

Section 1: 8-K (8-K)

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

Date of report (Date of earliest event reported) June 15, 2020

SEACOAST BANKING CORPORATION OF FLORIDA
(Exact Name of Registrant as Specified in Charter)

Florida
(State or Other Jurisdiction
of Incorporation)

000-13660
(Commission
File Number)

59-2260678
(IRS Employer
Identification No.)

815 COLORADO AVENUE, STUART FL

(Address of Principal Executive Offices)

34994

(Zip Code)

Registrant's telephone number, including area code **(772) 287-4000**

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SBCF	Nasdaq Global Select Market

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.

SEACOAST BANKING CORPORATION OF FLORIDA

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

On June 15, 2020, Seacoast Banking Corporation of Florida (the “Company”) announced the appointment of Charles Shaffer to president and chief operating officer of the Company, effective June 15, 2020, and announced that Mr. Shaffer will become chief executive officer and a member of the Board of Directors of the Company (the “Board”) in January 2021. The Company also announced the appointment of Ms. Tracey Dexter to executive vice president and chief financial officer, effective June 15, 2020. Dennis S. Hudson, III, the Company’s current chairman of the Board and chief executive officer, will become executive chairman of the Board in January 2021. A copy of the press release announcing the Company’s appointment of Mr. Shaffer and Ms. Dexter is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Mr. Shaffer, 46, has served as executive vice president, chief operating officer and chief financial officer of the Company since May 2019. Mr. Shaffer served as executive vice president and chief financial officer of the Company from January 2018 until May 2019, as executive vice president and community banking executive of the Company from October 2013 to March 2017 and as senior vice president and controller of the Company’s subsidiary, Seacoast National Bank (the “Bank”), from 2005 to 2013. There are no familial relationships between Mr. Shaffer and any director or executive officer of the Company. Mr. Shaffer has not engaged in any transaction with the Company that would be reportable as a related party transaction under Item 404(a) of Regulation S-K.

Ms. Dexter, 47, has served as controller of the Company since 2017. Previously, Ms. Dexter worked at PricewaterhouseCoopers from January 2005 until December 2016, holding progressively responsible roles, including senior manager since July 2011. There are no familial relationships between Ms. Dexter and any director or executive officer of the Company. Ms. Dexter has not engaged in any transaction with the Company that would be reportable as a related party transaction under Item 404(a) of Regulation S-K.

Effective as of June 15, 2020, Mr. Hudson, the Company and the Bank entered into an amendment to Mr. Hudson’s employment agreement, which was last amended on June 27, 2017. Pursuant to such amendment, Mr. Hudson will continue to serve as chief executive officer of the Company through December 31, 2020. During the remainder of Mr. Hudson’s term as chief executive officer, the terms and conditions of his employment are substantially the same as previously provided under his employment agreement.

On January 1, 2021, Mr. Hudson will become executive chairman of the Board. In connection with this change in position, Mr. Hudson’s salary, target cash incentive award, and target equity incentive award for fiscal year 2021 will be reduced to \$400,000, \$133,000, and \$533,000, respectively. Mr. Hudson’s 2021 equity incentive awards will have the same terms and conditions as the awards that are granted to other senior executives of the Company, provided that Mr. Hudson’s awards will continue to vest in the event of his retirement at least six months following the date of grant of such 2021 awards.

The term of the amended employment agreement will end on December 31, 2021, unless extended by the parties. In the event of Mr. Hudson’s termination of employment while he serves as executive chairman, he will not be entitled to any severance benefits unless he is terminated without “cause,” or resigns for “good reason,” within twelve months following a change in control, in which case he will be eligible to receive severance equal to three times his base salary in effect on the date of separation, plus three times his target cash bonus, and payment equal to the employee cost of benefits coverage under COBRA for three years.

The non-competition, non-disclosure and non-solicitation covenants applicable to Mr. Hudson remain unchanged in the amended employment agreement. In addition, Mr. Hudson remains subject to the Company’s policies applicable to executives generally, including its policies relating to claw-back of compensation.

The foregoing description of the amended employment agreement is only a summary and is qualified in its entirety by reference to the full text of the amendment to Mr. Hudson's employment agreement, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

The details of any changes to Mr. Shaffer's or Ms. Dexter's compensation with the Company have not yet been determined. The Company will amend this report to include a description of any material plan, contract or arrangement it enters into with these officers in connection with their appointment to these new roles, or any grant or award to such persons under any such plan, contract or arrangement in connection with such event.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Amendment to Employment Agreement, dated June 15, 2020, by and between Dennis S. Hudson, III, Seacoast National Bank and Seacoast Banking Corporation of Florida</u>
99.1	<u>Press release dated June 15, 2020</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

SEACOAST BANKING CORPORATION OF FLORIDA

Date: June 19, 2020

/s/ Dennis S. Hudson, III

DENNIS S. HUDSON, III

Chairman and Chief Executive Officer

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment (“Amendment”) to the Employment Agreement by and between Dennis S. Hudson, III (the “Executive”), and Seacoast National Bank (the “Bank”), together with its parent, Seacoast Banking Corporation of Florida (“Seacoast”), is entered into as of June 15, 2020 (the “Amendment Date”). Seacoast, the Bank and Executive may be referred to herein as the “Parties.”

