

INSPIREMD, INC.

FORM 8-K (Current report filing)

Filed 02/25/15 for the Period Ending 02/22/15

Address	321 COLUMBUS AVENUE BOSTON, MA 02116
Telephone	(857) 453-6553
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Sector	Healthcare
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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): February 22, 2015

InspireMD, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction
of incorporation)

001-35731
(Commission File Number)

26-2123838
(IRS Employer
Identification No.)

321 Columbus Avenue
Boston, Massachusetts
(Address of principal executive offices)

02116
(Zip Code)

Registrant's telephone number, including area code: (857) 453-6553

(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))

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

On February 22, 2015, InspireMD, Inc. (the “Company”) amended that certain Employment Agreement with James J. Barry, PhD, the Company’s executive vice president and chief operating officer, dated as of July 14, 2014, as first amended on January 5, 2015 (the “Amendment”), in order to provide that, until the earlier of (1) September 30, 2015 and (2) the Company raising an aggregate of \$5 million from investors, Dr. Barry shall receive 50% of his base salary in cash payments, with the remaining 50% having been paid to Dr. Barry on January 26, 2015, through the issuance of 190,104 shares of restricted stock of the Company (using the fair market value of the Company’s stock as of the market close on January 26, 2015). Such shares of restricted stock issued in lieu of cash base salary will vest on January 26, 2016, subject to Dr. Barry’s continued service to the Company and Dr. Barry not subsequently receiving any cash salary payments with respect to any of his cash salary that was surrendered in exchange for such shares. If Dr. Barry’s employment with the Company is terminated while the Amendment is in effect by the Company without cause or by Dr. Barry for good reason, a portion of the shares of restricted stock issued in lieu of cash base salary will vest on January 26, 2016, prorated based on the number of days of Dr. Barry’s service to the Company during the period the Amendment is in effect. All of the shares of restricted stock issued in lieu of cash base salary will fully vest on January 26, 2016, if a change in control occurs while the Amendment is in effect, provided that Dr. Barry is rendering services to the Company through the change in control date.

In the event that the Company subsequently pays Dr. Barry any cash salary that was surrendered in exchange for the shares of restricted stock pursuant to the Amendment, Dr. Barry will immediately forfeit such portion of the restricted shares to the Company having a value equal to the amount of cash salary subsequently paid (using the fair market value of the Company’s stock as of the market close on January 26, 2015). Any tax withholding required with respect to the shares of restricted stock contemplated by the prior sentence will be accomplished by the withholding of shares of such shares of restricted stock equal in value (using the fair market value of the Company’s stock as of the market close on the immediately preceding trading day) to the minimum withholding required by law and any cash required to satisfy the withholding amount required to be sent to the appropriate tax authorities will be paid by the Company.

The shares of restricted stock issued to Dr. Barry under the Amendment was granted under the Company’s current equity incentive plan.

The foregoing summary of the Amendment is not complete and is qualified in its entirety by reference to the full text of such Amendment that is attached as Exhibit 10.1 of this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Amendment Number Two to Employment Agreement, dated February 22, 2015, by and between InspireMD, Inc. and James J. Barry, PhD

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

InspireMD, Inc.

Date: February 25, 2015

By: /s/ Craig Shore

Name: Craig Shore

Title: Chief Financial Officer

AMENDMENT NUMBER TWO TO EMPLOYMENT AGREEMENT

This AMENDMENT NUMBER TWO TO EMPLOYMENT AGREEMENT (this “*Amendment*”) is made and entered as of this 22nd day of February, 2015, (the “*Amendment Effective Date*”) by and between InspireMD, Inc., a Delaware corporation (the “*Company*”), and James J. Barry, PhD (the “*Executive*”) for purposes of amending that certain Employment Agreement dated as of July 14, 2014, by and between the Company and the Executive, as amended by that certain Amendment to Employment Agreement dated January 5, 2015 (the “*Agreement*”). Terms used in this Amendment with initial capital letters that are not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Section 7.5 of the Agreement provides that the parties to the Agreement may amend the Agreement in a writing signed by the parties; and

WHEREAS, the parties hereto desire to amend the Agreement in certain respects.

