

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): **October 18, 2013**

**XCEL BRANDS, INC.**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**000-31553**  
(Commission File Number)

**76-0307819**  
(IRS Employer Identification No.)

475 10th Avenue, 4th Floor, New York, NY  
(Address of Principal Executive Offices)

10018  
(Zip Code)

(347) 727-2474  
(Registrant's Telephone Number, Including Area Code)

(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 1.01 Entry into a Material Definitive Agreement**

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On October 18, 2013, XCel Brands, Inc. (the “Company”) and Robert W. D’Loren, Chairman and Chief Executive Officer of the Company (“D’Loren”) entered into Amendment No. 2 to Amended and Restated Employment Agreement dated as of February 21, 2012, as amended, by and among the Company and D’Loren. Pursuant to the amendment, the agreement was amended to increase the amount of reimbursement for undocumented expenses to \$100,000 and provide for reimbursement of up to \$25,000 for membership in certain business, athletic and social clubs and related expenses.

On October 18, 2013, the Company and each of James Haran, its Chief Financial Officer, and Seth Burroughs, its Executive Vice President of Business Development, entered into Amendment No. 2 to their respective Amended and Restated Employment Agreements with the Company, each dated as of February 21, 2012, as amended. Pursuant to the amendments, (i) the annual base salaries for Messrs. Haran and Burroughs were increased to \$300,000 and \$275,000, respectively, commencing September 16, 2013 and (ii) the maximum cash bonus for which each such executive is eligible was increased to \$60,000 per annum, commencing in 2014.

On October 18, 2013, the Company and Guiseppe Falco, its President and Chief Operating Officer, entered into Amendment No. 1 to the Amended and Restated Employment Agreement, dated as of February 21, 2012, by and among the Company and Mr. Falco. Pursuant to the amendment, (i) Mr. Falco’s annual base salary was increased to \$375,000, effective September 16, 2013 and (ii) the annual cash bonus provision was amended, commencing in 2014, to revise the criteria upon which the cash bonus is payable and to increase the maximum cash bonus for which Mr. Falco is eligible to receive \$75,000 per annum.

**Item 9.01 Financial Statements and Exhibits**

<u>Exhibit</u>	<u>Description</u>
No. 10.1	Amendment No. 2 to Amended and Restated Employment Agreement between the Company and Robert J. D’Loren
No. 10.2	Amendment No. 2 to Amended and Restated Employment Agreement between the Company and James Haran
No. 10.3	Amendment No. 2 to Amended and Restated Employment Agreement between the Company and Seth Burroughs
No. 10.4	Amendment No. 2 to Amended and Restated Employment Agreement between the Company and Guiseppe Falco

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned thereunto duly authorized.

XCEL BRANDS, INC.  
(Registrant)

By: /s/ James F. Haran  
Name: James F. Haran  
Title: Chief Financial Officer

Date: October 21, 2013

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AMENDMENT NO. 2 TO AMENDED & RESTATED EMPLOYMENT AGREEMENT

This Amendment No. 2 (the "Amendment") to the Amended and Restated Employment Agreement dated as of February 21, 2012, as amended as of December 17, 2012 (the "Original Agreement"), by and between Xcel Brands, Inc., a Delaware corporation (the "Company") and Robert W. D'Loren (the "Executive", and together with the Company, the "parties"), is dated as of October 18, 2013.

WHEREAS, the parties have previously entered into the Original Agreement providing for the terms and conditions of the employment of Executive by the Company;

WHEREAS, the parties wish to amend the Original Agreement to amend certain provisions of the Original Agreement as set forth herein.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Compensation. Section 1.3(e) of the Original Agreement is hereby deleted in its entirety and replaced by the following:

" (e) Expenses. The Company will reimburse the Executive for all reasonable expenses incurred by him in the course of performing his duties under this Agreement that are consistent with the Company's policies in effect at that time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses. Subject to this Section 1.3(e), all expense reimbursement payments for documented expenses shall be made in accordance with the Company expense reimbursement policy. In addition, (i) the Company shall reimburse the Executive in the amount of \$100,000 annually for any undocumented expenses each calendar year (pro-rated for any partial calendar year during the Employment Period), without regard to whether such expenses would be reimbursable under the Company's expense reimbursement policy. All expense reimbursement payments pursuant to this Section 1.3(e) shall be made within thirty (30) days after the date that the Executive notifies the Company of such expense; provided, however, that the Executive shall notify the Company of such expenses no later than six (6) months after the end of the calendar year in which such expenses were incurred."

