

CASTLE A M & CO

FORM 8-K (Current report filing)

Filed 01/22/13 for the Period Ending 01/15/13

Address	1420 KENSINGTON ROAD SUITE 220 OAK BROOK, IL 60523
Telephone	8474557111
CIK	0000018172
Symbol	CAS
SIC Code	5051 - Metals Service Centers and Offices
Industry	Misc. Fabricated Products
Sector	Basic Materials
Fiscal Year	12/31

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: **January 15, 2013**
(Date of earliest event reported)

A. M. CASTLE & CO.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

1-5415
(Commission File Number)

36-0879160
(IRS Employer Identification No.)

1420 Kensington Road, Suite 220
Oak Brook, IL 60523
(Address of principal executive offices)

Registrant's telephone number including area code: **(847) 455-7111**

Not Applicable
(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 13 e-4(c) under the Exchange Act (17 CFR 240.13 e-4(c))
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Item 2.05. Costs Associated with Exit or Disposal Activities.

On January 15, 2013, the Board of Directors of A. M. Castle & Co. (the "Company") approved restructuring actions for its metal business designed to reduce costs and improve operating performance. The actions include organizational restructuring, warehouse realignments and performance improvement programs, and are expected to result in a reduction in the Company's workforce by 10 percent. The Company expects to complete the restructuring actions in the first half of 2013. When completed, the restructuring actions are expected to result in annual ongoing operating profit improvement of \$33 million. The Company expects to recognize approximately \$10 million of operating profit improvement in 2013, after giving effect to the restructuring charge described below.

Based on current information, the Company expects the total pre-tax charge associated with the restructuring actions to be approximately \$10 million, primarily cash, which would be incurred in the first half of 2013. Of this amount, approximately \$3.5 million is attributable to employee severance and other employment related benefits, \$2.5 million is attributable to lease termination costs, \$1.6 million is attributable to moving costs in conjunction with the warehouse realignments and \$2.4 million relates to other costs. The Company may identify additional opportunities as it implements the restructuring actions that could require as yet unidentified charges. In addition, the Company expects to incur capital expenditures of approximately \$1.4 million in 2013 that are directly associated with the restructuring actions.

The restructuring actions are detailed in the Company's January 16, 2013 press release, a copy of which is attached as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 16, 2013, and is incorporated by reference herein.

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

On January 15, 2013, the Board of Directors of the Company elected Blain A. Tiffany to the newly-created position of Chief Commercial Officer, effective January 16, 2013. Mr. Tiffany had been serving as Vice President of the Company and President of the Company's Castle Metals commercial unit. In recognition of Mr. Tiffany's election as Chief Commercial Officer and expanded responsibilities, his compensation program was adjusted as follows: (i) his annual base salary was increased from \$340,000 to \$350,000; (ii) his target award under the Company's Short Term Incentive Plan was increased from 60% to 65% of annual base salary, effective for the 2013 performance period, and (iii) his target award under the Company's Long Term Compensation Plan was increased from 90% to 120% of annual base salary, effective for the performance period beginning 2013. Additionally, Mr. Tiffany will be paid a one-time cash bonus of \$20,000.

The foregoing description of the changes to Mr. Tiffany's compensation program is qualified in its entirety by reference to the full text of his offer letter, which is filed as Exhibit 10.36 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.36	Offer of Chief Commercial Officer dated December 28, 2012, between A.M. Castle & Co. and Mr. Blain Tiffany.

Cautionary Statement on Risks Associated with Forward Looking Statements

Information provided and statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this release and the company assumes no obligation to update the information included in this release. Such forward-looking statements include, but are not limited to, statements concerning our possible or assumed future results of operations, and our expectations and estimates relating to restructuring activities, including restructuring charges and timing of cash payments related thereto, and operational flexibility, savings, and efficiencies from such restructuring actions. These statements often include words such as "believe," "expect," "anticipate," "intend," "will," "plan," or similar expressions. These statements are not guarantees of performance or results, and they involve risks, uncertainties, and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. For a further description of these risk factors, see the risk factors identified in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and quarterly reports for fiscal 2012. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this report, except as required by applicable law or regulation.

