

**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) July 10, 2019

BENEFITFOCUS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-36061

(Commission File Number)

46-2346314

(IRS Employer Identification No.)

100 Benefitfocus Way, Charleston, South Carolina 29492

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (843) 849-7476

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, \$0.001 Par Value	BNFT	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.

(b), (c) On July 10, 2019, Benefitfocus, Inc. (the “Company”) announced that Stephen M. Swad, a member of the Company’s Board of Directors (the “Board”) since December 2013, has been appointed by the Board to serve as the Company’s Chief Financial Officer beginning on July 22, 2019. The interim Chief Financial Officer, Lou Anne Gilmore, will continue as principal financial and accounting officer for SEC filing purposes through mid-August, and will continue to work with Mr. Swad on the transition thereafter.

Mr. Swad brings to the Company extensive business, operational, financial and accounting experience in the technology sector. Most recently, Mr. Swad served as Chief Financial Officer of Vox Media, Inc from January 2016 until July 2019. From February 2012 until April 2015, Mr. Swad served as the President, Chief Executive Officer, and a director of Rosetta Stone Inc. (NYSE: RST), a publicly held language-learning software company. He was previously its Chief Financial Officer beginning in November 2010. Prior to joining Rosetta Stone, Mr. Swad served as the Executive Vice President and Chief Financial Officer of Comverse Technology, Inc., beginning in May 2009. Prior to that, he served as Executive Vice President and Chief Financial Officer of Federal National Mortgage Association (Fannie Mae) (NASDAQ: FNMA) from May 2007 until August 2008. He has also held various senior financial management positions with public companies, including AOL Inc. (now a part of Oath Inc.) and Time Warner Inc. (NYSE: TWX) and its subsidiaries. Mr. Swad, a former partner of KPMG LLP, has also served as a Deputy Chief Accountant at the Securities and Exchange Commission. He served on the board of Eloqua, Inc. from August 2011 until February 2013, including between August 2012 and February 2013, during which time it was a publicly held company. Mr. Swad holds a B.A. in business administration from the University of Michigan and is a Certified Public Accountant.

Mr. Swad is 57 years old and has no familial relationships with any executive officer or director of the Company. Other than Mr. Swad’s compensation for his service on the Board, there have been no transactions in which the Company has participated and in which Mr. Swad had a direct or indirect material interest that would be required to be disclosed under Item 404(a) of Regulation S-K.

Mr. Swad’s employment agreement with the Company provides that his employment is “at will.” His annual base salary is initially \$425,000 and he is eligible to participate in the Company’s Short-Term Incentive Program, with a target bonus of 75% of his base salary, to be pro-rated based on his start date for 2019. Mr. Swad will also receive a one-time signing bonus consisting of (i) a cash bonus of \$325,000, subject to repayment if he terminates his employment for other than “good reason” or the Company terminates his employment for “cause” (as those terms are defined in his employment agreement) within 12 months of his employment commencement, and (ii) a grant of restricted stock units (“RSUs”) valued at \$2,000,000, with 25% vesting on the first anniversary of the date of grant, and the remaining 75% of the RSUs vesting in equal amounts quarterly for the following three years. Additionally, Mr. Swad will receive a one-time grant of restricted stock units valued at \$1,000,000, vesting in four equal annual installments beginning on the first anniversary of the date of grant, subject to the terms of the related award grant notice. Mr. Swad is subject to confidentiality, non-competition and non-solicitation covenants for one year following the termination of his employment.

In connection with Mr. Swad’s appointment as Chief Financial Officer, and not due to any disagreement with the Company on any matter relating to the Company’s operations, policies or practices, Mr. Swad has resigned as a member of the Board, effective July 22, 2019.

The foregoing summary of the material terms of Mr. Swad’s employment agreement is subject to the full and complete terms of the agreements which will be filed with the Company’s Quarterly Report on Form 10-Q for the quarter year ended September 30, 2019. A copy of the press release regarding the above matters is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 10, 2019

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 hereunto duly authorized.

BENEFITFOCUS, INC.

