

LANDSTAR SYSTEM INC
Form 8-K
April 25, 2018

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 24, 2018

LANDSTAR SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

021238
(Commission

File Number)

06-1313069
(I.R.S. Employer

Identification No.)

13410 Sutton Park Drive South, Jacksonville, Florida
(Address of principal executive offices)
(904) 398-9400

32224
(Zip Code)

(Registrant's telephone number, including area code)

N/A

(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 2.02 Results of Operations and Financial Condition

On April 25, 2018, Landstar System, Inc. (the Company) issued a press release announcing results for the first quarter of fiscal 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in Item 7.01 concerning the presentation to Landstar investors is hereby incorporated into this Item 2.02 by reference.

The information furnished under Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

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

(e) On April 24, 2018, the Company and Mr. Gattoni entered into an agreement granting to Mr. Gattoni a performance-related stock award under the Company's 2011 Equity Incentive Plan in the form of 9,324 restricted stock units. In general, the award will vest on June 30 of 2022, 2023, and 2024, with the number of units that vest on each vesting date determined by multiplying one-third of the number of units credited to Mr. Gattoni pursuant to the award by a payout percentage that is based on the Company's total shareholder return (TSR) compound annual growth rate (CAGR) over the vesting period, adjusted to reflect dividends (if any) paid during such period, and as may be necessary to take into account capital adjustments. The payout percentage as of each vesting date is as follows, with straight line interpolation between performance levels:

Performance Level	If TSR CAGR is:	Then the Payout Percentage is:
Maximum	12.0% or greater	150%
Target	10.0%	100%
Threshold	8.0%	50%
<Threshold	Less than 8.0%	0%

To the extent units are not vested at the maximum level in the chart above as of the first or second vesting dates, such units will again be eligible to vest at the next vesting date based on the payout percentage achieved as of such next vesting date. In addition, if any dividends are paid by the Company during the vesting period, dividend equivalents will be credited to Mr. Gattoni under the award as additional units that are eligible to vest based on the payout percentage achieved as of the future vesting dates of the underlying restricted stock units to which such dividend equivalents relate. Any units that vest will be settled in shares of Company common stock as soon as practicable after the applicable vesting date. Any units that do not become vested as of June 30, 2024 (or earlier upon Mr. Gattoni's termination of employment or a change in control of the Company) will be forfeited.

Mr. Gattoni's right to receive shares underlying the award is generally conditioned upon his continued employment through the applicable vesting dates. In the event of his death or disability prior to a vesting date, a pro rata number of the units then credited to Mr. Gattoni pursuant to the award (based on the number of days he remained employed during the vesting period) will vest based on the payout percentage achieved as of his termination of employment. Similarly, if there is a change in control of the Company prior to a vesting date, a pro rata number of the units then credited to Mr. Gattoni pursuant to the award (based on the number of days during the vesting period prior to the change in control) will vest based on the payout percentage achieved as of the date of the change in control.

If the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the compensation committee may, in its discretion after considering the costs

and benefits of doing so, recover all or a portion of any shares delivered or payment made that is related to the award during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, to the extent the value of such shares or the amount of such payment exceeds the amount or value that the committee determines would have been payable in respect of the award had the revised financial statement(s) reflected in the restatement been applied to determine such amount or value.

This summary of Mr. Gattoni's award is not intended to be complete and is qualified in its entirety by the Total Shareholder Return Performance Related Stock Award Agreement, a copy of which is attached hereto as Exhibit 10.1.

Item 7.01 Regulation FD Disclosure

A slide presentation, dated April 25, 2018, is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The slide presentation provides information that may be referred to by the Company on its conference call with investors scheduled to occur on April 26, 2018 in connection with the Company's release of results for the first quarter of fiscal 2018.

The information furnished under Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.2 hereto, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

Exhibits

- 10.1 Total Shareholder Return Performance Related Stock Award Agreement, between Landstar System, Inc. and James B. Gattoni, dated April 24, 2018
- 99.1 News Release dated April 25, 2018 of Landstar System, Inc.
- 99.2 Slide Presentation dated April 25, 2018 of Landstar System, Inc.

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.

LANDSTAR SYSTEM, INC.

Date: April 25, 2018

By: /s/ L. Kevin Stout

Name: L. Kevin Stout

Title: Vice President and Chief Financial Officer