2. Membership Allowance. The following shall be added after the end of Section 1.3(k) of the Original Agreement 1.3(l):

The Company will reimburse the Executive for memberships in social, athletic and business clubs and for all related expenses of any such memberships which are billed through any such clubs, in an amount up to \$25,000 per annum for each twelve month period, commencing September 16, 2013. All expense reimbursements pursuant to this Section 1(l) shall be made promptly upon submission of receipts, invoices, bills or other documentation of any such expense.

3. Scope of Amendment. Except as specifically amended hereby, the Original Agreement shall continue in full force and effect, unamended, from and after the date hereof.
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IN WITNESS WHEREOF, the parties have executed and delivered this Amendment, intending to be legally bound hereby, as of the date first above written.

XCEL BRANDS, INC.

By: /s/ James Haran  
Name: James Haran  
Title: Chief Financial Officer

EXECUTIVE:

/s/ Robert W. D'Loren  
ROBERT W. D'LOREN

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AMENDMENT NO. 2 TO AMENDED & RESTATED EMPLOYMENT AGREEMENT

This Amendment No. 2 (the "Amendment") to the Amended and Restated Employment Agreement dated as of February 21, 2012, as amended as of December 17, 2012 (the "Original Agreement"), by and between Xcel Brands, Inc., a Delaware corporation (the "Company") and James F. Haran (the "Executive", and together with the Company, the "parties"), is dated as of October 18, 2013.

WHEREAS, the parties have previously entered into the Original Agreement providing for the terms and conditions of the employment of Executive by the Company;

WHEREAS, the parties wish to amend the Original Agreement to amend certain provisions of the Original Agreement as set forth herein.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Compensation. Effective September 16, 2013, the first two sentences of Section 1.3(a) of the Original Agreement are deleted in their entirety and replaced with the following:

Base Salary. The Executive's base salary shall be \$300,000 per annum (the "Base Salary").

2. Cash Bonus. Section 1.3(b) is hereby deleted in its entirety and replaced with the following:

Cash Bonus. Executive shall be eligible for a cash bonus of up to \$50,000 per annum for fiscal years ended on or prior to December 31, 2013 and \$60,000 per annum for fiscal years commencing on or after January 1, 2014 (the "Cash Bonus") based upon the following: 50% of the Cash Bonus for a fiscal year shall be paid to the Executive if the Company achieves at least 70% of its budgeted Adjusted EBITDA (as defined below) for such fiscal year and 100% of the Cash Bonus for a fiscal year shall be paid to the Executive if the Company achieves at least 90% of its budgeted Adjusted EBITDA for such fiscal year. The Cash Bonus shall be awarded to the Executive on the date that is the earlier of (i) the 90th day following the end of the fiscal year to which the Cash Bonus relates and (ii) the first business day following the date the Company's annual report on Form 10-K for the fiscal year to which the Cash Bonus relates is filed with the Securities and Exchange Commission. Notwithstanding the foregoing, all payments of Cash Bonuses shall be made on a date that allows such payments to comply with the requirements of Section 409A of the Code. Executive shall be eligible to receive a pro rata portion of the Cash Bonus if Executive's employment is less than a full year or ceases prior to the end of the calendar year for which a Cash Bonus has not yet been paid. The Executive is eligible to receive additional cash bonuses at the discretion of the Company's compensation committee.

3. Scope of Amendment. Except as specifically amended hereby, the Original Agreement shall continue in full force and effect, unamended, from and after the date hereof.

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IN WITNESS WHEREOF, the parties have executed and delivered this Amendment, intending to be legally bound hereby, as of the date first above written.

