

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): December 19, 2018

TILE SHOP HOLDINGS, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation)

001-35629
(Commission File Number)

45-5538095
(IRS Employer Identification No.)

14000 Carlson Parkway, Plymouth, Minnesota 55441
(Address of principal executive offices, including ZIP code)

(763) 852-2950
(Registrant's telephone number, including area code)

Not Applicable
(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 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 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 Agreements of Certain Officers.

On December 19, 2018, Tile Shop Holdings, Inc. (the “Company”) appointed Cabell Lolmaugh, age 40, as the Company’s President and Chief Executive Officer, effective as of January 1, 2019.

Mr. Lolmaugh joined the Company in 2001 and served in various roles until 2014, when he was asked to lead the Company’s pro customer strategy. In 2016, Mr. Lolmaugh became the Company’s first Director of Talent Development, and in 2017, he was promoted to Vice President of Retail Stores West. In February 2018, Mr. Lolmaugh was appointed Senior Vice President and Chief Operating Officer. Mr. Lolmaugh was not appointed pursuant to any arrangement or understanding with any person, and Mr. Lolmaugh does not have any family relationships with any directors or executive officers of the Company. Neither Mr. Lolmaugh nor any member of his immediate family has been a party to any transaction with the Company during the Company’s prior fiscal year or current fiscal year, nor is any such transaction currently proposed, that would be reportable under Item 404(a) of Regulation S-K.

The terms of Mr. Lolmaugh’s employment with the Company are set forth in his employment agreement, dated February 19, 2018, which was most recently described in the Company’s proxy statement for its 2018 Annual Meeting of Stockholders. In connection with Mr. Lolmaugh’s appointment as Chief Executive Officer, his annual base salary will increase from \$250,000 to \$350,000. Other than the change to Mr. Lolmaugh’s base salary, the other terms of his employment agreement remain the same, including having a target cash incentive bonus of 50% of his base salary and participation in the annual equity compensation plan.

In connection with Mr. Lolmaugh’s appointment as Chief Executive Officer, Robert Rucker, the Company’s current interim Chief Executive Officer, will step down. Mr. Rucker will remain a member of the Company’s Board of Directors and will serve as a consultant to the Company during 2019. Mr. Rucker will receive a consulting fee of \$50,000 for his services during 2019, in addition to the standard non-employee director compensation.

Item 8.01 Other Events

On December 20, 2018, the Company issued a press release announcing the promotion of Mr. Lolmaugh to the position of the Company’s Chief Executive Officer. A copy of the Company’s press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99.1](#)

[Press Release of Tile Shop Holdings, Inc., dated December 20, 2018.](#)

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.

TILE SHOP HOLDINGS, INC.

Date: December 20, 2018

By /s/ Kirk L. Geadelmann

Name: Kirk L. Geadelmann

Title: Chief Financial Officer



THE TILE SHOP NAMES CABELL LOLMAUGH AS DIRECTOR AND CEO

MINNEAPOLIS – December 20, 2018 – Tile Shop Holdings, Inc. (Nasdaq: TTS) (the “Company”), a specialty retailer of natural stone and man-made tiles, setting and maintenance materials, and related accessories, announced today that its Board of Directors has named Cabell (Cabby) Lolmaugh as the Company’s next president and chief executive officer, effective January 1, 2019. Mr. Lolmaugh, 40, is a 17-year veteran of the Company who will also join its Board of Directors. As the Company’s new CEO, Mr. Lolmaugh’s top priority will be to continue the Company’s initiatives to deliver the best product assortment, best presentation and best service.

Cabby Lolmaugh – Background and Experience

After serving four year years in the U.S. Marine Corps., Mr. Lolmaugh joined the Company in 2001, working in the warehouse of the Company’s Roseville, MN store, which is one of the Company’s largest and most successful stores. From that time through 2012, he served in various roles at several locations, including Store Manager in Roseville, MN and Chicago, IL. In 2014, Mr. Lolmaugh was asked to develop and lead the Company’s pro customer strategy. Under his leadership, the Company developed various programs focused on training, product assortment, merchandising and marketing to increase the level of service to the pro customer.