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.

January 22, 2013

A. M. CASTLE & CO.

By: /s/ Scott F. Stephens

Scott F. Stephens

Vice President, Finance, and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
10.36	Offer of Chief Commercial Officer dated December 28, 2012, between A.M. Castle & Co. and Mr. Blain Tiffany.	EX-1-

**A.M. Castle & Co.**

December 28, 2012

Mr. Blain Tiffany
7311 Heritage Grand Pl.
Bradenton, FL 34212

Re: Offer of Chief Commercial Officer

Dear Blain:

Per our conversation earlier this month, I would like to formally offer you the position of Chief Commercial Officer (CCO) of A. M. Castle & Co. (the "Company"), effective January 16, 2013. In this position, you will report directly to me. Below is a summary of the terms of this offer:

Base Salary

The Company will increase your annual base salary to \$350,000 paid biweekly, effective January 7, 2013, less applicable taxes, deductions and withholdings. Base salary will be subject to annual review. You will be eligible to receive a merit increase in 2013, as determined by the Human Resources Committee of the Board of Directors.

Sign-on Bonus

In connection with this promotion, you will receive a one-time cash bonus of \$20,000, subject to applicable taxes, deductions and withholdings, to be paid in your next regularly scheduled paycheck.

Short-Term Incentive Plan (STIP)

This position is eligible to participate in the Company's short-term incentive plan which provides the opportunity to earn an annual bonus based on specific performance objectives set annually by the Board of Directors. For 2013, your target opportunity will be increased to 65% of your annual base salary and your maximum opportunity will be increased to 130% of your annual base salary, subject to approval by the Human Resources Committee of the Board of Directors.

Long-Term Compensation Plan (LTCP)

This position is eligible to participate in the Company's Long-Term Compensation Plan, which is currently a three year over-lapping plan paid in A. M. Castle & Co. common stock. The terms and components of the plan are established each year by the Human Resources Committee of the Board of Directors. Under this plan, your target opportunity will be increased to 120% of your annual base salary and your maximum opportunity will be increased to 240% of your annual base salary for 2013.

STIP and LTCP target incentives do not constitute a promise of payment. Your actual payout will depend on achievement of individual and/or Company performance objectives, established annually by the Board, and will be governed by the terms and conditions of the applicable plan documents. Eligibility for participation in the incentive plans is subject to annual review. All incentive payouts are subject to applicable taxes, deductions and withholdings.

Benefits

In this position, you will continue to be eligible to participate in the Company's medical and other employee benefits, including the Company automobile program, in accordance with the terms of each such plan. Please refer to our benefit plan documents for eligibility and terms of coverage. Of course, A.M. Castle reserves the right to amend or terminate its benefits at any time.

Upon the earlier of (i) approval by the CEO or (ii) one year from the date of this letter, you will be permitted to be based out of a home office in your Florida residence. You will not be eligible for home sale or relocation assistance in connection with your change in work location.

Employment At-Will

Please understand that this letter does not constitute a contract of employment for any specific period of time, but will create an employment at-will relationship that may be terminated at any time by you or A.M. Castle, with or without cause and with or without advance notice.

Conclusion

Please let me know if you have any questions regarding the information provided in the letter or any other aspect of your employment at Castle. I look forward to your acceptance of this position on or before Friday, January 11, 2013. Please understand that this offer and the financial terms outlined above are contingent upon Board of Directors approval.

Sincerely,

/s/ Scott J. Dolan

Name: Scott J. Dolan
Title: President & CEO

Offer Acceptance

/s/ Blain A. Tiffany

Name: Blain A. Tiffany
Date: January 11, 2013