

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## SONIC FOUNDRY INC

**Form: 8-K**

**Date Filed: 2021-03-01**

Corporate Issuer CIK: 1029744

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

March 1, 2021 (February 25, 2021)

Date of Report (Date of earliest event reported)

Sonic Foundry, Inc.

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction  
of incorporation)

000-30407  
(Commission  
File Number)

39-1783372  
(IRS Employer  
Identification No.)

222 W. Washington Ave  
Madison, WI 53703  
(Address of principal executive offices)

(608) 443-1600  
(Registrant's telephone number)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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.

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**Item 1.01 Entry into A Material Definitive Agreement**

On February 25, 2021, the Company and Kenneth Minor entered into an Engagement Letter whereby Mr. Minor will serve in the capacity of Interim Chief Financial Officer. Pursuant to the terms of the Engagement Letter, effective March 1, 2021, and continuing until terminated by either party upon 30 days prior notice, or as otherwise set forth in the Engagement Letter, Mr. Minor will 1) serve as Interim Chief Financial Officer ("CFO"); 2) report to the Chief Executive Officer of the Company; 3) receive a payment of \$2,000 per week for approximately 8-10 hours of service each week; 4) be reimbursed for any reasonable out-of-pocket expenses; 5) keep as confidential all non-public information received from the Company; and 6) be indemnified by the Company to the same extent as the most favorable indemnification extended to its other officers and directors; and 7) be covered under the Company's Directors and Officers insurance policy. The foregoing description of Mr. Minor's Engagement Letter is qualified in all respects by reference to the full text of the Engagement Letter, which is incorporated by reference into this Item 1.01 by reference to Exhibit 10.1 to this report.

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

On February 25, 2021, the Company entered into the Engagement Letter referenced in Item 1.01. Reference is made to Section 1.01 for a description of the Engagement Letter which does not purport to be complete and is subject to, and qualified in its entirety by the full text of the Engagement Letter which is incorporated by reference into this Item 5.02 by reference to Exhibit 10.1 to this report.

Effective March 1, 2021, Kelsy Boyd will no longer serve as Chief Financial Officer.

**Item 8.01 Other Events.**

On March 1, 2021, the Company issued a press release announcing the appointment of Ken Minor as Interim Chief Financial Officer. The full text of the press release is attached herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

- 10.1 [Engagement Letter dated as of February 25, 2021 by and between Sonic Foundry, Inc. and Kenneth Minor](#)
- 99.1 [Text of press release dated March 1, 2021](#)

**EXHIBIT LIST**

<u>NUMBER</u>	<u>DESCRIPTION</u>
10.1	Engagement Letter dated as of February 25, 2021 by and between Sonic Foundry, Inc. and Kenneth Minor
99.1	Text of press release dated March 1, 2021

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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 thereunto duly authorized.

Sonic Foundry, Inc.  
(Registrant)

March 1, 2021

By: /s/ Joe Mozden, Jr.  
By: Joe Mozden, Jr.  
Title: Chief Executive Officer

Mr. Joe Mozden  
 Chief Executive Officer  
 Sonic Foundry, Inc.  
 222 W. Washington Ave., Suite 100  
 Madison, WI 53703

Dear Mr. Mozden:

This letter agreement (the "Engagement Letter") confirms and sets forth the terms and conditions of the engagement between, Spotlight CFO Services ("Spotlight") and Sonic Foundry, Inc., (the "Company") including the scope of the services to be provided and the basis of compensation for those services. This Engagement Letter is made effective as of the date of the Company's execution (the Effective Date").

