

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): April 14, 2022

Crown Crafts, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware 001-7604 58-0678148
(State or Other (Commission File Number) (IRS Employer
Jurisdiction of Identification No.)
Incorporation)

916 South Burnside Avenue, Gonzales, LA 70737
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (225) 647-9100

(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))

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	CRWS	Nasdaq Capital 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 April 14, 2022, Crown Crafts, Inc. (the “Company”) and E. Randall Chestnut agreed that he shall retire from the Company effective May 1, 2022 and, in connection therewith, he has resigned his position as a director of the Company, and all other positions he holds with the Company, effective as of such date. Mr. Chestnut’s resignation as a director is not because of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

Also on April 14, 2022, the Company’s Board of Directors (the “Board”) appointed: (i) Olivia W. Elliott, the Company’s President and Chief Executive Officer, as a director of the Company, effective May 1, 2022, to fill the vacancy created by Mr. Chestnut’s resignation; and (ii) Zenon S. Nie, currently the Lead Director of the Board, to serve as Chairman of the Board, effective May 1, 2022, replacing Mr. Chestnut in such role.

The Company and Mr. Chestnut entered into an Amendment to Amended and Restated Employment and Severance Protection Agreement, dated as of April 14, 2022 (the “Amendment”), which amends the Amended and Restated Employment and Severance Protection Agreement, dated as of December 16, 2020, between the Company and Mr. Chestnut (the “Agreement”), to reflect Mr. Chestnut’s retirement. The Amendment provides that: (i) Mr. Chestnut will continue to receive the salary and benefits he is currently receiving pursuant to the Agreement through May 1, 2022; (ii) in lieu of the compensation and benefits Mr. Chestnut would otherwise have been entitled to receive under the Agreement through its termination on April 2, 2023, the Company will pay Mr. Chestnut \$155,692.15 on May 1, 2022; (iii) the 8,033 shares of restricted stock granted to Mr. Chestnut on August 11, 2021 under the Company’s 2021 Incentive Plan, which vest on the earlier of August 11, 2022 and the date immediately preceding the date of the Company’s 2022 Annual Meeting of Stockholders, will accelerate and vest on May 1, 2022; and (iv) the term of the Agreement shall end on May 1, 2022.

There will be no change to the compensation Ms. Elliott receives in her capacity as the Company’s President and Chief Executive Officer as a result of her appointment to the Board, and she shall not receive any additional compensation for her Board service. Ms. Elliott’s compensation for her service as the Company’s President and Chief Executive Officer is described: (i) under “Executive Compensation” in the Company’s Definitive Proxy Statement for the Company’s 2021 Annual Meeting of Stockholders, filed on June 28, 2021; and (ii) in the Company’s Form 8-K, filed on February 9, 2022, and Amendment No. 1 thereto on Form 8-K/A filed on March 1, 2022. These descriptions are incorporated herein by reference.

The forgoing summary description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed herewith as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 [Amendment to Amended and Restated Employment and Severance Protection Agreement, dated as of April 14, 2022, between Crown Crafts, Inc. and E. Randall Chestnut.](#)
 - 99.2 [Amended and Restated Employment and Severance Protection Agreement, dated as of December 16, 2020, between Crown Crafts, Inc. and E. Randall Chestnut. \(Incorporated by reference to Exhibit 99.2 to Crown Crafts, Inc.’s Current Report on Form 8-K filed on December 17, 2020.\)](#)
 - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CROWN CRAFTS, INC.

By: /s/ Craig J. Demarest
CRAIG J. DEMAREST
Vice President and Chief Financial Officer

Date: April 15, 2022

AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AND
SEVERANCE PROTECTION AGREEMENT

This **AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AND SEVERANCE PROTECTION AGREEMENT** (the "Amendment") is made and entered into as of the 14th day of April, 2022, by and between **CROWN CRAFTS, INC.**, a Delaware corporation (the "Company"), and **E. RANDALL CHESTNUT**, an individual resident of the State of South Carolina (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company and the Executive have entered into that certain: (a) Employment Agreement, dated July 23, 2001, as amended by that certain First Amendment to Employment Agreement, dated as of November 6, 2008; and (b) Amended and Restated Severance Protection Agreement, dated as of April 20, 2004, as amended by that certain First Amendment to Amended and Restated Severance Protection Agreement, dated as of November 6, 2008 (together, the "Original Agreements");

