Stark Juergen M.
Form 4
April 03, 2019

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Stark Juergen M.

(Last) (First) (Middle)

C/O TURTLE BEACH CORPORATION, 11011 VIA FRONTERA, SUITE A/B

(Street)

SAN DIEGO, CA 92127

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Turtle Beach Corp [HEAR]

3. Date of Earliest Transaction (Month/Day/Year)
04/01/2019

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Executive Officer & Pres

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								154,975	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	(1)	04/01/2019		A		53,000		(2)	(2)	Common Stock	53,000
Stock Option (Right to Buy)	$ 12.1	04/01/2019		A		105,000		(3)	04/01/2029	Common Stock	105,00
Stock Option (Right to Buy)	$ 7.72							(4)	09/03/2022	Common Stock	365,91
Stock Option (Right to Buy)	$ 7.24							(5)	05/29/2025	Common Stock	70,000
Stock Option (Right to Buy)	$ 4.64							(6)	04/04/2026	Common Stock	112,50
Stock Option (Right to Buy)	$ 2.04							(7)	11/13/2027	Common Stock	112,50
Stock Option (Right to Buy)	$ 3.12							(8)	04/11/2028	Common Stock	112,50

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stark Juergen M. C/O TURTLE BEACH CORPORATION 11011 VIA FRONTERA, SUITE A/B SAN DIEGO, CA 92127	X		Chief Executive Officer & Pres	

Signatures

/s/ Juergen Stark	04/03/2019
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The securities are restricted stock units representing a contingent right to receive one share of Turtle Beach Corporation common stock or, cash with a value equal to the fair market value of the underlying common stock or, a combination thereof.

(2) 25% of these restricted stock units will vest annually, beginning on April 1, 2020, so that the restricted stock units will become fully vested on April 1, 2023. Vested shares will be delivered to the reporting person promptly following the vesting thereof.

(3) One-quarter of the underlying shares will vest on April 1, 2020, with the remainder vesting with respect to 1/48 of the underlying shares each month thereafter

(4) All shares were exercisable as of the transaction date.

(5) These shares are scheduled to vest in equal monthly installments until May 29, 2019.

(6) These shares are scheduled to vest in equal monthly installments until April 4, 2020.

(7) These shares are scheduled to vest in equal monthly installments until November 13, 2021.

(8) One-quarter of the underlying shares will vest on April 11, 2019, with the remainder vesting with respect to 1/48 of the underlying shares each month thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. roximately $0.7 million from litigation settlement proceeds for the three months ended March 31, 2001 and a $0.7 million gain from the sale of the Company's idle facility in Syracuse, New York recorded in the three months ended March 31, 2000. The decrease in other income of $0.3 million in 2001 compared to 2000 is due to lower foreign -8- currency gains generated from U.S. dollar denominated cash and receivable balances of foreign subsidiaries. The Compressed Air Products segment generated operating margins (defined as revenues, less cost of sales, depreciation and amortization, and selling and administrative expenses) of 6.8% for the three-month period ended March 31, 2001, a decrease from 7.9% for the three-month period of 2000. This decline is due to increased warranty, commission and payroll related expenses. The Petroleum Products segment generated operating margins of 14.6% for the three-month period ended March 31, 2001, compared to 6.8% for the same period in 2000. This increase is primarily attributable to the positive impact of increased leverage of the segment's fixed and semi-fixed costs over a higher revenue base. Interest expense remained flat at $1.8 million, as lower average borrowings were offset by higher average interest rates. The average interest rate for the three-month period of 2001 was 6.3%, compared to 5.9% for the same period of 2000. Income before income taxes increased $1.2 million (19%) to $7.6 million for the three months ended March 31, 2001, compared to the same period of 2000. This increase is primarily the result of increased leverage of fixed costs over a higher revenue base in the Petroleum Products segment as mentioned above. The provision for income taxes increased by $0.4 million to $2.8 million for the first three months of 2001 compared to $2.4 million in 2000, as a result of the higher income before taxes partially offset by a lower overall effective tax rate. The Company's effective tax rate for the three months ended March 31, 2001 decreased to 37.0%, compared to 38.1% in the prior year period due to increased savings from the Company's foreign sales corporation and the implementation of other tax strategies. Net income for the three months ended March 31, 2001 increased $0.8 million (21%) to $4.8 million ($0.31 diluted earnings per share), compared to $4.0 million ($0.26 diluted earnings per share) for the same period of 2000. This increase in net income is attributable to the same factors that resulted in increased income before taxes noted above. Outlook Demand for petroleum products has historically been related to market conditions and expectations for oil and natural gas prices. Orders for petroleum products were $27.3 million in the first quarter of 2001, an increase of $13.7 million compared to the same period of 2000. Compared to March 31, 2000, backlog for this business segment increased $8.9 million to $18.4 million on March 31,

