

Approach Resources Inc
Form 8-K
January 06, 2014

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) December 31, 2013

APPROACH RESOURCES INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-33801
(Commission

File Number)

51-0424817
(IRS Employer

Identification No.)

One Ridgmar Centre

6500 West Freeway, Suite 800

Fort Worth, Texas
(Address of principal executive offices)

76116
(Zip Code)

(817) 989-9000

(Registrant's telephone number, including area code)

Not Applicable

(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 (see General Instruction A.2. below):

- .. 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.

As previously reported, on November 7, 2013, Steven P. Smart, Executive Vice President and Chief Financial Officer of Approach Resources Inc. (the Company), announced his intention to retire from his position with the Company effective December 31, 2013. On December 31, 2013, the Company entered into an executive grant and separation agreement (the Separation Agreement) with Mr. Smart. The Separation Agreement provides, among other things, that (i) Mr. Smart's separation will be effective on December 31, 2013, (ii) pursuant to the terms of his amended and restated employment agreement (entered into on January 1, 2011, previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed January 6, 2011), Mr. Smart will receive (1) a cash payment equal to 150% of his base salary, or a total of \$450,000, less required tax withholdings, (2) a pro-rated cash bonus determined and paid at such time and in the manner applicable to other executive employees of the Company, potentially up to a total of \$225,000, less required tax withholdings, part of which will be based on the performance of the Company for the fiscal year ending December 31, 2013, (3) a lump sum in cash for health care coverage during the applicable eighteen (18) month COBRA continuation period equal to \$16,748, less required tax withholdings, and (4) accrued vacation of \$25,385 less required tax withholdings. Mr. Smart's 80,697 outstanding shares of restricted stock previously awarded to Mr. Smart under the Company's 2007 Stock Incentive Plan, as amended (the Plan), will be forfeited pursuant to the terms of the relevant award agreements upon his departure. As stipulated in the Separation Agreement, prior to the effective date of his departure, the Company granted Mr. Smart 43,257 restricted stock unit awards pursuant to the Plan that will be settled in full on December 31, 2014, by the Company's delivery of 43,257 shares of Company common stock. The foregoing payment schedule will be accelerated in full upon Mr. Smart's death or upon the occurrence of a change of control of the Company.

Except for the survival of certain post-termination obligations and severance benefits, the Separation Agreement supersedes and extinguishes the terms of Mr. Smart's prior employment agreement. With respect to those post-termination obligations, in the Separation Agreement, Mr. Smart agreed to certain non-disparagement covenants, and agreed to cooperate with the Company in support of its business interests on any matter arising out of his employment and to facilitate an orderly transition of his job duties to a successor employee. Mr. Smart also agreed to certain confidentiality, noncompetition and non-solicitation covenants. In the Separation Agreement, Mr. Smart released and waived any and all claims against the Company and its representatives which may exist or have arisen up to and including the date of the Separation Agreement, including claims that arise out of his employment or relationship with the Company or any of its representatives and the cessation of his employment, except for the enforcement of the Separation Agreement.

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.

APPROACH RESOURCES INC.

By: /s/ J. Curtis Henderson
J. Curtis Henderson
Chief Administrative Officer

Date: January 6, 2014