
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 25, 2019

OptimizeRx Corporation
(Exact name of registrant as specified in its charter)

<u>Nevada</u> (State or other jurisdiction of incorporation)	<u>000-53605</u> (Commission File Number)	<u>26-1265381</u> (I.R.S. Employer Identification No.)
<u>400 Water Street, Suite 200, Rochester, MI</u> (Address of principal executive offices)		<u>48307</u> (Zip Code)

Registrant's telephone number, including area code: 248.651.6568

(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 (17CFR 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.

SECTION 1 – Registrant’s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

Officer Compensation

On February 25, 2019, we executed an amendment to the employment agreement with William Febbo. The amendment increased the percentage of his target annual bonus from 50% of his base salary to 60% based on revenue goals and adjusted EBITDA amounts under the terms of our executive bonus plan, as well as adjusted his remaining outstanding unvested options to vest immediately.

Except as described above, the terms of the employment agreement with our Mr. Febbo remains in full force and effect.

In addition to the amendment changes described above, we also awarded \$100,000 to Mr. Febbo as a one-time bonus for performance in 2018, in addition to the formula bonus set forth in his employment agreement. Final bonus amounts payable for 2018 for the executive officers, including the special bonus to Mr. Febbo, are as follows:

Mr. Febbo	\$	294,939
Mr. Hamilton	\$	219,028
Ms. Paramore	\$	131,781
Mr. Baker	\$	124,696

Finally, we awarded shares of our restricted common stock our executive officers that will vest only upon achieving certain stretch revenue goals in 2019, as follows:

<u>Officer</u>	<u>Number of Shares</u>
Mr. Febbo	30,000 shares
Ms. Miriam Paramore	10,000 shares
Mr. Doug Baker	10,000 shares

In lieu of a restricted stock award, Mr. Hamilton will be eligible for a bonus of up to \$100,000 upon achieving stretch certain revenue goals in 2019.

The foregoing description of the amendment to employment agreement with Mr. Febbo does not purport to be complete and is qualified in its entirety by reference to the complete text of the amendment to employment agreement filed as Exhibit 10.1 hereto and incorporated herein by reference.

SECTION 5 – CORPORATE GOVERNANCE AND MANAGEMENT

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

The information set forth in Items 1.01 is incorporated into this Item 5.02 by reference.

SECTION 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment to Employment Agreement with William Febbo, dated February 25, 2019

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.

OptimizeRx Corporation

/s/ Douglas P. Baker

Douglas P. Baker

Chief Financial Officer

Date: February 26, 2019



February 25, 2019

William Febbo

Dear Will:

On behalf of OptimizeRx Corporation (the "Company" or "OptimizeRx"), the following will update and amend your letter agreement dated February 12, 2016 (the "Offer Letter") concerning your employment as Chief Executive Officer of the Company, which commenced on February 22, 2016 (the "Hire Date"). This role will continue to report directly to the Board of Directors. You will continue to serve as a member of the Company's board of directors. The Company is located in Rochester, Michigan, but the Company recognizes you live in Cambridge, Massachusetts and will require extensive travel.

Compensation

Effective January 1, 2018, your base salary will increase to \$275,000.00 annually, and will increase to \$300,000 effective January 1, 2019. You will be paid semi-monthly in accordance with our normal payroll procedure. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law, except as otherwise agreed herein. Your annual compensation will be reviewed by the compensation committee or the board of directors annually and will be adjusted at their discretion.

Bonus

As Chief Executive Officer, you are eligible for a bonus as outlined in the Company bonus plan. Your annual bonus target will be 60% of your annual salary, payable in a lump sum at such time as may be determined by our Board of Directors, but no later than the earlier of ten (10) business days after we finalize our audited financial statements for the fiscal year; or one hundred and fifty (150) days following the end of such fiscal year. To be eligible to receive a payment, you must be employed by OptimizeRx at the time any bonuses are paid as set forth in more detail in the terms of the plan. Whether a bonus will be awarded, and in what amount, will be based on revenue goals and EBITDA as set forth in our bonus plan. Each year, you will have 30 days to review the proposed goals and present any changes to the board for their approval. The bonus plan also includes a change of control bonus as set forth in the plan.

Equity

As Chief Executive Officer, you were granted a one-time stock option to purchase one million five hundred thousand (1,500,000) shares of restricted common stock (the "Option Grant") under the OptimizeRx 2013 Incentive Plan (the "Plan"). The Option Grant originally vested in 20% increments annually on each of the grant; first, second, third, fourth, and fifth anniversaries of the original grant date. The vesting schedule is hereby modified to vest the increment originally vesting on the fifth anniversary to vest on the 2nd anniversary and the increment originally vesting on the fourth anniversary date to the vest immediately. The exercise price per share of these stock options remains the thirty (30) day average of OptimizeRx's closing price per share prior to the Hire Date. Your Option Award will be subject to all the terms, conditions and restrictions of the Form of Option Grant Agreement and the Plan. Attachment A to the Offer Letter, which is incorporated herein by reference, sets forth the terms and conditions of your Form of Option Grant Agreement.