2001. These increases can primarily be attributed to the continued high level of oil and natural gas prices. Future increases in demand for these products will likely be dependent upon oil and natural gas prices remaining near current levels, which the Company cannot predict. However, the Company believes that if oil and natural gas prices remain near current levels, and day rates and the rig count continue to increase, demand for well servicing pumps and drilling pumps will continue to improve in 2001. -9- In general, demand for compressed air products follows the rate of manufacturing capacity utilization and the rate of change of industrial production because compressed air is often used as a fourth utility in the manufacturing process. Over longer time periods, demand also follows the economic growth patterns indicated by the rates of change in the Gross Domestic Product. In the first quarter of 2001, orders for compressed air products were $82.6 million, including $1.8 million from acquisitions, compared to $79.7 million in the same period of 2000. Order backlog for the Compressed Air Products segment was $51.5 million as of March 31, 2001, compared to $50.1 million as of March 31, 2000. These increases are primarily the result of acquisitions and growth in European rotary screw compressor and domestic water jetting products order levels, partially offset by unfavorable foreign currency rates, a reduction in manufacturing lead times and increased inventory levels on certain products. LIQUIDITY AND CAPITAL RESOURCES Operating Working Capital During the three months ended March 31, 2001, operating working capital (defined as receivables plus inventories, less accounts payable and accrued liabilities) increased $6.8 million due to higher inventory and lower accounts payable and accrued liabilities. Cash Flows During the three months of 2001, the Company generated cash from operations totaling $1.8 million, compared to a use of $5.2 million in the prior year period. This change is due to the higher net income coupled with a more favorable change in operating working capital compared to the prior year period. Net payments on long-term debt totaled $9.1 million during the three months ended March 31, 2001. Cash used for other financing activities of $0.7 million for the three months ended March 31, 2001 represents dividends paid to a minority interest of one of the Company's foreign subsidiaries. The cash flows provided by operating activities and used in investing and financing activities resulted in a net cash decrease of $10.5 million for the three months ended March 31, 2001. Capital Expenditures and Commitments Capital projects to increase operating efficiency and flexibility, expand production capacity and product quality resulted in expenditures of $2.7 million in the first three months of 2001. This was $1.0 million higher than the level of capital expenditures in the comparable period in 2000 due to the timing of capital projects. Commitments for capital expenditures at March 31, 2001 totaled $4.0 million. Management expects additional capital authorizations to be committed during the remainder of the year and that capital expenditures for 2001 will approximate $15 million, primarily due to expenditures for cost reductions and additional machining capacity at certain operations. Capital expenditures related to environmental projects have not been significant in the past and are not expected to be significant in the foreseeable future. In October 1998, Gardner Denver's Board of Directors authorized the repurchase of up to 1,600,000 shares of the Company's common stock to be used for general corporate purposes. Approximately 200,000 shares remain available for repurchase under this program. The Company has also established a Stock Repurchase Program for its executive officers to provide a means for them to sell Gardner Denver common stock and obtain sufficient funds to meet alternative -10- minimum tax obligations which arise from the exercise of incentive stock options. As of March 31, 2001, a total of 1,572,542 shares have been repurchased at a cost of $22.8 million under both repurchase programs. During the first quarter of 2001, the Company accepted shares of its common stock, valued at $0.1 million, which were tendered for the exercise of stock options. Liquidity The Company has a revolving line of credit agreement with an aggregate $125 million borrowing capacity (the "Credit Line"). On March 31, 2001, the Credit Line had an outstanding balance of approximately $70 million, leaving $55 million available for future use. The Credit Line requires no principal payments during the term of the agreement, which expires in January 2003. The Company's borrowing arrangements are generally unsecured and permit certain investments and dividend payments. There are no material restrictions on the Company as a result of these arrangements, other than customary covenants regarding certain earnings, liquidity, and capital ratios. Management currently expects that the Company's future cash flows will be sufficient to fund the scheduled debt service under existing credit facilities and provide required resources for working capital and capital investments. CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS All of the statements in this Management's Discussion and Analysis, other than historical facts, are forward-looking statements made in reliance upon the safe harbor of the Private Securities Litigation Reform Act of 1995, including, without limitation, certain statements made under the caption "Outlook". As a general matter, forward-looking statements are those focused upon anticipated events or trends and expectations and beliefs relating to matters that are not historical in nature. Such forward-looking statements are subject to uncertainties and factors relating to Gardner Denver's operations and business environment, all of which are difficult to predict and many of which are beyond the control of the Company. These uncertainties and factors could cause actual results to differ materially from those matters expressed in or implied by such forward-looking statements. The following uncertainties and factors, among others, could affect future performance and cause actual results to differ materially from those expressed in or implied by forward-looking statements: the ability to identify, negotiate and complete future acquisitions; the speed with which the Company is able to integrate its recent acquisitions and realize the related financial benefit; the domestic and/or worldwide level of oil and natural gas prices and oil and gas drilling and production, which affect demand for the Company's petroleum products; changes in domestic and/or worldwide industrial production and industrial capacity utilization rates, which affect demand for the Company's compressed air products; pricing of Gardner Denver products; the degree to which the Company is able to penetrate niche markets; the ability to maintain and to enter into key purchasing and supply relationships; and the continued successful implementation of cost reduction efforts. ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK There were no material changes in the Company's exposure to market risk between December 31, 2000 and March 31, 2001. -11- PART II - OTHER INFORMATION ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (a) List of Exhibits: 10.1 Gardner Denver, Inc. Long-Term Incentive Plan, as amended January 1, 2001. 10.11 Gardner Denver, Inc. Management Annual Incentive Plan dated January 1, 2001. (b) Reports on Form 8-K There were no reports on Form 8-K filed during the quarter ended March 31, 2001. -12- 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 thereunto duly authorized. GARDNER DENVER, INC. Date: May 14, 2001 By: /s/ Ross J. Centanni --------------------------------------- Ross J. Centanni Chairman, President & CEO Date: May 14, 2001 By: /s/ Philip R. Roth --------------------------------------- Philip R. Roth Vice President, Finance & CFO Date: May 14, 2001 By: /s/ Daniel C. Rizzo, Jr. --------------------------------------- Daniel C. Rizzo, Jr. Vice President and Corporate Controller (Chief Accounting Officer) -13- GARDNER DENVER, INC. EXHIBIT INDEX EXHIBIT NO. DESCRIPTION 10.1 Gardner Denver, Inc. Long-Term Incentive Plan, as amended January 1, 2001. 10.11 Gardner Denver, Inc. Management Annual Incentive Plan dated January 1, 2001. -14-