effective Date.

Now, therefore, in consideration of the promises, covenants and agreements set forth in this Amendment No. 4, the parties agree as follows:

1. COMPENSATION.

A new Subsection 1(a) is added to Section 1 set forth in Appendix B of the Executive Agreement as follows:

“1(a) Executive agrees that the amount of base salary payable to Executive pursuant to Section 1 shall be voluntarily reduced by thirty-five percent (35%) (“**Base Salary Reduction**”) effective as of the Effective Date for a period not exceeding three months thereafter (the “**Effective Period**”). Notwithstanding anything to the contrary contained in this subsection, if Executive’s employment with ARC is terminated by ARC without Cause or by Executive for Good Reason during the Effective Period, any severance benefits payment to Executive under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 1, without taking into account the Base Salary Reduction.”

Except as specifically set forth in this Amendment No. 4, the Executive Agreement remains in full force and effect without modification.

IN WITNESS WHEREOF, the undersigned have executed this Amendment No. 4 as of the date first hereinabove set forth.

ARC DOCUMENT SOLUTIONS, INC.

EXECUTIVE

By: _____
Kumarakulasingam Suriyakumar

By: _____
Jorge Avalos

Title: President and Chief Executive Officer

AMENDMENT NO. 3 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

ARC DOCUMENT SOLUTIONS, INC. (“ARC”) and DILANTHA WIJESURIYA (“Executive”) agree to enter into this AMENDMENT NO. 3 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (“**Amendment No. 3**”) effective as of April 4, 2020 (“**Effective Date**”).

RECITALS

WHEREAS, ARC and Executive entered into an Employment Agreement, dated May 1, 2014, as amended and restated on June 9, 2015, and as subsequently amended (collectively, the “**Executive Agreement**”). All capitalized terms in this Amendment No. 3 not otherwise defined herein shall have the meanings ascribed to them in the Executive Agreement.

WHEREAS, the parties now wish to amend certain terms of the Executive Agreement as of the Effective Date.

Now, therefore, in consideration of the promises, covenants and agreements set forth in this Amendment No. 3, the parties agree as follows:

1. COMPENSATION.

A new Subsection 1(a) is added to Section 1 set forth in Appendix B of the Executive Agreement as follows:

“1(a) Executive agrees that the amount of base salary payable to Executive pursuant to Section 1 shall be voluntarily reduced by thirty-five percent (35%) (“**Base Salary Reduction**”) effective as of the Effective Date for a period not exceeding three months thereafter (the “**Effective Period**”). Notwithstanding anything to the contrary contained in this subsection, if Executive’s employment with ARC is terminated by ARC without Cause or by Executive for Good Reason during the Effective Period, any severance benefits payment to Executive under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 1, without taking into account the Base Salary Reduction.”

Except as specifically set forth in this Amendment No. 3, the Executive Agreement remains in full force and effect without modification.

IN WITNESS WHEREOF, the undersigned have executed this Amendment No. 3 as of the date first hereinabove set forth.

ARC DOCUMENT SOLUTIONS, INC.

EXECUTIVE

By: _____
Kumarakulasingam Suriyakumar

By: _____
Dilantha Wijesuriya

Title: President and Chief Executive Officer

AMENDMENT NO. 3 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

ARC DOCUMENT SOLUTIONS, INC. (“**ARC**”) and **RAHUL ROY** (“**Executive**”) agree to enter into this AMENDMENT NO. 3 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (“**Amendment No. 3**”) effective as of April 4, 2020 (“**Effective Date**”).

RECITALS

WHEREAS, ARC and Executive entered into an Employment Agreement, dated May 1, 2014, as amended and restated as of June 9, 2015 and amended as of May 9, 2016 (collectively, the “**Executive Agreement**”). All capitalized terms in this Amendment No. 3 not otherwise defined herein shall have the meanings ascribed to them in the Executive Agreement.

WHEREAS, the parties now wish to amend certain terms of the Executive Agreement as of the Effective Date.

Now, therefore, in consideration of the promises, covenants and agreements set forth in this Amendment No. 3, the parties agree as follows:

1. COMPENSATION.

A new Subsection 1(a) is added to Section 1 set forth in Appendix B of the Executive Agreement as follows:

“1(a) Executive agrees that the amount of base salary payable to Executive pursuant to Section 1 shall be voluntarily reduced by thirty-five percent (35%) (“**Base Salary Reduction**”) effective as of the Effective Date for a period not exceeding three months thereafter (the “**Effective Period**”). Notwithstanding anything to the contrary contained in this subsection, if Executive’s employment with ARC is terminated by ARC without Cause or by Executive for Good Reason during the Effective Period, any severance benefits payment to Executive under the Executive Agreement shall be calculated based on the amount of Base Salary set forth in Section 1, without taking into account the Base Salary Reduction.”

Except as specifically set forth in this Amendment No. 3, the Executive Agreement remains in full force and effect without modification.

IN WITNESS WHEREOF, the undersigned have executed this Amendment No. 3 as of the date first hereinabove set forth.

ARC DOCUMENT SOLUTIONS, INC.

EXECUTIVE

By: _____
Kumarakulasingam Suriyakumar

By: _____
Rahul Roy

Title: President and Chief Executive Officer

ARC Receives NYSE Listing Standard Notice and Announces Response to Pandemic Crisis

SAN RAMON, California (April 10, 2020) – ARC Document Solutions, Inc. (NYSE: ARC), a leading document solutions provider to design, engineering, construction, and facilities management professionals, today announced that it was formally notified by the New York Stock Exchange (NYSE) that the average closing price of the Company's shares of common stock had fallen below \$1.00 per share over a period of 30 consecutive trading days, which is the minimum average share price for continued listing on the NYSE.

The NYSE's notification does not affect the Company's business operations or its SEC reporting requirements and does not conflict with or cause an event of default under any of the Company's material debt or other agreements.

The Company plans to notify the NYSE of its intent to cure the deficiency and return to compliance with the NYSE continued listing requirements. Under the NYSE's rules, the cure period extends for six months following receipt of the notification.

Announcement of Company-wide Cost Containment Actions in Response to Pandemic Crisis

Today the Company also announced temporary and voluntary salary reductions for its executive and managerial staff. All salaried employees have accepted temporary salary reductions between 10% and 25%. In addition, the executive suite has taken voluntary salary reductions amounting to 50% for the CEO, and salary reductions of 35% for the COO, CFO and CTO. Management described these actions as a response to the economic pressure the COVID-19 pandemic has placed on its business and its customers. Additional compensation measures for ARC's hourly employees were made on a market-by-market basis, dependent on local business levels at the Company's 170 service center locations.

“We serve essential businesses all around the country, so it is vital that we keep our employees healthy, the company operational and our customers productive during this extraordinarily disruptive time,” said Suri Suriyakumar, CEO of ARC. “Our teams in every service center and office have been nimble and adaptable in reacting to local health and economic conditions. Where necessary, they have made sacrifices in compensation or work hours in an effort to support the company and their communities. I'm very proud of their actions.”

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.

Contact information:

David Stickney

VP of Corp Comms & IR

925-949-5114