

Wesco Aircraft Holdings, Inc
Form 8-K
April 23, 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): **April 18, 2015**

Wesco Aircraft Holdings, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

001-35253
(Commission File Number)

20-5441563
(IRS Employer
Identification No.)

24911 Avenue Stanford

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Valencia, California 91355

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(661) 775-7200**

(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))
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Item 5.02 Department of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 18, 2015, the Board of Directors (the Board) of Wesco Aircraft Holdings, Inc. (the Company) appointed Richard J. Weller to serve as the Company's Executive Vice President and Chief Financial Officer (Principal Financial Officer), effective May 4, 2015. On May 4, 2015, K. Lynn Mackison will resign as Acting Chief Financial Officer and will return to her position as the Company's Vice President and Global Controller, while continuing to serve as the Company's Principal Accounting Officer.

Mr. Weller, age 58, has over 37 years of experience in the finance and accounting organizations of large multi-national corporations, most recently serving as Vice President and Corporate Controller (Chief Accounting Officer) from 2008 to 2015 at Ingersoll-Rand PLC (Ingersoll-Rand), a diversified global industrial company and world leader in creating comfortable, sustainable and efficient environments. Prior to that, he served as Vice President, Finance and Chief Financial Officer of Ingersoll-Rand's Security Technologies business from 2005 to 2008. Before joining Ingersoll-Rand, Mr. Weller served in roles of increasing responsibility within the finance and accounting organization at Textron Inc. (Textron), a multi-industry company that leverages its global network of aircraft, defense, industrial and finance businesses to provide customers with innovative solutions and services, from 1988 to 2005. Mr. Weller's tenure at Textron included service as Vice President, Finance for Textron's enterprise Information Services and Financial Shared Services from 2002 to 2005; Executive Vice President and Chief Financial Officer of Textron's Golf, Turf and Specialty Products business from 2001 to 2002; Senior Vice President and General Manager, North America for Textron's Fastening Systems business from 2000 to 2001; Senior Vice President, Finance and Operations for Textron's Fastening Systems business from 1997 to 2000; Chief Financial Officer of Textron's Industrial Products sector from 1995 to 1997; Group Controller from 1992 to 1995; and Director, Finance and Systems for Textron's Filtration/Purolator Technologies business from 1988 to 1992. Mr. Weller also previously served as Manager, Program Finance, Litton Data Systems at Northrop Grumman Corporation from 1980 to 1988 and as an accountant at Aviall, Inc. from 1978 to 1980. He received his Bachelor of Science degree in Accounting from Le Moyne College.

The Board has approved the following terms and conditions for Mr. Weller's employment: Mr. Weller's annual base salary will initially be \$450,000 for fiscal years 2015 and 2016, subject to increase in future years upon review by the Compensation Committee of the Board (the Compensation Committee) and the Board. He will also be eligible to receive an annual cash bonus award under the Company's Management Incentive Plan targeted at 75% of base salary (the target will be \$168,750 for the partial fiscal year 2015), subject to the attainment of individual and Company performance goals. In connection with his commencement of employment, Mr. Weller will receive an initial equity grant of restricted stock or restricted stock units having a targeted grant date fair value of \$500,000, which grant will be eligible to vest in a single installment after three years and which may be subject to performance vesting conditions as may be determined at the time of the award grant, which will occur upon or shortly after Mr. Weller's start date. Mr. Weller will be eligible to receive subsequent periodic equity awards in accordance with the Company's regular practices. For the grant cycle that is expected to occur in the first quarter of fiscal year 2016, it is anticipated that Mr. Weller will be eligible for an award with a targeted grant date fair value of \$562,500, to be delivered in such forms and subject to such vesting and other terms and conditions as will be determined at the time of grant. Mr. Weller will also receive reimbursement of reasonable moving expenses incurred in connection with his relocation to the vicinity of the Company's headquarters in Valencia, California and will participate in other employee benefit plans on the same basis as other senior executives, including use of a company-paid automobile.

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In addition, Mr. Weller and Wesco Aircraft Hardware Corp. (Hardware), a wholly owned subsidiary of the Company, entered into a severance agreement dated as of April 23, 2015. The severance agreement provides that, upon the termination of Mr. Weller's employment without cause or his resignation of employment for good reason (each a Qualifying Termination), Mr. Weller will be entitled to, subject to his signing and not revoking a general release of claims, (i) severance payments equal to one times his annual base salary; (ii) a pro-rated bonus for the year of termination (based on actual performance for the fiscal year); (iii) continued use of his Hardware-owned or leased automobile, and reimbursement of operating and maintenance expenses, for six months following his termination; and (iv) monthly payments of an amount equal to the COBRA premium required to continue group medical, dental and vision coverage for 12 months following his termination.