WHEREAS, Executive presently serves a Chief Executive Officer of Seacoast and the Bank; and

WHEREAS, Seacoast, the Bank and Executive are parties to that certain Employment Agreement, dated as of December 18, 2014, as amended June 27, 2017 (the “Employment Agreement”); and

WHEREAS, the current term of the Employment Agreement is scheduled to end on December 18, 2020; and

WHEREAS, the Parties desire to amend the Employment Agreement pursuant to the terms of this Amendment in order to extend the term of the Employment Agreement and to provide that Executive shall cease being Chief Executive Officer of Seacoast and the Bank effective as of the end of the day on December 31, 2020, and shall become Executive Chair of the Board of Directors of Seacoast effective as of January 1, 2021; and

WHEREAS, Section 18.f. of the Employment Agreement provides that the Employment Agreement may be amended pursuant to a written amendment signed by the Parties.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree that the Employment Agreement shall be amended as follows:

1. Executive hereby consents and agrees to the changes in his authority, duties, responsibilities, and compensation as set forth in this Amendment, and such other changes as are set forth herein, and the Parties agree that none of such changes shall constitute “Good Reason” for purposes of the Employment Agreement or this Amendment.

2. Sections 1(b) and 1(c) of the Employment Agreement are hereby amended in their entirety and replaced with the following:

“b. *Services as Chief Executive Officer.* As of the Effective Date and continuing through the end of the day on December

31, 2020, the Bank shall continue to employ the Executive as Chief Executive Officer. Executive shall report directly to the Board of Directors and shall perform such duties and responsibilities and maintain such authority as is consistent with his title and status, as determined by the Board. Such duties and responsibilities shall be carried out in a manner consistent with applicable regulatory requirements and sound business practices. The Executive shall perform his duties faithfully and shall devote his full business time, attention and energies to the business of the Corporation, and while employed by the Bank, shall not engage in any other business activity that is in conflict with his duties and obligations to the Corporation.

- c. *Services as Executive Chair.* As of January 1, 2021 (the “Transition Date”) and continuing through the end of the Term, the Bank shall employ the Executive as Executive Chair of the Board. In his role as Executive Chair, Executive shall report directly to the Board of Directors, shall perform such duties and responsibilities as will be determined by the Board and/or the then-current Chief Executive Officer of the Corporation from time to time, and shall maintain such authority as is consistent with his title and status, as determined by the Board. Effective as of the Transition Date, Executive’s initial duties as Executive Chair shall consist of the following, in addition to other duties as assigned by the Board or the Chief Executive Officer: (i) acting as advisor and mentor to the Chief Executive Officer; (ii) serving as an

ambassador for the Corporation within the communities in which the Corporation operates; (iii) acting as a spokesperson for the Corporation and maintaining good relations with external constituents, including customers, shareholders, investors and analysts; (iv) engaging with customers at events as requested by the Board or the Chief Executive Officer; and (v) providing the Board and the Chief Executive Officer with insight based on the Executive's depth of industry experience and historical knowledge of the Corporation's operations. Such duties and responsibilities shall be carried out in a manner consistent with applicable regulatory requirements and sound business practices. The Executive shall perform his duties faithfully and shall devote such portion of his business time, attention and energies to the business of the Corporation as his duties may reasonably require. While employed by the Bank, Executive shall not engage in any other business activity that is in conflict with his duties and obligations to the Corporation."

3. Section 2(a) of the Employment Agreement is hereby amended in its entirety and replaced with the following:

"a. *Term.* The term of the Executive's employment under this Agreement (the "Term") commenced on the Effective Date and shall continue until December 31, 2021, unless Executive's employment is sooner terminated pursuant to the provisions of Section 4; provided, however, that on or before December 31, 2021, the Term may be extended for an additional period on materially similar terms and conditions as contained herein, upon the mutual written agreement by the parties."

4. Section 3(a) of the Employment Agreement is hereby amended in its entirety and replaced with the following:

"a. *Salary.* As of the Amendment Date, Executive's base salary (the "Salary") is \$600,000 per year. On the Transition Date, Executive's Salary shall be reduced to \$400,000 per year for the remainder of the Term, payable to the Executive in accordance with the normal payroll practices of the Corporation as are in effect from time to time. In the sole discretion of the Board or a committee thereof, the amount of the Executive's Salary may be increased, but not decreased, during the Term, unless the Corporation faces exigent financial conditions, in which Executive's Salary may be reduced *pari passu* with the other senior executive officers of the Corporation.

