

ATHENAHEALTH INC
Form 8-K
July 14, 2017

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): July 10, 2017

athenahealth, Inc.
(Exact name of registrant as specified in its charter)
Delaware 001-33689 04-3387530
(State or other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification No.)

311 Arsenal Street, Watertown, MA 02472
(Address of principal executive office, including zip code)

Registrant's telephone number, including area code: 617-402-1000

(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))

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 July 10, 2017, athenahealth, Inc. (the “Company”) entered into a separation agreement (the “Separation Agreement”) with Karl Stubelis pursuant to which he will step down from his positions as senior vice president, chief financial officer, chief accounting officer, and treasurer of the Company to pursue other opportunities. To help ensure a smooth transition, Mr. Stubelis will continue to support the Company through the reporting of the Company’s 2017 second quarter results and will continue to be employed by the Company on a full-time basis through July 21, 2017 (the “Separation Date”).

The Separation Agreement, which supersedes the terms of the Employment Agreement between the Company and Mr. Stubelis, dated May 19, 2016, provides that the Company will continue to pay Mr. Stubelis his current base salary for a period of twelve (12) months following the Separation Date and will also permit certain of Mr. Stubelis’s restricted stock units, which represent a right to acquire 4,500 shares of the Company’s common stock, to continue to vest through their next scheduled vesting date.

On July 13, 2017, the board of directors (the “Board”) of the Company appointed John A. “Jack” Kane, 64, a member of the Board since July 2007 and current chair of the Board’s audit committee, to serve as interim chief financial officer, effective July 21, 2017. Mr. Kane will serve as the Company’s principal financial officer and principal accounting officer in his role as interim chief financial officer. During his service as interim chief financial officer, Mr. Kane will remain on the Board but will step down as chair of the audit committee. The Company expects to provide compensation to Mr. Kane in connection with his appointment as interim chief financial officer. The terms of such compensation, once finalized, will be described in an amendment to this Current Report on Form 8-K.

Previously, Mr. Kane served as chief financial officer and treasurer of IDX Systems Corporation (“IDX”), a healthcare software technology company, from October 1984 until it was acquired by General Electric Healthcare in January 2006, after which he served as a vice president of General Electric Healthcare from January 2006 to December 2006. While at IDX, Mr. Kane guided the company through more than a dozen acquisitions and at various times managed the finance, facilities, legal, human resources, and information systems functions for the company. Since his retirement in 2006, Mr. Kane has served as a director of several private organizations, and also served as a director of Merchants Bancshares, Inc. from 2005 to 2014. Prior to his employment with IDX, Mr. Kane worked as an audit manager at Ernst & Young LLP in Boston. Mr. Kane received his B.S. and a Master of Accountancy from Brigham Young University.

A copy of the press release issued by the Company on July 14, 2017 regarding the transition of Mr. Stubelis and appointment of Mr. Kane is attached hereto as Exhibit 99.1.

The foregoing summary of the Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Separation Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

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| 10.1 | Separation Agreement between athenahealth, Inc. and Karl Stubelis, dated July 10, 2017. |
| 99.1 | Press release issued by athenahealth, Inc. on July 14, 2017. |

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.

athenahealth, Inc.
(Registrant)

July 14, 2017 /s/ Dan Haley
Dan Haley
Senior Vice President, General Counsel and Secretary

EXHIBIT INDEX

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