Benefits

You will be entitled to continue to participate in OptimizeRx’s health and welfare benefit programs and four weeks of vacation and other benefit programs for which other employees of OptimizeRx are generally eligible, subject to any eligibility requirements of such plans and programs.

Additionally, travel and accommodations shall be provided during required time within the corporate offices per approved travel budget from board.

The Company will pay all premiums for a term life insurance policy for you in the amount of \$4,000,000 (Four Million Dollars). You will have the opportunity to designate one or more beneficiaries of such policy.

Severance Benefits

If (i) your employment is terminated by us without Cause (as defined below), (ii) you resign following an event constituting Good Reason (as defined below), provided that you have given written notice to the Company of such event within forty-five (45) days of its occurrence and the Company has failed to cure such event within thirty (30) days following receipt of such notice, or (iii) you no longer render services to us as a result of your death or Disability (as defined below), then you will receive a severance payment in the amount equal to twelve (12) months of your then applicable base pay, less applicable withholding taxes and regular deductions, payable in a lump sum (“Severance Benefits”). Health benefits will also be provided, at the Company’s sole expense during the applicable severance term. a

Your receipt of the foregoing Severance Benefits is conditioned on you having first executed, and not revoked, a general release of claims in favor of OptimizeRx (in a form reasonably prescribed by us) and the return of all OptimizeRx property. The Severance Benefits will be paid in the form of a lump sum, in accordance with our standard payroll procedures, within sixty (60) days following your “separation from service,” as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) (subject to a six-month delay if you are a “specified employee” as defined under the Treasury Regulations under Section 409A of the Code and such delay is required to avoid the penalty taxes that otherwise may be imposed by Section 409A of the Code).

To the extent that any provision of this letter agreement is ambiguous as to its exemption or compliance with Code Section 409A, the provision will be read in such a manner so that all payments hereunder are exempt from Code Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Code Section 409A to the maximum permissible extent. To the extent any payment under this letter agreement may be classified as a “short-term deferral” within the meaning of Code Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Code Section 409A under another provision of Code Section 409A. Payments pursuant to this Offer Letter (or referenced in this Offer Letter) are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Code Section 409A.

“Cause” means your (i) gross negligence or willful misconduct in the performance of your duties, in each case in a manner that causes material harm to the Company; (ii) commission of any act of fraud or material dishonesty with respect to the Company; (iii) conviction of, or plea of guilty or “no contest” to, a felony or a crime of moral turpitude or dishonesty; (iv) material breach of any proprietary information and inventions agreement with the Company, including the Employee Confidentiality, Invention Assignment and Non-Compete Agreement, or any other unauthorized use or disclosure of the OptimizeRx’s confidential information or trade secrets; or (v) repeated failure to perform the duties reasonably assigned to you in a manner that causes material harm to the Company.

“Disability” means (i) a permanent and total disability that entitles you to disability income payments under any long-term disability plan or policy provided by the Company under which you are covered, as such plan or policy is then in effect; or (ii) if you are not covered under a long-term disability plan or policy provided by the Company at such time for whatever reason, then the term “Disability” means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months, and, in this case, the existence of any such Disability shall be certified by a physician reasonably acceptable to the Company.

“Good Reason” means (i) a material reduction or change in your duties, responsibilities, authority, power or function; or (ii) a material reduction in your annual compensation, including base salary and bonus (assuming all applicable target goals are met).

Change of Control Benefits

In the event of a Change in Control (as defined below) during which you were actively employed, you will receive (i) twelve (12) months of your final base pay rate; and (ii) if the Company’s equity awards are assumed in the Change in Control, accelerated vesting of the number of your then-unvested Company stock option shares it being acknowledge and agreed that this section shall supersede any language to the contrary in any other document including the Form of Option Grant Agreement (collectively, the “Change in Control Benefits”). The Change in Control Benefits would be provided in lieu of any other severance-related benefits for which you may be eligible.

“Change in Control” means: (i) the sale or other disposition of all or substantially all of the assets of the Company; (ii) any sale or exchange of the capital stock of the Company by the stockholders of the Company in one transaction or series of related transactions where more than fifty percent (50%) of the outstanding voting power of the Company is acquired by a person or entity or group of related persons or entities; (iii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iv) the consummation of the acquisition of fifty-one percent (51%) or more of the outstanding stock of the Company pursuant to a tender offer validly made under any federal or state law (other than a tender offer by the Company). Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code.

Section 280G

If any of the payments or benefits received or to be received by you from the Company (including, without limitation, any payment or benefits received in connection with a Change in Control or the termination of your employment, whether pursuant to the terms of this letter agreement or any other plan, arrangement, or agreement, or otherwise) (all such payments collectively referred to herein as the “280G Payments”) constitute “parachute payments” within the meaning of Section 280G of the Code and will be subject to the excise tax imposed under Section 4999 of the Code (the “Excise Tax”), the Company shall pay to you, no later than the time such Excise Tax is required to be paid by you or withheld by the Company, an additional amount equal to the sum of the Excise Tax payable by you, plus the amount necessary to put you in the same after-tax position (taking into account any and all applicable federal, state, and local excise, income, or other taxes at the highest applicable rates on such 280G Payments and on any payments under this Section 5.9 or otherwise) as if no Excise Tax had been imposed.