NOW THEREFORE, pursuant to Section 7.5 of the Agreement, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company and the Executive agree as follows:

1. Section 2.5 of the Agreement is hereby amended by deleting said section in its entirety and substituting in lieu thereof the following new Section 2.5:

2.5 Temporary Base Salary Modification. Notwithstanding the foregoing, the Executive and the Company agree that until the earlier of (1) September 30, 2015 and (2) the Company raising an aggregate of \$5 million from investors (the period from the Amendment Effective Date through the earlier of the dates specified above shall be referred to as the “*Contract Period*”), the Executive shall receive 50% of his base salary in cash payments, with the remaining 50% having been paid to the Executive on January 26, 2015 through the issuance of the Executive of 190,104 shares of Restricted Stock (using the fair market value of the Company’s stock as of the market close on January 26, 2015) (the “*Restricted Shares*”), which Restricted Shares were issued to the Executive on January 26, 2015 and shall vest on January 26, 2016 (the “*Vesting Date*”), subject to the Executive’s continued service to the Company and the Executive not subsequently receiving any cash salary payments with respect to any of the Executive’s cash salary that was surrendered pursuant to this Section 2.5 in exchange for the Restricted Shares. Notwithstanding the foregoing or anything in Section 5.1(c) to the contrary, if the Executive’s employment with the Company is terminated during the Contract Period by the Company without Cause or by the Executive for Good Reason, a portion of the Restricted Shares shall vest on the Vesting Date, prorated based on the number of days of service rendered to the Company by the Executive during the Contract Period. Notwithstanding the foregoing or anything in Section 5.3 to the contrary, the Restricted Shares shall be 100% fully vested on the Vesting Date if a Change in Control occurs during the Contract Period, provided that the Executive is rendering services to the Company through the Change in Control Date. To the extent that the Company subsequently pays the Executive any cash salary that was surrendered pursuant to this Section 2.5 in exchange for the Restricted Shares, the Executive shall immediately forfeit such portion of the Restricted Shares to the Company having a value equal to the amount of cash salary subsequently paid (using the fair market value of the Company’s stock as of the market close on January 26, 2015). Any tax withholding required with respect to the Restricted Shares contemplated by the prior sentence shall be accomplished by the withholding of shares of such Restricted Shares equal in value (using the fair market value of the Company’s stock as of the market close on the immediately preceding trading day) to the minimum withholding required by law and any cash required to satisfy the withholding amount required to be sent to the appropriate tax authorities shall be paid by the Company out of its cash balance. For the avoidance of any doubt, the parties agree that during the Contract Period only, the clause (i) in the definition of Base Amount set forth in Exhibit A hereto, shall refer only to the full amount of the Executive’s base salary prior to any modification agreed to hereunder. The Restricted Shares issued to the Executive under this Section 2.5 shall be granted under the Company’s current equity incentive plan and the Company shall take all steps reasonably required to ensure that the issuance of such shares to the Executive are not matchable for purposes of Section 16 of the Securities Act of 1934 (and the applicable rules related thereto) against any shares withheld by the Company as provided above or sold by the Executive.

2. Except as expressly amended by this Amendment, the Agreement shall continue in full force and effect in accordance with the provisions thereof.

3. In the event of a conflict between the Agreement and this Amendment, this Amendment shall govern.

*[Remainder of Page Intentionally Left Blank
Signature Page Follows .]*

IN WITNESS WHEREOF , the parties have executed this Amendment Number Two to Employment Agreement as of the Amendment Effective Date.

THE COMPANY:

INSPIREMD, INC.

By: /s/ Alan W. Milinazzo
Name: Alan W. Milinazzo
Title: President and Chief Executive Officer

THE EXECUTIVE:

/s/ James J. Barry PhD
James J. Barry PhD