Date: July 10, 2019

/s/ Raymond A. August

Raymond A. August
Chief Executive Officer



Benefitfocus, Inc.
843-284-1052 ext. 3527
pr@benefitfocus.com

Benefitfocus Appoints Current Board Member and Veteran Technology Finance Executive, Stephen Swad, as CFO

Charleston, S.C. – July 10, 2019 – Benefitfocus, Inc. (NASDAQ: BNFT), a leading cloud-based benefits management platform and services provider, today announced the appointment of Stephen M. Swad as Chief Financial Officer (CFO). Swad, who will be joining the Company on July 22nd, brings with him an extensive background with more than 35 years of executive and finance leadership. He is a current member of the Benefitfocus Board of Directors and since 2013 has served on the Audit, Compensation, and Nominating and Governance Committees, as well as Chair of the Compensation Committee.

While already deeply familiar with Benefitfocus, in his new role, Swad will be responsible for managing all aspects of Benefitfocus' finances and corporate development. He joins the company from Vox Media, a leading, modern media company, where he has served as CFO since January 2016. During his time at Vox Media, he helped the company raise debt and equity capital, acquire companies, improve its capital allocation processes, launch a number of new successful businesses, including a SaaS-based technology business and enhance the accounting, finance, and treasury functions through investments in people, processes, and systems.

“As Benefitfocus continues to advance our platform and industry leadership, it was imperative that we selected an established finance chief with a deep understanding of our transformative platform strategy,” said Ray August, President and CEO of Benefitfocus. “Steve is right for this role in so many ways, from his well-established understanding of our business, serving as a board member since our IPO six years ago, to the depth of his public company financial expertise, serving other leading technology brands and public sector entities, like the SEC.”

Prior to Vox Media, from February 2012 until April 2015, Swad was President, Chief Executive Officer (CEO) and a director of Rosetta Stone, a cloud-based software company focused on language learning and reading. He formerly served as Rosetta Stone's CFO beginning in November 2010. Prior to joining Rosetta Stone, Swad was the Executive Vice President and CFO of Comverse Technology, Inc.

Swad has held various senior financial management positions at AOL, Inc. (now part of Oath Inc.), Turner Broadcasting and Time Warner. He was a partner at KPMG LLP and also served as the Deputy Chief Accountant of the Securities and Exchange Commission. Swad previously served on the Board of Eloqua, a SaaS-based marketing and analytics platform, before it was purchased by Oracle. He received his B.A. in business administration from the University of Michigan and is a Certified Public Accountant.

“Under Ray’s leadership, I have seen an incredible advancement of the company as it continues to accelerate the next generation of its market-leading benefits platform,” adds Swad. “This was the right time to make this move. I am truly excited to transition my affiliation with Benefitfocus from being a long-standing director to a full-time operating finance chief and continuing to deliver on the value we provide to investors and our entire, connected ecosystem.”

Swad’s role as Chair of the Board’s Compensation Committee will be taken over by Ana White. White is a current Board member who has decades of HR experience at Microsoft and now F5. In addition, current Board member, Doug Dennerline, an experienced technology company CEO, will rejoin the Board’s Audit Committee upon Swad stepping down from the Board.

About Benefitfocus

Benefitfocus (NASDAQ: BNFT) unifies the entire U.S. benefits industry on a single technology platform to protect consumers' health, wealth, property and lifestyle. Our powerful cloud-based software, data-driven insights and thoughtfully-designed services, enable employers, insurance brokers and carriers to simplify the complexity of benefits administration and deliver a world-class benefits experience. Learn more at www.benefitfocus.com, [LinkedIn](#) and [Twitter](#).

Except for historical information, all of the statements, expectations, and assumptions contained in this press release are forward-looking statements. Actual results or performance might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include: our ability to maintain our culture and recruit and retain qualified personnel; the need to innovate and provide useful products and services; management of growth; our ability to compete effectively; the immature and volatile nature of the market for our products and services; risks related to changing healthcare and other applicable regulations; privacy; security and other risks associated with our business; and the other risk factors set forth from time to time in our SEC filings, copies of which are available free of charge within the Investor Relations section of the Benefitfocus website at <http://investor.benefitfocus.com/sec-filings> or upon request from our investor relations department. Benefitfocus assumes no obligation and does not intend to update these forward-looking statements, except as required by law.