

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): May 5, 2019

Farmer Bros. Co.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34249
(Commission File Number)

95-0725980
(I.R.S. Employer
Identification No.)

1912 Farmer Brothers Drive, Northlake, Texas 76262
(Address of Principal Executive Offices)

888-998-2468
(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class
Common Stock, \$1.00 par value

Trading Symbol
FARM

Name of Each Exchange on Which Registered
The NASDAQ Global Select Market

None
(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 May 7, 2019, the Company announced that Christopher P. Mottern was appointed to serve as the Company’s Interim Chief Executive Officer, effective May 5, 2019. Mr. Mottern succeeds Michael H. Keown, who left his position as President and Chief Executive Officer with the Company by mutual agreement and resigned as a director, all effective May 5, 2019. Mr. Mottern will continue to serve as a Class I Director. Prior to assuming the role of Interim Chief Executive Officer, Mr. Mottern resigned as a member of the Audit Committee and as member of the Compensation Committee of the Board.

Mr. Mottern, age 75, joined the Board in 2013. Prior to assuming the role of Interim Chief Executive Officer, Mr. Mottern was an independent business consultant. He served as President and Chief Executive Officer of Peet’s Coffee & Tea, Inc., a specialty coffee and tea company, from 1997 to 2002 and a director of Peet’s Coffee & Tea, Inc., from 1997 through 2004. From 1992 to 1996, Mr. Mottern served as President of The Heublein Wines Group, a manufacturer and marketer of wines, now part of Diageo plc, a multinational alcoholic beverage company. From 1986 through 1991, he served as President and Chief Executive Officer of Capri Sun, Inc., one of the largest single-service juice drink manufacturers in the United States. He has served as a director, including lead director, and member of the finance committee, of a number of private companies.

On May 5, 2019, the Board approved (with Mr. Mottern abstaining) the terms of Mr. Mottern’s compensation arrangement as Interim Chief Executive Officer, which includes a monthly base salary of \$33,333 (or \$400,000 annualized) and a bonus opportunity up to 50% of his base salary. Mr. Mottern’s base salary will be paid in the form of monthly restricted stock unit grants with a grant date value equal to his monthly salary with such grant to be made on the last business day of each month he serves as Interim Chief Executive Officer. If Mr. Mottern’s employment as Interim Chief Executive Officer ends on any day other than the last business day of the month, then his RSU grant will be made on the last day of employment and will be pro-rated for the number of business days in the month in which he served as Interim Chief Executive Officer. Mr. Mottern will also receive an RSU grant on May 9, 2019 with a grant date value of \$150,000 and be eligible for an RSU grant upon the termination of his service as Interim Chief Executive Officer with a grant date fair value up to \$50,000 with such amount determined by the Board based upon his length of service and his time commitment as Interim Chief Executive Officer. All RSU grants will have a one-year vesting period from the date of grant based on Mr. Mottern’s continued service either as Interim Chief Executive Officer or as a director of the Company.

Mr. Keown will receive severance from the Company, as a termination without cause, consistent with the terms of his employment agreement, which was previously filed as Exhibit 10.18 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed with the Securities and Exchange Commission on May 10, 2017.

The foregoing summary of the offer letter that the Company entered into with Mr. Mottern does not purport to be complete and is qualified in its entirety by reference to the offer letter, a copy of which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

The Company issued a press release on May 7, 2019 regarding these matters. The press release is set forth in its entirety and is attached as Exhibit 99.1 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Offer Letter, dated May 6, 2019, between Farmer Bros. Co. and Christopher P. Mottern.
99.1	Press Release, dated May 7, 2019

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: May 7, 2019

FARMER BROS. CO.

By: /s/ David G. Robson

David G. Robson

Treasurer and Chief Financial Officer

Exhibit Index

Exhibit No.	Description
10.1	Offer Letter, dated May 6, 2019, between Farmer Bros. Co. and Christopher P. Mottern.
99.1	Press Release, dated May 7, 2019



May 6, 2019

Re: Interim Chief Executive Officer Terms

Dear Christopher:

Thank you for agreeing to serve as the Interim Chief Executive Officer ("Interim CEO") of Farmer Bros. Co. (the "Company"). The entire Board of Directors appreciates your commitment to seeing the Company through to a new Chief Executive Officer ("New CEO"). This letter sets forth the key terms of your employment.

