

POWER SOLUTIONS INTERNATIONAL, INC.
Form 8-K
May 18, 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): May 14, 2018

Power Solutions International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-35944
(Commission

File Number)

201 Mittel Drive, Wood Dale, Illinois 60191

33-0963637
(IRS Employer

Identification No.)

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (630) 350-9400

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

On May 14, 2018, the Board of Directors of Power Solutions International, Inc. (the Company) appointed Donald P. Klein, CPA, as its Principal Accounting Officer. In this capacity, Mr. Klein will assume the accounting responsibilities previously held by Charles F. Avery, Jr., Chief Financial Officer, who will continue to serve as the Company s Principal Financial Officer. Mr. Klein joined the Company on May 7, 2018, serving as its Corporate Controller with responsibility for leading the accounting, tax, internal control, and reporting functions.

Mr. Klein, age 44, has over 20 years of experience in the areas of finance and accounting, including SEC reporting, accounting policies and procedures, and internal controls. Prior to joining the Company, he served as Assistant Corporate Controller at Littelfuse, Inc. (Nasdaq: LFUS), a publicly traded company, with customers in the electronics, automotive and industrial markets with products that include fuses, semiconductors, polymers, ceramics, relays and sensors. Prior to that role, from 2008 to 2017, Mr. Klein served in various positions of increasing responsibility within finance and accounting, including most recently as Assistant Corporate Controller, at Navistar International Corporation (NYSE: NAV), a publicly traded holding company whose subsidiaries and affiliates produce International brand commercial and military trucks, proprietary diesel engines, and IC Bus brand school and commercial buses. Prior to Navistar, he worked for Hewitt Associates as manager of external reporting and at Ernst & Young LLP as a senior manager of assurance and advisory services. Mr. Klein has a Bachelor of Business Administration degree with a major in Accounting from the University of Wisconsin - Madison and is a CPA.

Mr. Klein s compensation in his new capacity as the Company s Principal Accounting Officer consists of an annual base salary of \$275,000 and he will be eligible to participate in the Company s annual bonus plan with a target of 30% of his base salary. He will also be eligible to participate in all benefit plans available to full-time employees, and will receive a Stock Appreciation Rights Award equivalent to 15,000 stock options which vest pro rata over a three-year period.

Caution Regarding Forward-Looking Statements

This Form 8-K contains forward-looking statements regarding the current expectations of the Company about its prospects and opportunities. These forward-looking statements are covered by the Safe Harbor for Forward-Looking Statements provided by the Private Securities Litigation Reform Act of 1995. The Company has tried to identify these forward-looking statements by using words such as expect, contemplate, anticipate, estimate, plan, will, wo should, forecast, budgeted, believe, outlook, guidance, projection, target or similar expressions, but the not the exclusive means for identifying such statements. The Company cautions that a number of risks, uncertainties and other factors could cause the Company s actual results to differ materially from those expressed in, or implied by, the forward-looking statements, including, without limitation: the final results of the Audit Committee s independent review as it impacts the Company s accounting, accounting policies and internal control over financial reporting; management s ability to successfully implement the Audit Committee s remedial recommendations; the reasons giving rise to the prior resignation of RSM US LLP as the Company s independent registered public accounting firm; the time and effort required to complete the restatement of the affected financial statements, complete its delinquent financial statements and amend or prepare the related Form 10-K and Form 10-Q filings, particularly within the current anticipated timeline; the subsequent discovery of additional adjustments to the Company s previously issued financial statements; the timing of completion of necessary re-audits, interim reviews and audits by the new independent registered public accounting firm; the timing of completion of steps to address, and the inability to address and remedy, material weaknesses; the identification of additional material weaknesses or significant deficiencies; variances in non-recurring expenses; risks relating to the substantial costs and diversion of personnel s attention and resources deployed to address the financial reporting and internal control matters and related class action litigation; the ability of the Company to accurately budget for and forecast product shipments, and the extent to which product shipments result in recorded revenues; the impact of the resignation of the Company s former independent registered public accounting firm, RSM US LLP, on the Company s relationship with its lender and trade creditors and the

potential for defaults and exercise of creditor remedies; the impact of the previously disclosed investigation initiated by the SEC and any related or additional governmental investigative or enforcement proceedings; the impact of resignations of the Company's directors and certain executive officers and any delays and challenges encountered in recruiting replacements for open positions and the replacements' transitions into their positions; and any negative impacts from delisting of the Company's common stock from Nasdaq and any delays and challenges in obtaining a re-listing on a stock exchange. Actual events or results may differ materially from the Company's expectations. The Company's forward-looking statements are presented as of the date hereof. Except as required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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.

POWER SOLUTIONS INTERNATIONAL, INC.

Dated: May 18, 2018

By: /s/ Charles F. Avery, Jr.
Charles F. Avery, Jr.
Chief Financial Officer