#### 1. Scope of Work

- a. Officer - Ken Minor will serve in the capacity of Chief Financial Officer ("CFO") of the Company and as such an "Officer"
- b. Duties – CFO shall provide interim financial management services to the Company and its Board of Directors (the "Board"). It's anticipated that CFO activities shall include the following:
  - i. Oversight supervision of accounting staff
  - ii. Participation in a reasonable level of review and control procedures required to support presentation of materially accurate and complete financial statements
  - iii. Review and approval of actual financial results, notes and other disclosures required in periodic presentations to management, the board and filings with the Securities and Exchange Commission ("SEC")
  - iv. Execution of filings with the SEC
  - v. Coordination and review of short and long-term cash and financial analysis and forecasts as needed
  - vi. Other activities as reasonably requested or determined necessary by CFO in order to execute the role of approving filings with the SEC
- c. Reporting – The CFO will report to the CEO
- d. Projections; Reliance; Limitation of Duties. You understand that the services to be rendered by the CFO will include the preparation of projections and other forward-looking statements, and that numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ from those projections and other forward-looking statements. In addition, the CFO will be relying on information provided by other members of the Company's management or Board in the preparation of those projections and other forward-looking statements.

CFO and CEO will agree on the appropriate timing for CFO to perform his duties and estimate that execution of such duties will take approximately 8-10 hours per week. Any significant increase in scope or work beyond such efforts will require mutual agreement to alter the scope of work and compensation.

#### 2. Payment

Spotlight will bill for services weekly, at the beginning of the week, at a rate of \$2,000, which is due upon receipt.

#### 3. Expenses

In addition, Spotlight shall be reimbursed by the Company for reasonable out-of-pocket expenses. All fees and expenses due to Spotlight shall be billed on a monthly basis and agreed to in advance.

#### 4. Employment

The Company and Spotlight shall remain independent contracting parties; the arrangements contemplated by this Agreement do not create a partnership, joint venture, employment, fiduciary or similar relationship for any purpose. The Company and Spotlight shall be solely responsible for the payment of all wages, and federal, state and local payroll, social security, unemployment, insurance and similar taxes for all of its employees. Spotlight shall not be entitled to receive any compensation or benefits from the Company or to participate in any Company compensation, benefits, incentive, insurance or other plan or program.

#### 5. Term

The engagement shall commence as of the Effective Date hereof and continue until terminated. This Agreement may be terminated by either party without cause by giving thirty days written notice to the other party; provided, however, that if the Company terminates this Agreement for Cause (as defined below), or if Spotlight terminates this Agreement for Good Reason (as defined below), then any such termination shall be effective immediately upon receipt of a written notice to that effect given by the terminating party to the other party. In the event of any such termination, any fees and expenses due and owing to Spotlight shall be remitted promptly (including fees and expenses that accrued prior to but were invoiced subsequent to such termination).

For purposes of this Agreement:

"Cause" shall mean if (i) the Spotlight representative is convicted of, admits guilt in a written document filed with a court of competent jurisdiction to, or enters a plea of nolo contendere to, an allegation of fraud, embezzlement, misappropriation or any felony; or (ii) the Spotlight representative willfully disobeys a lawful direction of the CEO or Board; and

"Good Reason" shall mean the direction by the CEO or Board to perform or not perform some act the performance or non-performance of which would result in the violation of applicable law, the Company's ethics policy or the direction to file or release any information or document with the SEC that in the opinion of Spotlight is not considered materially accurate or complete.

#### 6. No Third-Party Beneficiary.

The Company acknowledges that all advice (written or oral) given by Spotlight is intended solely for the benefit and use of the Company. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than relating to: (a) performing and completing the tasks set forth in clauses 1(b) and 1(c) above; (b) advising the Board and the CEO, (c) implementing and accomplishing any operational and/or financial improvement of the Company and (d) as otherwise required by applicable law or by any contract or agreement to which the Company is a party including loan, lease and similar agreements.

#### 7. Conflicts.

Spotlight is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you have made us aware.

#### 8. Confidentiality / Non-Solicitation.

Spotlight shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except (i) as requested by the Company or its legal counsel or (ii) as required by legal proceedings; provided, however, that if such non-public information is disclosed, Spotlight shall give the

Company at least five business days' notice prior to such disclosure. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision. Spotlight acknowledges and represents to the Company that it recognizes its obligations under applicable state and federal securities laws, including its obligation not to disclose material, nonpublic information to any person or other party not subject to a written confidentiality agreement with the Company.