- **BASE SALARY** - \$33,333 per month (annualized \$400,000). You agree that the base salary will be paid in the form of restricted stock units (RSUs) that vest over 1 year from the date of grant subject to your continued service with the Company either as Interim CEO or as a director; provided that vesting will be accelerated upon (i) a Change in Control (as defined in the Company's 2017 Long-Term Incentive Plan) or (ii) the date of the Company's next annual meeting if you are not re-elected as a board member at such meeting and you are also not serving as Interim CEO at such time. These RSUs will automatically be granted on the last regularly scheduled trading day of each month of your employment as Interim CEO, with the number of shares subject to the RSU determined by dividing \$33,333 by the closing price of the Company's common stock on such date. If your last day of employment as the Interim CEO is other than the last business day of a month, then the number of RSUs for that month will be pro-rated to reflect the number of business days you served as Interim CEO in that month.
- **BONUS COMPENSATION** - You will be eligible for a bonus of up to 50% of your base salary (as pro-rated to reflect your period of employment), with the amount of such bonus dependent upon satisfaction of performance metrics to be mutually agreed upon within the first 30 days of your employment.
- **EQUITY**- On May 9, 2019 you will receive an RSU grant with a grant date fair value of \$150,000. Upon completion of your service as Interim CEO, the Board will consider granting you additional RSUs with a grant date value of up to \$50,000 depending upon your length of service and your time commitment as Interim CEO. Each of these RSU grants will vest over one year based on your continued service as either the Interim CEO or as a director of the Company, provided that vesting will be accelerated upon (i) a Change in Control or (ii) the date of the Company's next annual meeting if you are not reelected as a board member at such meeting and you are also not serving as Interim CEO at such time.



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- **Term** - As discussed, the intention of the Company is to find a New CEO and upon his or her appointment and subsequent starting of employment, you agree to resign as the Interim CEO. However, you agree to remain on the Board of Directors of the Company, at least through the end of your current board term. Your employment is "at-will" and other than the compensation set forth above you will not receive any additional compensation in connection with your termination as Interim CEO.

Please acknowledge your agreement with these terms by returning a signed copy of this letter to my attention. Again, thank you for your willingness to serve as Interim CEO.

Sincerely,

A handwritten signature in blue ink that reads "Randy E. Clark".

Randy E. Clark

Chairman of the Board of Directors

Agreed and Accepted this ____ day of May, 2019

A handwritten signature in blue ink that reads "Chris P. Mottern".

Christopher Mottern

Farmer Bros. Co. Announces Leadership Transition

Christopher P. Mottern Appointed Interim Chief Executive Officer

Michael Keown Steps Down as President and Chief Executive Officer

NORTHLAKE, Texas, May 7, 2019 -- Farmer Bros. Co. (NASDAQ: FARM) (the "Company"), a national coffee roaster, wholesaler and distributor of coffee, tea and culinary products, today announced that Christopher P. Mottern, who has served as a Director on the Company's Board since 2013, has been appointed to serve as Interim Chief Executive Officer, effective immediately. Mr. Mottern succeeds Michael Keown who, by mutual agreement with the Board, has stepped down as Farmer Brothers' President and CEO, and as a director.

The Board has commenced a comprehensive search process, with the assistance of a leading executive search firm, to identify and evaluate candidates to serve as permanent CEO.

"As we position Farmer Brothers for its next phase of growth and development, we have determined that now is the right time for a leadership transition," said Randy Clark, Chairman of the Board. "Chris brings more than 40 years of experience in the food and beverage industry, having served as CEO of Peet's Coffee & Tea, President of The Heublein Wines Group, and CEO of Capri Sun, Inc. With his deep understanding of our business from his six years on the Board, extensive leadership and industry experience, and background in finance and accounting, Chris is a natural fit to lead Farmer Brothers in an interim capacity while we conduct a thorough and comprehensive search for a new permanent CEO. The Board is focused on identifying the right leader to guide the Company forward during this important time in its history and driving sustainable growth and value creation for our shareholders."

