

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Apollo Medical Holdings, Inc.

Form: 8-K

Date Filed: 2019-10-04

Corporate Issuer CIK: 1083446

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): September 30, 2019

APOLLO MEDICAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37392
(Commission File
Number)

95-4472349
(I.R.S. Employer
Identification Number)

1668 S. Garfield Avenue, 2nd Floor, Alhambra, CA 91801
(Address of principal executive offices) (zip code)

(626) 282-0288
(Registrant's telephone number, including area code)

N/A
(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 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)
- Precommencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Precommencement 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

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	AMEH	Nasdaq Capital Market

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

(c) Appointment of Officers

On September 30, 2019, upon the recommendation of the Nominating and Corporate Governance Committee of the Board of Directors (the "Board") of Apollo Medical Holdings, Inc. (the "Company"), the Board appointed (i) Kenneth Sim, M.D. to serve as Co-Chief Executive Officer of the Company, and (ii) Thomas Lam, M.D. to serve as President of the Company to fill the vacant position following Gary Augusta's termination. In addition to such appointments, Dr. Sim will continue to serve as the Company's Executive Chairman, and Dr. Lam will continue to serve as its Co-Chief Executive Officer.

(e) Compensatory Arrangements of Certain Officers

On September 30, 2019, upon the recommendation of the Compensation Committee of the Board, the Board approved the payment by the Company to Kenneth Sim, M.D. and Thomas Lam, M.D. of cash bonuses and the grant by the Company to each of them of restricted shares of the Company's common stock and non-qualified stock options to purchase the Company's common stock, as set forth in the table below. In furtherance thereof, Dr. Sim and Dr. Lam have each entered into a Restricted Stock Agreement and a Stock Option Agreement with the Company, as applicable.

For each of Dr. Sim and Dr. Lam, the restricted shares of common stock were granted under the Company's 2015 Equity Incentive Plan (the "2015 Plan"), subject to vesting one-third after year one (on September 30, 2020), one-third after year two (on September 30, 2021), and the final one-third after year three (on September 30, 2022). In addition, for each of Dr. Sim and Dr. Lam, the options to purchase the Company's common stock were granted under the 2015 Plan, which options will vest and become exercisable one-third after year one (on September 30, 2020), one-third after year two (on September 30, 2021), and the final one-third after year three (on September 30, 2022), subject to expiration on the date that is five years from the date of grant (i.e., on September 30, 2024). The exercise price for each share subject to the stock options granted is \$17.62, the closing price of the Company's common stock on the date of grant (i.e., September 30, 2019).

<u>Grantee</u>	<u>Cash Bonus</u>	<u>Restricted Stock Grant</u>	<u>Stock Option Grant</u>
Kenneth Sim, M.D. Executive Chairman and Co-Chief Executive Officer	\$ 100,000	58,883	39,189
Thomas Lam, M.D. President and Co-Chief Executive Officer	100,000	58,883	39,189

Item 8.01 Other Events.

On October 2, 2019, the Company issued a Press Release announcing that it has entered into a new Management Services Agreement ("MSA"), effective January 1, 2020, to provide management services, via a subcontract agreement, to an independent practice association ("IPA group"). The IPA group currently serves approximately 145,000 members in three main markets within Southern California; South Los Angeles, San Fernando Valley, and Antelope Valley. The majority of the members are enrolled in Medi-Cal, with members also enrolled in Medicare Advantage and Commercial health plans, and are supported by a network of hundreds of primary care physicians and nearly a thousand specialists.

A copy of the Press Release is provided as Exhibit 99.1 to this Current Report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Apollo Medical Holdings, Inc., dated October 2, 2019.

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.

APOLLO MEDICAL HOLDINGS, INC.

Dated: October 4, 2019

By: /s/ Thomas S. Lam, M.D.

Name: Thomas S. Lam, M.D.

Title: Co-Chief Executive Office

**APOLLO MEDICAL HOLDINGS ADDS APPROXIMATELY 145,000 MEMBERS BY ENTERING INTO NEW MANAGEMENT SERVICES AGREEMENT**

Alhambra, CA – (PR Newswire) – October 2, 2019 – Apollo Medical Holdings, Inc. (“ApolloMed” or the “Company”) (NASDAQ: AMEH), an integrated population health management company, today announced that it has entered into a new Management Services Agreement (“MSA”), effective January 1, 2020, to provide management services, via a subcontract agreement, to an independent practice association (“IPA group”). The IPA group currently serves approximately 145,000 members in three main markets within Southern California; South Los Angeles, San Fernando Valley, and Antelope Valley. The majority of the members are enrolled in Medi-Cal, with members also enrolled in Medicare Advantage and Commercial health plans, and are supported by a network of hundreds of primary care physicians and nearly a thousand specialists to provide exceptional care for its members.

“This agreement significantly bolsters the number of members under our management and expands our reach into new communities within Southern California and providing growth in our management services platform. Consistent with our strategic plan, this agreement also brings the opportunity to further scale our business model and realize additional efficiencies,” said Kenneth Sim, M.D., Executive Chairman and Co-Chief Executive Officer of ApolloMed. “We are in excellent position to support the financial goals and enable organizational success of the IPA group for years to come,” stated Dr. Kenneth Sim.

About Apollo Medical Holdings, Inc.

ApolloMed is a leading physician-centric integrated population health management company, which, together with its subsidiaries, including a Next Generation Accountable Care Organization ("NGACO"), and its affiliated IPAs and management services organizations ("MSOs"), are working to provide coordinated, outcomes-based high-quality medical care for patients, particularly senior patients and patients with multiple chronic conditions, in a cost-effective manner. ApolloMed focuses on addressing the healthcare needs of its patients by leveraging its integrated health management and healthcare delivery platform that includes Network Medical Management, Inc. (an MSO), Apollo Medical Management, Inc. (an MSO), ApolloMed Hospitalists, APA ACO, Inc. (the Company's NGACO), Allied Physicians of California IPA, a Professional Medical Corporation d.b.a Allied Pacific of California IPA (an IPA) and Apollo Care Connect, Inc. (the Company's Digital Population Health Management Platform). For more information, please visit www.apollomed.net.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, such as statements about the Company's acquisition strategy, integration of its acquired companies, continued growth and business outlook, ability to deliver sustainable long-term value, ability to respond to the changing environment, operational focus and strategic growth plans. Forward-looking statements reflect current views with respect to future events and financial performance and therefore cannot be guaranteed. Such statements are based on the current expectations and certain assumptions of the Company's management, and some or all of such expectations and assumptions may not materialize or may vary significantly from actual results. Actual results may also vary materially from forward-looking statements due to risks, uncertainties and other factors, known and unknown, including the risk factors described from time to time in the Company's reports to the SEC, including, without limitation, the risk factors discussed in the Company's Annual Report on Form 10-K filed with the SEC on March 18, 2019.

FOR MORE INFORMATION, PLEASE CONTACT:

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