
**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): January 10, 2023

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

Delaware
(State or Other Jurisdiction
of Incorporation)

001-13449
(Commission
File Number)

94-2665054
(I.R.S. Employer
Identification No.)

224 Airport Parkway Suite 550
San Jose, CA
(Address of principal executive offices)

95110
(Zip Code)

(408) 944-4000
(Registrant's telephone number, including area code)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	QMCO	Nasdaq Global Market

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 January 10, 2023, Quantum Corporation (the “Company”) announced that effective January 12, 2023, Kenneth P. Gianella has been appointed Chief Financial Officer of the Company. Mr. Gianella will succeed J. Michael Dodson, who will be transitioning out of his current role of Chief Financial Officer effective January 12, 2023, and will serve in a senior advisory role until August 2023 pursuant to the terms of the letter agreement dated as of January 9, 2023 (the “Transition Agreement”). Under the terms of the Transition Agreement, Mr. Dodson will retain his current base salary through the transition period and will be eligible to receive a bonus for 2022 under the Company’s incentive plan.

Mr. Gianella, age 50, most recently served as the Vice President of Investor Relations; Mergers, Divestitures, & Acquisitions; and Environmental, Social & Governance (ESG) Strategy at Itron, Inc. (Nasdaq: ITRI), an energy and water network technology and services company, since July 2018, and as Vice President of Finance and Treasury of Itron’s Networks segment from January 2018 to July 2018. Prior to that, from December 2012 to December 2017, Mr. Gianella held various senior finance positions at Silver Springs Networks, an IoT and smart networks company (acquired by Itron in December 2017), including as interim Chief Financial Officer, Senior Vice President, Finance and Treasurer. Mr. Gianella also held various senior finance roles at Sensity Systems, Inc., a producer of smart LED lights for enabling Smart Cities, and at KLA-Tencor Corporation, a leader in process control, yield management, and computational analytics for the semiconductor industry. Mr. Gianella holds a Master of Business Administration from University of Pittsburgh and a Bachelor of Science in Business Administration, Management and Operations from Duquesne University.

In connection with his appointment as Chief Financial Officer, Mr. Gianella entered into an offer letter (the “Offer Letter”) with the Company setting forth the terms of his employment and compensation. Pursuant to the Offer Letter, Mr. Gianella will receive an annual base salary of \$400,000 and will participate in the Company’s annual bonus program with a target bonus equal to 50% of his base salary, with the actual payout to be based on company and individual performance. Mr. Gianella will receive 175,000 restricted stock units (“RSUs”), which will vest in three equal installments on each anniversary of the grant date, subject to his continued employment. In addition, Mr. Gianella will also receive 75,000 performance-based RSUs, which will vest annually in three equal installments, subject to continued employment and achievement of specific performance metrics approved by the Leadership and Compensation Committee (the “Committee”). Mr. Gianella will also be eligible for follow-on grants in the summer of 2023, subject to the Committee’s approval.

Mr. Gianella will also be eligible to participate in the Company’s Change of Control Program and will become a party to the Company’s standard Amended and Restated Change of Control Agreement (the “Change of Control Agreement”), a copy of which is on file with the Securities and Exchange Commission. In addition, if Mr. Gianella (a) experiences an Involuntary Termination, and (b) the termination of his employment occurs outside of a Change of Control Period (each as defined in the Change of Control Agreement), he will be entitled to severance benefits a lump sum in an amount equal to six months of his then-annual base salary and, if he elects continuation coverage under COBRA, up to six months of COBRA benefits.

There are no family relationships between Mr. Gianella and any director or executive officer of the Company, and there are no transactions between Mr. Gianella and the Company that would be required to be reported under Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended.

The foregoing descriptions of the Offer Letter and Transition Agreement do not purport to be complete and are qualified in their entirety by reference to such agreements, copies of which are attached hereto as Exhibits 10.1 and 10.3 to this Current Report on Form 8-K, and are incorporated herein by reference.

A copy of the Company’s press release announcing the resignation of Mr. Dodson and the appointment of Mr. Gianella is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Other Exhibits.

(d) Exhibits.

<u>Exhibits Number</u>	<u>Description</u>
10.1#	<u>Offer Letter between the Company and Kenneth P. Gianella dated December 15, 2022.</u>
10.2#	<u>Form of Amended and Restated Change of Control Agreement between the Company and each of Registrant's Executive Officers (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed November 6, 2015).</u>
10.3#	<u>Transition Agreement between the Company and J. Michael Dodson dated January 9, 2023.</u>
99.1	<u>Press Release, dated January 10, 2023.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Indicates management contract or compensatory plan or arrangement.

