
Section 1: 8-K (8-K)

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): April 20, 2020

LendingClub Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 001-36771

Delaware

(State or other jurisdiction of
incorporation or organization)

51-0605731

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

595 Market Street, Suite 200,

San Francisco, CA 94105

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (415) 632-5600

Former name or former address, if changed since last report: N/A

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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	LC	New York Stock Exchange

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 2.05 Costs Associated with Exit or Disposal Activities.

LendingClub Corporation (the “**Company**”) operates America’s largest online lending marketplace, offering investors access to consumer credit at competitive risk adjusted returns, while offering borrowers savings in support of their financial health through lower cost loans and a seamless online process.

COVID-19 is having an unprecedented effect on consumers, small businesses and the broader economy, including the credit markets, and has resulted in a current reduction in platform investor demand for personal loans. In response, the Company has undertaken a number of initiatives to support its borrowers, protect investor returns, and preserve capital and liquidity. These initiatives better position the Company to navigate and serve members through today’s economic environment and over the longer-term as the need for the Company’s services grows.

On April 20, 2020, the Company’s Board of Directors (the “**Board**”) approved a restructuring plan (the “**Plan**”) to further address the impact of COVID-19 on the Company’s business by repositioning the Company’s expense base to better reflect current loan volume and better position the Company for profitability to achieve its strategic goals when the economy and business stabilizes. The Plan includes workforce reductions affecting approximately 460 employees.

In connection with the workforce reductions under the Plan, the Company expects to incur total pre-tax restructuring and related charges of approximately \$10 million during the remainder of the year ending December 31, 2020, of which approximately \$1 million represents an employee relief plan to assist impacted employees through this challenging time and the remainder represents future cash expenditures for the payment of severance and related benefits costs.

Safe Harbor Statement

Some of the statements above, including statements regarding our ability to effectuate and the effectiveness of certain strategy initiatives, borrower and investor demand, our ability to grow the business, our ability to successfully navigate the current economic climate, the performance and profitability of the company and the impact of the COVID-19 are “forward-looking statements.” The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “predict,” “project,” “will,” “would” and similar expressions may identify forward-looking statements, although not all forward-looking statements contain these identifying words. Factors that could cause actual results to differ materially from those contemplated by these forward-looking statements include the impact of global economic, political, market, health and social events or conditions, including the impact of the coronavirus, and those factors set forth in the section titled “Risk Factors” in our most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, as well as our subsequent reports on Form 10-Q and 10-K each as filed with the Securities and Exchange Commission. We may not actually achieve the plans, intentions or expectations disclosed in forward-looking statements, and you should not place undue reliance on forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in forward-looking statements. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Information in this Current Report on Form 8-K is not an offer to sell securities or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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

Steven Allocca Departure

On April 20, 2020, as part of the Plan, the Board determined to terminate the position held by Steven Allocca, and accordingly his final day of employment with the Company will be May 12, 2020. In connection with his departure and subject to the execution of a release of claims against the Company, Mr. Allocca is entitled to severance

payments as set forth in his employment agreement and as detailed in the Company's most recent proxy statement filed with the Securities and Exchange Commission on April 14, 2020.

Officer and Director Compensation Reductions

The Company has instituted temporary salary reductions in connection with the Plan, and accordingly the Company's continuing named executive officers have each signed an agreement: (i) agreeing to a temporary 25% reduction (or 30% with respect to the Company's CEO, Scott Sanborn) in base salary, and (ii) acknowledging that the salary reduction does not constitute "good reason" under their respective employment agreement with the Company (the "**Letter Agreement**").

The foregoing description of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter Agreement, the form of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Additionally, on April 20, 2020, the Board voluntarily reduced the base cash retainer non-employee directors receive for serving on the Board in 2020 by 30%.

Item 9.01	Financial Statements and Exhibits.
(d)	Exhibits

Exhibit Number	Exhibit Title or Description
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<u>10.1</u>	<u>Form of COVID-19 Employment Letter Agreement</u>
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104	Cover Page Interactive Data File (Cover page XBRL tags are embedded within the Inline XBRL document)
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SIGNATURE(S)

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.

Date: April 21, 2020

LendingClub Corporation

By: /s/ Brandon Pace

Brandon Pace

General Counsel and Corporate Secretary
(duly authorized officer)

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Section 2: EX-10.1 (EXHIBIT 10.1)

EXHIBIT 10.1

COVID-19 EMPLOYMENT LETTER AGREEMENT

This **COVID-19 EMPLOYMENT LETTER AGREEMENT** (this “*Agreement*”), dated as of April ____, 2020, is entered into by and between **LENDINGCLUB CORPORATION**, a Delaware corporation (the “*Company*”) and [NAME] (“*Executive*”) and regards and amends certain terms of Executive’s employment with the Company.

Recitals

A. Executive’s employment with the Company is evidenced by an employment agreement dated [_____] (together with any amendments thereto, the “*Employment Agreement*”).

B. On April 20, 2020, the Company’s Board of Directors (the “*Board*”) approved a restructuring plan to address the impact of COVID-19 on the Company’s business (the “*Plan*”).

C. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Employment Agreement.

Agreement

NOW THEREFORE, in connection with the Plan and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive hereby agree to and acknowledge the following:

1. Effective as of May 1, 2020, and until such time as the Board or the Compensation Committee of the Board determines but no later than through December 31, 2020, Executive’s Base Salary shall be amended and reduced from \$[_____] to \$[_____] (the “*Salary Reduction*”).
2. The Salary Reduction shall not constitute Good Reason or give Executive right to any other claim or benefit under the Employment Agreement.
3. This Agreement may be executed in counterparts, each of which when signed by the Company or Executive will be deemed an original and all of which together will be deemed the same agreement.
4. This Agreement contains the entire understanding and agreement of the Company and Executive concerning the subject matter herein, and supersedes any other agreements or understandings, written or oral, between the parties with respect

thereto.

5. This Agreement and the rights of all persons claiming hereunder will be construed and interpreted in accordance with the laws of the State of California without giving effect to the conflict of law principles thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LENDINGCLUB CORPORATION

By: _____

Name: _____

Title: _____

Executive

[Name]

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