9. Indemnification.

The Company shall indemnify Spotlight to the same extent as the most favorable indemnification it extends to its officers or directors, whether under the Company's bylaws, its certificate of incorporation, by contract or otherwise, and no reduction or termination in any of the benefits provided under any such indemnities shall affect the benefits provided to Spotlight. The attached indemnity provisions are incorporated herein and the termination of this Agreement or the engagement shall not affect those provisions, which shall survive termination. the CFO shall be covered as an officer under the Company's existing director and officer liability insurance policy. The Company shall also, to the extent reasonably available to the Company, maintain any such insurance coverage for the CFO for a period of not less than two years following the date of the termination of such officer's services hereunder. If no such director and officer liability insurance is reasonably available to the Company, the Company will use its best efforts to aid Spotlight in acquiring such a policy and will reimburse Spotlight for all costs associated with the policy throughout the term of this Engagement and for two years following the date of termination of each Officer's services. The Company shall indemnify and hold harmless Spotlight from and against any and all acts or omissions performed by the CFO while performing services within the scope of this engagement. The provisions of this section 9 are in the nature of contractual obligations and no change in applicable law or the Company's charter, bylaws or other organizational documents or policies shall affect the CFO's rights hereunder. The attached indemnity provisions are incorporated herein and the termination of this agreement or the engagement shall not affect those provisions, which shall survive termination.

10. Notices.

Any notices shall be documented and delivered in writing, by mail, courier delivery, facsimile transmission or e-mail addressed to these addresses:

if to Spotlight:

Ken Minor, Principal  
Spotlight CFO Services  
S8749 Waters Edge Way  
Prairie du Sac, WI 53578

if to Company:

Joe Mozden  
222 W. Washington Ave., Suite 100  
Madison, WI 53703

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if the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

Spotlight CFO Services

By:

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Ken Minor  
Principal

Accepted and Agreed:

Sonic Foundry, Inc.

By:

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Chief Executive Officer

**Sonic Foundry Announces CFO Kelsy Boyd's Resignation**

Ken Minor named interim CFO effective March 1

MADISON, Wis. — March 1, 2021 — Sonic Foundry, the trusted leader for video creation and management solutions as well as virtual and hybrid events, today announced that Kelsy Boyd, the company's Chief Financial Officer, has chosen to step away from the business for personal reasons.

"It has been a sincere honor to serve Sonic Foundry through an exciting and transformative time," Boyd said. "Unfortunately, personal reasons prevent me from continuing on this journey, but I am fully confident in Sonic Foundry's ability to capitalize on the expected growth opportunities ahead."

Boyd is committed to an organized transition of her duties through April 2, 2021. The company has appointed long-standing former employee Ken Minor, who served as Sonic Foundry CFO from 1997 to 2020, as interim CFO. Minor will work closely with CEO Joe Mozden Jr. to oversee Sonic Foundry's financial strategy.

"On behalf of Sonic Foundry's board members and employees, I'd like to thank Kelsy for her dedication and leadership as we've pivoted to address the challenges and opportunities of this new digital-first world over the past year. We truly enjoyed working with Kelsy and wish her all the best in her next endeavor," Mozden said.

"I'm pleased to be working with Sonic Foundry's long-standing colleague and former CFO, Ken Minor. Ken knows our business extremely well and is poised to help lead us into the next chapter of the company. His extensive experience leading public companies' financial strategies and forward-thinking mindset will help us continue our strong momentum in this next phase of the company."

**About Sonic Foundry**

Sonic Foundry (OTC: SOFO) is the global leader for video capture, management and streaming solutions as well as virtual and hybrid events. Trusted by more than 5,200 educational institutions, corporations, health organizations and government entities in over 65 countries, its Mediasite Video Platform quickly and cost-effectively automates the capture, management, delivery and search of live and on-demand streaming videos. Learn more at [www.mediasite.com](http://www.mediasite.com) and @mediasite.

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