In 2016, he became the Company’s first Director of Talent Development and was responsible for creating and implementing a comprehensive new sales associate and store manager training program nationwide. This work included launching new training, development and compensation programs for new sales associates and senior assistant store managers, which became the foundation of the Company’s talent development strategy. In 2017, Mr. Lolmaugh was promoted to Vice President of Retail Stores West, where he was responsible for the leadership and management of approximately half of the Company’s stores.

Since February 19, 2018, Mr. Lolmaugh has been Senior Vice President and Chief Operating Officer, and has led the Company’s efforts to pivot back to the business model that proved successful for over 30 years. This included increasing the Company’s product assortment by over 2,000 skus, implementing new merchandising and display features, enhancing the Company’s regional store management structure, improving the sales associate compensation system, and strengthening the Company’s connection with its professional channel partners.

Management Commentary – Cabby Lolmaugh, current COO and named CEO

“I am honored and privileged to have earned this opportunity from Bob and the Board. It is a very exciting time for The Tile Shop. Our entire team has worked extremely hard and fast over the past 13 months to position our Company for success. We are positioned well to execute our stated strategy to deliver the best products, the best presentation and the best service in the industry. We will continue to be relentless in this pursuit.”

Management Commentary – Robert Rucker, interim CEO

“Cabby has been instrumental in getting our Company back to the Tile Shop Way of doing business. He clearly showed me and the rest of the Board that he understands our business and more importantly he knows what our customers need. This includes helping homeowners romance their home through our vast tile options and pro customers maximize their business through us. It was clear early on that Cabby had the knowledge and his actions this year give us confidence that we are on track and that he can lead us as we transition to profitable growth in 2019. The Company will be in good hands with Cabby.”

Board Commentary – Peter Kamin, Chairman

“On behalf of the Board, I would like to thank Bob for filling in as the interim CEO. As founder of our Company he was a strong and stabilizing presence for the organization during this period of change. Plus, with his vast knowledge and experience, it gave us time to take a methodical approach to the succession process which allowed us to develop and select the right candidate for the long term success of the Company. We are thrilled with Cabby’s performance over his career with us, in particular this year as we evaluated him to become the CEO. We look forward to a very exciting future with Cabby leading the Company. We also look forward to Bob staying involved as a Board member and a mentor consultant to Cabby.”

Contacts:

Investors and Media:

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About The Tile Shop

The Tile Shop (Nasdaq: TTS) is a leading specialty retailer of manufactured and natural stone tiles, setting and maintenance materials, and related accessories in the United States. The Tile Shop offers a wide selection of high quality products, exclusive designs, knowledgeable staff and exceptional customer service in an extensive showroom environment. Each store is outfitted with up to 50 full-room tiled displays which are enhanced by the complimentary Design Studio, a collaborative platform to create customized 3-D design renderings to scale, allowing customers to bring their design ideas to life. The Tile Shop currently operates 140 stores in 31 states and the District of Columbia, with an average size of 20,200 square feet and sells products online at www.tileshop.com.

The Tile Shop is a proud member of the American Society of Interior Designers (ASID), National Association of Homebuilders (NAHB), National Kitchen and Bath Association (NKBA), and the National Tile Contractors Association (NTCA). Visit www.tileshop.com. Join The Tile Shop (#thetileshop) on Facebook, Instagram, Pinterest and Twitter.

FORWARD LOOKING STATEMENTS

This press release includes “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward looking statements may be identified by the use of words such as “anticipate”, “believe”, “expect”, “estimate”, “plan”, “outlook”, and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward looking statements include any statements regarding the Company’s strategic and operational plan and expected financial performance (including the financial performance of new stores). Forward looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward looking statements, including but not limited to unforeseen events that may affect the retail market or the performance of the Company’s stores. The Company does not intend, and undertakes no duty, to update this information to reflect future events or circumstances. Investors are referred to the most recent reports filed with the SEC by the Company.