WHEREAS, the Company and the Executive have entered into the Amended and Restated Employment and Severance Protection Agreement, dated as of December 16, 2020 (the "Agreement"), to amend the Original Agreements and to facilitate the transition of the management of the Company;

WHEREAS, in connection with such transition, the Board of Directors of the Company appointed Olivia Elliott as President and Chief Operating Officer, effective January 4, 2021, and appointed Olivia Elliott as President and Chief Executive Officer, effective March 1, 2022;

WHEREAS, the Company and the Executive wish to amend the Agreement as provided herein in furtherance of the transition of management of the Company and the Executive's retirement from the Company; and

WHEREAS, capitalized terms used but not otherwise defined herein shall have the same meanings given to such terms in the Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein, the parties hereto do hereby agree as follows:

1. Executive's Retirement. The Executive and the Company hereby acknowledge and agree that the Executive shall retire from the Company as of May 1, 2022, and, in connection therewith, the Executive hereby resigns his position as a director of the Company and all other positions he holds with the Company and its subsidiaries, effective May 1, 2022. The Executive acknowledges that the Company has provided to him the disclosures that the Company is making on Form 8-K in connection with his resignation, and the Executive agrees with such disclosures. The Company and the Executive agree that effective May 1, 2022, the Executive will no longer be an employee of the Company.
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2. Remaining Payments. In connection with the Executive's retirement as set forth herein, and in lieu of any other payments, compensation or benefits that the Executive would be entitled to receive pursuant to the Agreement or otherwise (including, without limitation, pursuant to Section 5 of the Agreement) relating to his employment with the Company, the Company agrees as follows:

(a) The Executive shall continue to receive the payments he is currently receiving from the Company pursuant to Section 3 of the Agreement through May 1, 2022;

(b) The Company will pay to the Executive \$155,692.15 in a lump sum payment no later than May 2, 2022 (subject to any required payroll and withholding tax obligations), which payment shall be in lieu of compensation and benefits that the Executive would otherwise have been entitled to receive through April 2, 2023; and

(c) The Executive's grant of 8,033 shares of restricted stock dated August 11, 2021, shall become vested at the end of the Term on May 1, 2022, and accrued but unpaid dividends with respect to such shares will be paid to the Executive within three (3) days thereof. In accordance with the provisions of Section 7(a)(ii) of the Restricted Stock Award Certificate with respect to such shares, Executive authorizes, and the Company shall, withhold shares to satisfy any tax withholding obligations in connection with the vesting of such shares.

3. Amendments to Agreement. In furtherance of the foregoing, Sections 1, 2.2(b), 2.3 and 3.1 of the Agreement are each hereby amended by deleting "April 2, 2023" and replacing it with "May 1, 2022".

4. Restrictive Covenants. Executive and the Company acknowledge and agree that the restrictive covenants set forth in Section 6 of the Agreement remain in full force and effect except that the Restricted Period is hereby amended by deleting Section 6.2(c)(vi) of the Agreement and replacing it with the following: "Restricted Period" means a period of time that is one (1) year following the expiration of the Term on May 1, 2022.

5. Miscellaneous.

(a) Existing Terms. The existing terms and conditions of the Agreement shall remain in full force and effect except as such terms and conditions are specifically amended by, or conflict with, the terms of this Amendment.

(b) Choice of Law. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

(c) Legal Fees. The Company shall pay the reasonable legal fees of the Executive in connection with this Amendment.

(d) Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(e) Severability. If any term or provision of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms and provisions of this Amendment shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by the undersigned thereunto duly authorized as of the date first written above.

CROWN CRAFTS, INC.

By: /s/ Olivia Elliott
Name: Olivia Elliott
Title: President & CEO

/s/ E. Randall Chestnut
E. RANDALL CHESTNUT