XCEL BRANDS, INC.

By: /s/ Robert W. D'Loren  
Name: Robert W. D'Loren  
Title: Chief Executive officer

EXECUTIVE:

/s/ James F. Haran  
James F. Haran

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AMENDMENT NO. 2 TO AMENDED & RESTATED EMPLOYMENT AGREEMENT

This Amendment No. 2 (the "Amendment") to the Amended and Restated Employment Agreement dated as of February 21, 2012, as amended as of December 17, 2012 (the "Original Agreement"), by and between Xcel Brands, Inc., a Delaware corporation (the "Company") and Seth Burroughs (the "Executive", and together with the Company, the "parties"), is dated as of October 18, 2013.

WHEREAS, the parties have previously entered into the Original Agreement providing for the terms and conditions of the employment of Executive by the Company;

WHEREAS, the parties wish to amend the Original Agreement to amend certain provisions of the Original Agreement as set forth herein.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Compensation. Effective September 16, 2013, the first two sentences of Section 1.3(a) of the Original Agreement are deleted in their entirety and replaced with the following:

Base Salary. The Executive's base salary shall be \$275,000 per annum (the "Base Salary").

2. Cash Bonus. Section 1.3(b) is hereby deleted in its entirety and replaced with the following:

Cash Bonus. Executive shall be eligible for a cash bonus of up to \$50,000 per annum for fiscal years ended on or prior to December 31, 2013 and \$60,000 for fiscal years commencing on or after January 1, 2014 (the "Cash Bonus") based upon the following: 50% of the Cash Bonus for a fiscal year shall be paid to the Executive if the Company achieves at least 70% of its budgeted Adjusted EBITDA (as defined below) for such fiscal year and 100% of the Cash Bonus for a fiscal year shall be paid to the Executive if the Company achieves at least 90% of its budgeted Adjusted EBITDA for such fiscal year. The Cash Bonus shall be awarded to the Executive on the date that is the earlier of (i) the 90th day following the end of the fiscal year to which the Cash Bonus relates and (ii) the first business day following the date the Company's annual report on Form 10-K for the fiscal year to which the Cash Bonus relates is filed with the Securities and Exchange Commission. Notwithstanding the foregoing, all payments of Cash Bonuses shall be made on a date that allows such payments to comply with the requirements of Section 409A of the Code. Executive shall be eligible to receive a pro rata portion of the Cash Bonus if Executive's employment is less than a full year or ceases prior to the end of the calendar year for which a Cash Bonus has not yet been paid. The Executive is eligible to receive additional cash bonuses at the discretion of the Company's compensation committee.

3. Scope of Amendment. Except as specifically amended hereby, the Original Agreement shall continue in full force and effect, unamended, from and after the date hereof.

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IN WITNESS WHEREOF, the parties have executed and delivered this Amendment, intending to be legally bound hereby, as of the date first above written.

XCEL BRANDS, INC.

By: /s/ James Haran  
Name: James Haran  
Title: Chief Financial Officer

EXECUTIVE:

/s/ Seth Burroughs  
Seth Burroughs

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AMENDMENT NO. 1 TO AMENDED & RESTATED EMPLOYMENT AGREEMENT

This Amendment (the "Amendment") to the Amended and Restated Employment Agreement dated as of February 21, 2012 (the "Original Agreement"), by and between Xcel Brands, Inc., a Delaware corporation (the "Company") and Guiseppe Falco (the "Executive", and together with the Company, the "parties"), is dated as of October 18, 2013.

WHEREAS, the parties have previously entered into the Original Agreement providing for the terms and conditions of the employment of Executive by the Company;

WHEREAS, the parties wish to amend the Original Agreement to amend certain provisions of the Original Agreement as set forth herein.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Compensation. Effective September 16, 2013, the first two sentences of Section 1.3(a) are deleted in their entirety and replaced with the following:

Base Salary. The Executive's base salary shall be (i) \$375,000 per annum (the "Base Salary").