SIGNATURE

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.

Quantum Corporation
(Registrant)

January 11, 2023

(Date)

/s/ Brian E. Cabrera

Brian E. Cabrera

Senior Vice President, Chief Administrative Officer, and Corporate Secretary



Quantum Corporation
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Via email to

Mr. Kenneth P. Gianella

December 15, 2022

Dear Ken:

I am pleased to offer to you the opportunity to join Quantum Corporation (Quantum or the Company) as our Chief Financial Officer (CFO), reporting directly to Jamie Lerner, President and Chief Executive Officer. Your start date will be Tuesday, January 3, 2023 and you will be considered a remote employee based out of your home in San Jose, California.

Base Salary: You will receive an annual base salary of \$400,000.00, subject to applicable tax and other required withholding and paid in accordance with the Company's normal payroll procedures.

Bonus Opportunity: In addition, you will be eligible to participate in the Company's annual bonus program, the Quantum Incentive Plan (QIP). Your target bonus opportunity will be 50% of your eligible annual salary. The actual amount earned will be determined based on Quantum's performance against metrics approved by the Board of Directors (Board) and your own performance, and paid in accordance with the QIP terms. The QIP bonus targets and terms are subject to annual re-evaluation and Board approval.

Equity Grant: The Company will recommend to the Leadership and Compensation Committee (LCC) of the Board that a total of 175,000 Restricted Stock Units (RSUs), vesting in 3 equal installments on each anniversary of the Grant Date (as defined below). We will also recommend that you be granted 75,000 performance-based RSUs (PSUs), which will vest according to specific performance metrics approved by the LCC. Vesting for both RSUs and PSUs granted is subject to your continued employment.

Subject to approval by the LCC, your grants will be effective on the first day of the first month following your start date (the Grant Date). Your grant information will be administered by E*Trade, the Company's online equity broker. E*Trade will provide instructions for creating your account and accepting your grants. Should you voluntarily terminate your employment with Quantum, any unvested equity will be forfeited.

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Follow-On Grant Opportunity: In addition, we expect to recommend to the LCC that you receive an additional 50,000 RSUs and 50,000 PSUs in the summer of 2023, subject to approval by the LCC and availability of shares under our shareholder-approved equity incentive plan.

Severance: You will be eligible to enter into Quantum's standard form of Change of Control Agreement, which we will provide to you after you accept this offer. In addition, in the event that (a) you incur an Involuntary Termination other than for Cause or your death or Disability, and (b) your termination occurs outside of the Change of Control Period (all terms as defined in the Change of Control Agreement), Quantum will provide to you the following severance payments and benefits (the Severance):

1. a lump sum cash payment equal to 6 months of your then-annual base salary; and
2. if you elect continuation coverage for you or your eligible dependents (if any) under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA) within the time period prescribed, the Company will provide monthly reimbursements of applicable COBRA premiums for continued coverage under the Company's group health plans in which you participated on the day immediately before your termination date through the earlier of (A) 6 months after the date of termination of your employment with the Company, or (B) the date you and your eligible dependents (if any) are no longer eligible to receive COBRA continuation coverage (the COBRA Benefits). Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide the COBRA Benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of the COBRA Benefits, the Company will provide to you during the 6 months following your termination a taxable monthly payment in an amount equal to the monthly COBRA premium that you would be required to pay to continue coverage under the COBRA Benefits. Such payments would be made regardless of whether you elect COBRA continuation coverage, solely if Quantum is unable to provide the COBRA Benefits.

The Severance is subject to your entering into and not revoking a release of claims, in substantially the form attached to your Change of Control Agreement and any subsequent revisions, in favor of the Company (the Release), within the period required by the Release. Any salary Severance due to you under clause 1. above will be paid on the 61st day following the date of termination of your employment with the Company, or such later date required by applicable law, including Section 409A of the Internal Revenue Code of 1986 (the Code.)

If the termination of your employment with the Company occurs on a date during the Change of Control Period, then the terms of the Change of Control Agreement will govern the eligibility and payment of any severance benefits to you and no Severance will be payable to you under this letter. Any Severance under this offer letter also will be subject to the provisions set forth in Section 1(c) [Offset] and Section 5 [Limitation on Payments (relating to Section 280G of the Code)] of the Change of Control Agreement.

