

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) August 29, 2019

Carrols Restaurant Group, Inc.

(Exact name of registrant as specified in its charter)



Delaware

(State or other jurisdiction of
incorporation or organization)

001-33174

(Commission
File Number)

83-3804854

(I.R.S. Employer
Identification No.)

968 James Street
Syracuse, New York

(Address of principal executive office)

13203

(Zip Code)

Registrant's telephone number, including area code (315) 424-0513

N/A

(Former name or former address, if changed since last report.)

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 \$.01 per share	TAST	The NASDAQ Global Market

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

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 3.03. MATERIAL MODIFICATION OF RIGHTS OF SECURITYHOLDERS

On August 29, 2019, at the Annual Meeting of Stockholders (the “Annual Meeting”) of Carrols Restaurant Group, Inc. (the “Company”), the Company’s stockholders approved the conversion of all of the Company’s outstanding shares of Series C Convertible Preferred Stock, par value \$0.01 per share (the “Series C Preferred Stock”), into shares of the Company’s common stock by removal of the restriction that prohibits such conversion (“Stockholder Approval”) as more fully described below in “Item 5.07 Submission of Matters To A Vote of Security Holders” which is incorporated by reference into this Item 3.03. Pursuant to the terms of the Certificate of Designations of the Series C Preferred Stock, 10,000 shares of Series C Preferred Stock, representing all of the outstanding shares of Series C Preferred Stock, automatically converted into 7,450,402 shares of the Company’s common stock upon Stockholder Approval on August 29, 2019.

ITEM 5.03. AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR

On August 29, 2019, the Company amended the Company’s Amended and Restated Certificate of Incorporation, as amended, amending the Certificate of Designation of the Series B Convertible Preferred Stock (the “Series B Certificate of Designation”) to modify the definition of “Director-Step Down Date” and “Director Cessation Date”. The text of the changes to the definitions of “Director-Step Down Date” and “Director Cessation Date” in the Series B Certificate of Designation is attached hereto as Exhibit 3.1 and incorporated by reference herein.

On August 29, 2019, the Company amended (i) Article NINTH, Section (A) of the Company’s Amended and Restated Certificate of Incorporation, as amended, and (ii) Article II, Section 2 of the Company’s Amended and Restated Bylaws, as amended, to eliminate the ability of a majority of the Company’s entire board of directors to remove directors for cause. The text of the changes to Article NINTH, Section A of the Company’s Amended and Restated Certificate of Incorporation, as amended, and Article II, Section 2 of the Company’s Amended and Restated Bylaws, as amended, are attached hereto as Exhibit 3.2 and Exhibit 3.3, respectively, and incorporated by reference herein.

ITEM 5.07. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

On August 29, 2019, the Company held the Annual Meeting of Stockholders.

At the Annual Meeting, stockholders (i) re-elected Daniel T. Accordino and Matthew Perelman as Class I directors, to serve three year terms that expire at the Company's 2022 Annual Meeting of Stockholders or until their respective successors have been duly elected and qualified, (ii) voted to adopt, on an advisory basis, a resolution approving the compensation of the Company's Named Executive Officers as described in Proxy Statement under "Executive Compensation", (iii) voted to approve the conversion of the Company's outstanding Series C Preferred Stock into shares of the Company's common stock by removal of the restriction that prohibits such conversion, (iv) voted to approve an amendment to the Company's Amended and Restated Certificate of Incorporation, as amended, amending the Series B Certificate of Designation to modify the definition of "Director-Step Down Date" and "Director Cessation Date", (v) voted to amend the Company's Amended and Restated Certificate of Incorporation, as amended, to eliminate the ability of a majority of the Company's entire board of directors to remove directors for cause, (vi) voted to approve an amendment to the Amended and Restated Certificate of Incorporation, as amended, of Carrols Holdco Inc., the Company's wholly-owned subsidiary, to remove a provision that requires the vote of stockholders of the Company, in addition to the vote of the Company (as sole stockholder) in order for Carrols Holdco Inc. to take certain actions and (vii) voted to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2019 fiscal year.

The results of voting for each proposal submitted to the stockholders are as follows:

Proposal 1. Election of Class I Directors, Daniel T. Accordino and Matthew Perelman.

Name	For	Against	Abstain	Broker Non-Vote
Daniel T. Accordino	42,071,501	2,754,511	7,153	3,854,200
Matthew Perelman	42,303,436	2,518,861	10,868	3,854,200

Proposal 2. Approval, on an advisory basis, of a resolution approving the compensation of the Company's Named Executive Officers as described in Proxy Statement under "Executive Compensation".

For	Against	Abstain	Broker Non-Vote
41,277,538	1,597,512	1,958,115	3,854,200

Proposal 3. Approval of the conversion of the Company’s outstanding Series C Convertible Preferred Stock into shares of the Company’s common stock by removal of the restriction that prohibits such conversion.