2. Cash Bonuses. Section 1.3(b) is hereby deleted in its entirety and replaced with the following:

Cash Bonus. For the Company's fiscal year ending December 31, 2013, shall be entitled to a cash bonus ("Cash Bonus") of up to \$50,000 per annum based upon the following: one half of one percent (0.5%) of all IsaacMizrahiLIVE net sales in excess of \$60 million on QVC as reported by QVC to the Company. For the Company's fiscal years ending December 31, 2014 and thereafter, Executive shall be eligible for an aggregate Cash Bonus of up to \$75,000 per annum based upon targets established by the Company's compensation committee each year for (a) Adjusted EBITDA, (b) Direct Response Television Revenue, and (c) Wholesale Royalty Revenue (each, a "Cash Bonus Target"). Up to one third (1/3) of the Cash Bonus may be payable to Executive with respect to each Cash Bonus Target (or up to \$25,000 per Cash Bonus Target) as follows: 50% of the portion of the Cash Bonus attributable to each Cash Bonus Target for a fiscal year shall be paid to the Executive if the Company achieves at least 70% of such Cash Bonus Target for such fiscal year and 100% of the portion of the Cash Bonus attributable to each Cash Bonus Target for a fiscal year shall be paid to the Executive if the Company achieves at least 90% of such Cash Bonus Target for such fiscal year. The Cash Bonus shall be awarded to the Executive on the date that is the earlier of (a) the 90th day following the end of the fiscal year to which the Cash Bonus relates and (ii) the first business day following the date the Company's annual report on Form 10-K for the fiscal year to which the Cash Bonus relates is filed with the Securities and Exchange Commission. Notwithstanding the foregoing, all payments of Cash Bonuses shall be made on a date that allows such payments to comply with the requirements of Section 409A of the Code. The Executive is eligible to receive additional cash bonuses at the discretion of the Company's compensation committee.

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“Adjusted EBITDA” shall mean for any period, for the Company and its subsidiaries on a consolidated basis (without duplication), an amount equal to (a) consolidated net income (as determined in accordance with generally accepted accounting principles of the United States of America as in effect from time to time) (“Consolidated Net Income”) for such period, minus, (b) to the extent included in calculating Consolidated Net Income, the sum of, without duplication, (i) income tax credits for such period, and (ii) gain from extraordinary or non-recurring items for such period (including, without limitation, non-cash items related to purchase accounting), plus (c) the following to the extent deducted in calculating such Consolidated Net Income, (i) interest expense and other finance costs (whether cash or non-cash) for such period (ii) the provision for federal, state, local and foreign income taxes for such period, (iii) the amount of depreciation and amortization expense for such period, (iv) the transaction fees, costs and expenses incurred in connection with the acquisition of Isaac Mizrahi and any other subsequent brand acquisition in such period, (v) all other extraordinary or non-recurring non-cash charges (including, without limitation, non-cash items related to purchase accounting and non-cash items related to earn-outs), and (vi) non-cash stock or equity compensation in such period.

“Direct Response Television Revenue” shall mean for any period, for the Company and its subsidiaries on a consolidated basis (without duplication), an amount equal to the royalty revenue the Company received during such period for sales of the Isaac Mizrahi Live and Liz Claiborne New York brands from direct-response television companies (i.e. QVC, The Shopping Channel, etc).

“Wholesale Royalty Revenue” shall mean for any period, for the Company and its subsidiaries on a consolidated basis (without duplication), an amount equal to Company’s gross royalty revenue earned by the Company from sales of products under the Isaac Mizrahi brand (and sub-brands but excluding the IsaacMizrahiLIVE brand) by licensees of the Company.

3. Scope of Amendment. Except as specifically amended hereby, the Original Agreement shall continue in full force and effect, unamended, from and after the date hereof.

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IN WITNESS WHEREOF, the parties have executed and delivered this Amendment, intending to be legally bound hereby, as of the date first above written.

XCEL BRANDS, INC.

By: /s/ James Haran  
Name: James Haran  
Title: Chief Financial Officer

EXECUTIVE:

/s/ Guiseppe Falco  
Guiseppe Falco

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