Other Benefits: Quantum's flexible benefit program provides a full range of benefits for you and your qualified dependents. A benefit overview packet will be provided following your acceptance and a detailed benefits review will be included in your orientation.

Additionally, you will be eligible to participate in the Company's Deferred Compensation Program. Program information will be sent to you following your acceptance of this offer.

The Quantum logo, featuring the word "Quantum" in a blue, sans-serif font.

Confidential Information: During your employment with Quantum, you will have access to confidential and proprietary information, which Quantum vigorously protects. Therefore, this offer is conditioned on your execution and delivery to Quantum of its Proprietary Information and Invention Agreement. You will receive the agreement for electronic signature during your onboarding process.

Offer Terms: This offer is contingent upon your successful completion of a background verification process and proof of your employment eligibility.

This offer supersedes any and all other written or verbal offers. Employment at Quantum is at will. Either you or Quantum has the right to terminate your employment at any time for any reason, with or without cause.

To confirm your acceptance of our offer, please sign a copy of this letter electronically through DocuSign. If you have questions about your offer or onboarding process prior to your start date, you may reach me via email at _____ or directly at _____.

Ken, we look forward to having you join the Quantum executive team.

Sincerely,

/s/ Brian E. Cabrera

Brian E. Cabrera
Senior Vice President, Chief Administrative Officer, and Corporate Secretary

Acceptance

I understand and accept the terms of this offer of employment.

/s/ Kenneth P. Gianella
Kenneth P. Gianella

Dec 16, 2022
Date

The Quantum logo, featuring the word "Quantum" in a blue, sans-serif font with a registered trademark symbol.



Quantum Corporation
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Mr. James Michael Dodson

January 9, 2023

Dear Mike:

Thank you for your incredible contributions to Quantum during your time here. I appreciate your willingness to help us with a seamless transition of the CFO role and wanted to document the terms of our discussion:

Timeframe

You will transition out of the CFO role on or about January 12, 2023, but will continue to be a regular, full-time Quantum employee until August 7, 2023. During that time, you agree to be available as requested for transition purposes, and to provide such services to the best of your ability and in good faith. In this new role, you will no longer be a corporate officer and it is expected that you will no longer be privy to confidential, non-public material information. Therefore, it is expected that after 90 days from January 12, 2023, you will not be considered an Insider in accordance with the Company's Insider Trading Policy and therefore will not be subject to trading window restrictions or preclearance requirements.

Compensation

You will continue to receive your current compensation including salary and benefits through August 7, 2023. That compensation is provided in place of any lump-sum severance payments and COBRA benefits, stipends, or reimbursements to which you might have been entitled under your offer letter or other employment agreements with Quantum, and you agree to waive any right to claim such severance or COBRA payments or benefits now or in the future.

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In addition, you will be entitled to receive any incentive compensation earned and payable to you under the previously approved Quantum Incentive Plan metrics for fiscal year 2023. Any RSUs or PSUs granted to you that are scheduled to vest on or before August 7, 2023, will vest as described in the applicable stock grant agreement. PSUs will continue to be subject to any applicable performance targets that must be met for issuance. We will not provide accelerated vesting of any stock units scheduled to vest on or after August 8, 2023.

Release

You agree that the compensation described above is sufficient consideration for your voluntary release of any and all claims you may have against Quantum. The terms of the release are provided in an attachment to this letter.

Absence of Disputes

You represent that you have no disagreements with Quantum or its management team and agree that Quantum may include statements to that effect in any public filing or disclosure relating to your transition or departure.

Acknowledgement

Your signature below indicates your agreement to the terms described in this letter.

Mike, I want to thank you again for your contributions to Quantum. I hope you know how much I've valued our personal and professional partnership. I look forward to supporting you however I can in whatever you choose to do next.

Sincerely,

/s/ Jamie Lerner

Jamie Lerner
Quantum Corporation | President, Chief Executive Officer, and Chairman of the Board

AGREED AND ACCEPTED BY:

<u>/s/ James Michael Dodson</u>	<u>Jan. 9, 2023</u>
James Michael Dodson	Date





**Quantum Announces CFO Transition
Provides Preliminary Third Quarter Fiscal 2023 Revenue Above High-end of Guidance**

SAN JOSE, Calif. — January 10, 2023 — Quantum Corporation (NASDAQ: QMCO), a leader in providing technology solutions for organizations to more effectively manage video and other unstructured data, announced the appointment of Kenneth Gianella as its Chief Financial Officer effective January 12, 2023. Ken succeeds Mike Dodson, who will remain with the Company to assist in the transition in an advisory role until August 2023.