For	Against	Abstain	Broker Non-Vote
37,391,595	65,845	11,312	3,854,200

Proposal 4. Approval of an amendment to the Company’s Amended and Restated Certificate of Incorporation, as amended, amending the Certificate of Designation of the Series B Convertible Preferred Stock to modify the definition of “Director-Step Down Date” and “Director Cessation Date”.

For	Against	Abstain	Broker Non-Vote
41,011,095	3,796,925	25,145	3,854,200

Proposal 5. Amend the Company’s Amended and Restated Certificate of Incorporation, as amended, to eliminate the ability of a majority of the Company’s entire board of directors to remove directors for cause.

For	Against	Abstain	Broker Non-Vote
43,918,716	903,180	11,269	3,854,200

Proposal 6. Approval of an amendment to the Amended and Restated Certificate of Incorporation, as amended, of Carrols Holdco Inc., the Company’s wholly-owned subsidiary, to remove a provision that requires the vote of stockholders of the Company, in addition to the vote of the Company (as sole stockholder) in order for Carrols Holdco Inc. to take certain actions.

For	Against	Abstain	Broker Non-Vote
44,669,118	150,197	13,850	3,854,200

Proposal 7. Ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the 2019 fiscal year.

For	Against	Abstain
48,524,297	155,518	7,550

Additionally, on August 29, 2019, the holder of all of the outstanding shares of the Company's Series B Convertible Preferred Stock voted to re-elect directors José E. Cil and Matthew Dunnigan to the Company's Board of Directors. Messrs. Cil and Dunnigan each will serve as a Class B Director for a one year term that expires at the Company's Annual Meeting of Stockholders to be held in 2020 or until their respective successors shall have been elected and shall qualify.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

- | | |
|-----|---|
| 3.1 | <u>Amendment to Company's Certificate of Designation of the Series B Convertible Preferred Stock</u> |
| 3.2 | <u>Amendment to Section (A) of Article NINTH of the Company's Amended and Restated Certificate of Incorporation, as amended</u> |
| 3.3 | <u>Amendment to Article II, Section 2 of the Company's Amended and Restated Bylaws, as amended</u> |

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.

Carrols Restaurant Group, Inc.

Date: September 5, 2019

By: /s/ William E. Myers

Name: William E. Myers

Title: Vice President, General Counsel and Secretary

Text of Amendment to Section 2 of the Certificate of Designation of Series B Convertible Preferred Stock
of the Amended and Restated Certificate of Incorporation of Carrols Restaurant Group, Inc.

“Director Cessation Date” means the first date on which the number of shares of Common Stock into which the outstanding shares of Series B Convertible Preferred Stock held by the Investors are then convertible constitute less than ~~10%~~ 7.5% of the total number of outstanding shares of Common Stock.

“Director Step-Down Date” means the first date on which the number of shares of Common Stock into which the outstanding shares of Series B Convertible Preferred Stock held by the Investors are then convertible constitute less than ~~14.5%~~ 11.5% of the total number of outstanding shares of Common Stock.

Text of Amendment to Section (A) of Article NINTH of the Amended and Restated Certificate
of Incorporation of Carrols Restaurant Group, Inc., as amended

NINTH: Board of Directors.

(A) The business and affairs of the Corporation shall be managed by or under the direction of the Board which shall consist of not less than three directors, the exact number of directors to be determined from time to time by resolution adopted by an affirmative vote of a majority of the Board. The directors shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board. Class I directors shall be originally elected for a term expiring at the annual meeting of stockholders occurring in 2019, Class II directors shall be originally elected for a term expiring at the annual meeting of stockholders in 2020, and Class III directors shall be originally elected for a term expiring at the annual meeting of stockholders in 2021. At each such succeeding annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting shall be elected by an affirmative vote of a majority of the votes cast with respect to such nominee at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by a plurality of the votes of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. In an election of directors, a majority of the votes cast means that the number of votes cast "for" a nominee must exceed 50% of the votes cast with respect to such nominee (excluding abstentions). If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any newly created directorship on the Board that results from an increase in the number of directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification or removal from office or any other cause shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director so elected to fill a vacancy in the Board resulting from death, resignation, disqualification or removal from office or any other cause shall have the same remaining term as that of his predecessor. Directors may be removed only for cause, ~~and either by majority of the entire Board or~~ by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the voting power of the outstanding Voting Stock, voting together as a single class.

Text of Amendment to Article II, Section 2 of the Amended and Restated Bylaws of Carrols Restaurant Group, Inc., as amended

Section 2. *Vacancy; Removal.* Subject to the rights of holders of the Preferred Stock, newly created directorships in the Board that result from (a) an increase in the number of directors or (b) death, resignation, retirement, disqualification or removal (whether or not for cause) shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director; and the directors so chosen shall hold office for a term as set forth in the Certificate of Incorporation. Directors may be removed only for cause, ~~and only by a majority of the directors then in office, although less than a quorum or~~ by the affirmative vote of holders of no less than sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of all outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.