Mr. Clark continued, "On behalf of the Board and everyone at Farmer Brothers, I want to thank Mike for his commitment and significant contributions to our company since 2012. Under his leadership, Farmer Brothers has grown through multiple acquisitions, made critical investments into its roasting facilities, successfully relocated its headquarters and rebuilt its workforce in Northlake, and achieved ambitious sustainability goals. We appreciate Mike's dedication to the Company's mission, and we wish him all the best in the future."

"It has been a privilege to lead Farmer Brothers and work alongside its talented team of employees over the past seven years, and I am proud of all that we have accomplished together," said Mr. Keown. "With the Company's state-of-the art coffee processing facility, leadership position in sustainable coffee practices, and having brought the Boyd's coffee volume into the Company's operations, I am confident Farmer Brothers has a strong foundation for the future and look forward to watching its continued growth and success."

Mr. Mottern said, "I am honored to assume the Interim CEO role and intend to work closely with the Board, our senior leadership team, and our dedicated employees as we execute our strategy. We continue to believe there are exciting opportunities ahead for Farmer Brothers and I am committed to driving the business forward, while also ensuring a smooth leadership transition."

Third Quarter 2019 Financial Results

In a separate release, the Company disclosed its financial results for its third fiscal quarter ended March 31, 2019. The Company will host an audio-only investor conference call webcast today, May 7, 2019, at 5:00 p.m. Eastern time (4:00 p.m. Central time) to review its financial results.

About Christopher P. Mottern

Christopher P. Mottern has served on the Board of Directors of Farmer Brothers since 2013. He served as President and Chief Executive Officer of Peet's Coffee & Tea, Inc., a specialty coffee and tea company, from 1997 to 2002 and a director of Peet's Coffee & Tea, Inc., from 1997 through 2004. From 1992 to 1996, Mr. Mottern served as President of The Heublein Wines Group, a manufacturer and marketer of wines, now part of Diageo plc, a multinational alcoholic beverage company. From 1986 through 1991, he served as President and Chief Executive Officer of Capri Sun, Inc., one of the largest single-service juice drink manufacturers in the United States. He has served as a director, including lead director, and member of the finance committee, of a number of private companies. Mr. Mottern received his undergraduate degree in Accounting from the University of Connecticut.

About Farmer Bros. Co.

Founded in 1912, Farmer Bros. Co. is a national coffee roaster, wholesaler and distributor of coffee, tea and culinary products. The Company's product lines include organic, Direct Trade and sustainably-produced coffee. With a robust line of coffee, hot and iced teas, cappuccino mixes, spices, and baking/biscuit mixes, the Company delivers extensive beverage planning services and culinary products to its U.S. based customers. The Company serves a wide variety of customers, from small independent restaurants and foodservice operators to large institutional buyers like restaurant and convenience store chains, hotels, casinos, healthcare facilities, and gourmet coffee houses, as well as grocery chains with private brand coffee and consumer branded coffee and tea products, and foodservice distributors.

Headquartered in Northlake, Texas, Farmer Bros. Co. generated net sales of over \$600 million in fiscal 2018 and has approximately 1,500 employees nationwide. The Company's primary brands include Farmer Brothers®, Artisan Collection by Farmer Brothers™, Superior®, Metropolitan™, China Mist® and Boyds®.

Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements." When used in this press release, the words "will," "expects," "anticipates," "estimates," "believes," and similar expressions, and statements which are made in the future tense or refer to future events or developments are intended to identify such forward-looking statements. These statements are based on management's current expectations, assumptions, estimates and observations of future events and include any statements that do not directly relate to any historical or current fact. Actual results may differ materially due in part to the risk factors set forth in the Company's most recent annual, periodic and current reports filed with the Securities and Exchange Commission (the "SEC"). Such forward-looking statements are subject to risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the Company's success in consummating acquisitions and integrating acquired businesses, the impact of capital improvement projects, and the timing and results thereof, the capacity to meet the demands of the Company's large national account customers, the extent of execution of plans for the growth of the Company's business and achievement of financial metrics related to those plans, the relative effectiveness of the Company's compensation-based employee incentives in causing improvements in the Company's performance, and the ability of the Company to retain and/or attract qualified employees. The Company intends these forward-looking statements to speak only at the time of this press release and the Company does not undertake to update or revise these statements as more information becomes available except as required under federal securities laws and the rules and regulations of the SEC.

Contact:

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