"I'm very pleased to add Ken to our executive team. His deep background in operational finance makes him well-suited to help lead us through the next phase of our strategic priorities, which include driving EBITDA expansion and consistent operating results in support of delivering improved value to our shareholders," commented Jamie Lerner, Quantum's President and Chief Executive Officer.

Lerner continued by saying, "We all owe Mike a tremendous debt of gratitude for his transformational work during his time at Quantum. Mike's skilled leadership and oversight provided stability and financial acumen that were critical to overcoming the challenges we faced at the time he joined the Company and throughout our efforts to transition Quantum's business model."

Dodson said, "It has been a privilege to work alongside such a talented team for the past four years. The strategic and financial actions initiated over that time period have greatly improved the Company's balance sheet and established a solid foundation for future growth and profitability. I believe Quantum is well positioned to achieve its goals and look forward to assisting Ken in the transition and watching the Company's continued success."

Gianella has extensive finance and operational experience in technology companies as a CFO, IRO, Treasurer, or as the Senior Vice President of Finance. Most recently he had been with Itron, Inc. leading Investor Relations; Mergers, Divestitures, & Acquisitions; and their Environmental, Social & Governance (ESG) strategy. Gianella joined Itron in January 2018 through the acquisition of Silver Spring Networks where he previously held various senior finance positions including interim CFO. Prior to SSNI, Gianella held various senior finance roles at Sensity Systems, Inc. and KLA-Tencor. Gianella holds a bachelor's degree from Duquesne University and an MBA from the University of Pittsburgh's Katz Graduate School of Business.

"I am extremely excited about the opportunity ahead for Quantum and I look forward to advancing the strategy started by Jamie, Mike, and the rest of the leadership team. I believe the Company is strongly positioned to hit its goals and I look forward to contributing to the Company's future success and driving long term shareholder value," said Gianella.

Third Quarter Fiscal 2023 Preliminary Results

Quantum also announced certain preliminary unaudited financial results for its third quarter of fiscal year 2023 ended December 31, 2022. Based on preliminary data, the Company expects revenue to be approximately \$110 million, exceeding its original revenue guidance of \$103 million, plus or minus \$3 million, and earnings to be at or above guidance.

About Quantum

Quantum is a leader in providing solutions that organizations need to make video and other unstructured data smarter and more efficient. With over 40 years of innovation, Quantum's end-to-end platform is uniquely equipped to orchestrate, protect, and enrich data, providing intelligence and actionable insights across its lifecycle. Leading organizations in cloud services, entertainment, government, research, education, transportation, and enterprise IT trust Quantum to bring their data to life. Quantum is listed on Nasdaq (QMCO). For more information visit www.quantum.com.

Quantum and the Quantum logo are registered trademarks of Quantum Corporation and its affiliates in the United States and/or other countries. All other trademarks are the property of their respective owners.

Forward-Looking Information

The information provided in this press release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). These forward-looking statements are largely based on our current expectations and projections about future events and financial trends affecting our business. Such forward-looking statements include, in particular, statements related to our expected financial results for the third quarter of fiscal year 2023; the Company's position for future growth and profitability; the Company's position to achieve its goals; and the Company's strategic priorities.

These forward-looking statements may be identified by the use of terms and phrases such as "anticipates", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "plans", "projects", "targets", "will", and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters and other statements regarding matters that are not historical are forward-looking statements. Investors are cautioned that these forward-looking statements relate to future events or our future performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, including without limitation, the following: actual results for third quarter of fiscal year 2023; risks related to the need to address the many challenges facing our business; the potential impact of the COVID-19 pandemic on our business, including potential disruptions to our supply chain, employees, operations, sales and overall market conditions; the competitive pressures we face; risks associated with executing our strategy; the distribution of our products and the delivery of our services effectively; our ability to integrate the business, products, employees and other aspects of our acquisitions; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; estimates and assumptions related to the cost (including any possible disruption of our business) and the anticipated benefits of the transformation and restructuring plans; the outcome of any claims and disputes; and other risks that are described herein, including but not limited to the items discussed in "Risk Factors" in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K filed with the SEC on June 8, 2022, and our Quarterly Report on Form 10-Q filed with the SEC on November 2, 2022. The Company does not intend to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law or regulation.

Investor Relations Contacts:

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