If a Qualifying Termination occurs within two years after a change in control of the Company, the severance agreement provides that Mr. Weller will be entitled to, in lieu of the amounts above, (i) severance payments equal to two times the sum of his annual base salary plus target annual bonus amount; (ii) continued use of his Hardware-owned or leased automobile, and reimbursement of operating and maintenance expenses, for six months following his termination; and (iii) monthly payments of an amount equal to the COBRA premium required to continue group medical, dental and vision coverage for 24 months following his termination. In addition, if a Qualifying Termination occurs within two years after a change in control of the Company, the severance agreement provides that all of Mr. Weller's unvested equity or equity-based awards will fully vest, provided that, unless a provision more favorable to Mr. Weller is included in the applicable award agreement, any such awards that are subject to performance-based vesting conditions will only be payable subject to the attainment of the performance measures for the applicable performance period as provided under the terms of the applicable award agreement.

The foregoing amounts are in addition to the payment of all earned but unpaid base salary through Mr. Weller's termination date and other vested benefits to which he is entitled under the Company's benefit plans and arrangements.

The severance agreement contains non-disparagement, confidentiality and assignment of inventions provisions for the Company's benefit and prohibits Mr. Weller from soliciting Hardware's employees for a period of two years following his termination.

The severance agreement has an initial term of three years, subject to automatic extension for successive one-year periods thereafter, unless Hardware delivers notice of non-renewal to Mr. Weller at least 90 days before the end of the then-current contract term. If a change in control occurs, the term is automatically extended until the two-year anniversary of the change in control date. In addition, if a Qualifying Termination occurs, the term is automatically extended as necessary to allow each party's rights and obligations under the severance agreement to be fully satisfied.

The summary of the severance agreement contained in this Item 5.02 is qualified in its entirety by reference to the severance agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Upon the commencement of his employment, Mr. Weller is also expected to enter into the Company's standard indemnification agreement, the form of which was filed as an exhibit to the Company's registration statement on Form S-1, as amended (Registration No. 333-173381).

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A copy of the Company's press release announcing the appointment of Mr. Weller as Executive Vice President and Chief Financial Officer is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning the Company and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of management, as well as assumptions made by, and information currently available to, such management. Forward-looking statements may be accompanied by words such as aim, anticipate, believe, plan, could, would, should, estimate, expect, forecast, future, guidance, intend, may, will, possible, potential, or other words, phrases or expressions. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company's control. Therefore, you should not place undue reliance on such statements.

Factors that could cause actual results to differ materially from those in the forward-looking statements include: general economic and industry conditions; conditions in the credit markets; changes in military spending; risks unique to suppliers of equipment and services to the U.S. government; risks associated with the Company's long-term, fixed-price agreements that have no guarantee of future sales volumes; risks associated with the loss of significant customers, a material reduction in purchase orders by significant customers or the delay, scaling back or elimination of significant programs on which the Company relies; the Company's ability to effectively compete in its industry; the Company's ability to effectively manage its inventory; risks associated with the Company's rapid expansion; the Company's suppliers' ability to provide it with the products the Company sells in a timely manner, in adequate quantities and/or at a reasonable cost; the Company's ability to maintain effective information technology systems; the Company's ability to retain key personnel; risks associated with the Company's international operations; the Company's dependence on third-party package delivery companies; fluctuations in the Company's financial results from period-to-period; environmental risks; risks related to the handling, transportation and storage of chemical products; risks related to the aerospace industry and the regulation thereof; the Company's ability to successfully integrate Haas Group Inc. in a timely fashion; failure to realize anticipated benefits of the combined operations; risks relating to unanticipated costs of integration; risks associated with assumptions the Company makes in connection with its critical accounting estimates and legal proceedings; risks related to the Company's indebtedness; and other risks and uncertainties.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the Company's business, including those described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed from time to time with the Securities and Exchange Commission. All forward-looking statements included in this communication (including information included or incorporated by reference herein) are based upon information available to the Company as of the date hereof, and the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Executive Severance Agreement with Richard J. Weller, dated as of April 23, 2015
99.1	Press Release, issued by the Company on April 23, 2015

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.

Date: April 23, 2015

WESCO AIRCRAFT HOLDINGS, INC.

By: */s/ Hal Weinstein*
Hal Weinstein
Interim Chief Executive Officer

EXHIBIT INDEX

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