5. Section 3(b) of the Employment Agreement is hereby amended by adding the following to the end of the existing provision:

"The Executive's target cash incentive award under the Corporation's annual incentive program shall be equal to \$200,000 for fiscal year 2020 and \$133,000 for fiscal year 2021.

6. Section 3(c) of the Employment Agreement is hereby amended by adding the following to the end of the existing provision:

"The grant date value of the Executive's target equity incentive awards under the Corporation's 2013 Incentive Plan shall be equal to \$800,000 for fiscal year 2020 and \$533,000 for fiscal year 2021. The Executive's equity incentive awards for 2021 shall be granted as the same type of awards (and in the same proportion), and shall have the same term and conditions, as the awards granted to other senior executives of the Corporation for such year; provided that Executive's 2021 equity incentive awards shall provide that such awards will not lapse, and will continue to vest, in the event that Executive retires at least six months after the grant date. Under the terms of the Corporation's 2013 Incentive Plan and the related award agreements or certificates memorializing Executive's awards thereunder, Executive's "Continuous Service" (as such term is defined therein) shall not be considered interrupted due to Executive's transition to Executive Chair on the Transition Date or due to his potential transfer to a different role at the end of the Term, provided that Executive remains an employee, director, or consultant of Seacoast or the Bank.

7. Section 4(a) of the Employment Agreement is hereby amended in its entirety and replaced with the following:

a. Termination for Cause; Resignation without Good Reason. If, prior to the expiration of the Term, the Executive's employment is terminated by the Corporation for "Cause" (as defined herein) or the Executive resigns without "Good Reason" (as defined herein), the Executive shall be entitled to the following amounts: (A) payment of Salary to the extent any remains unpaid up to and including the date of termination or resignation, (B) payment in lieu of any accrued but unused vacation time, and (C) payment of any unreimbursed expenses consistent with Section 3(e) (collectively, the "Accrued Obligations"). Except to the extent required by the terms of the programs described in Section 3(f) or applicable law, the Executive shall have no further right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination of employment. As provided in Section 3(c), the Executive's 2021 equity awards shall provide that in the event that Executive retires at least six months after the date such awards are granted, then such 2021 equity incentive awards will not lapse and will continue to vest.

8. Section 4(b) of the Employment Agreement is hereby amended by adding the following to the end of the existing provision:

"Notwithstanding anything to the contrary herein, if (i) prior to the expiration of the Term and prior to a Change in Control, the Executive's employment is terminated by the Corporation other than for Cause, or if Executive resigns for Good Reason, and (ii) such termination or resignation occurs on or after the Transition Date, then the Executive shall be entitled to the Accrued Obligations but shall not be entitled to any Severance Payments or Continuing Benefits."

9. Section 4(c) of the Employment Agreement is hereby amended by adding the following to the end of the existing provision:

"Notwithstanding anything to the contrary herein, if Executive's termination or resignation pursuant to this Section 4(c) occurs on or after the Transition Date, then for purposes of the calculation of the Change in Control Severance Benefits pursuant to this Section 4(c), Executive's "Cash Bonus" shall be equal to Executive's target cash incentive award for fiscal year 2021, as provided in Section 3(b)."

10. Section 4(d) of the Employment Agreement is hereby amended by adding the following to the end of the existing provision:

"Notwithstanding anything to the contrary herein, if (i) prior to the expiration of the Term the Executive dies or the Executive's employment is terminated by the Corporation due to Executive's Disability, and (ii) such death or termination occurs on or after the Transition Date, then the Executive shall be entitled to the Accrued Obligations but shall not be entitled to any Death or Disability Payments or Continuing Benefits."

Except as specifically set forth in this Amendment, all other terms of the Employment Agreement shall remain in full force and effect.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties, hereto, have executed this Amendment to the Employment Agreement as of the day and year first above written.

SEACOAST BANKING CORPORATION OF FLORIDA

By: /s/ Charles M. Shaffer
Charles M. Shaffer
President and Chief Operating Officer

Date: June 16, 2020

SEACOAST NATIONAL BANK

By: /s/ Charles M. Shaffer
Charles M. Shaffer
President and Chief Operating Officer

Date: June 16, 2020

EXECUTIVE

/s/ Dennis S. Hudson, III

Dennis S. Hudson, III

Date: June 16, 2020

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Section 3: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1

SEACOAST BANKING CORPORATION OF FLORIDA ANNOUNCES CEO SUCCESSION PLAN

*Charles Shaffer promoted to president and COO; to become CEO in December 2020
Tracey Dexter promoted to executive vice president and CFO*

STUART, Fla. - June 15, 2020 - Seacoast Banking Corporation of Florida (NASDAQ: SBCF) (the “Company” or “Seacoast”) today announced that Charles (Chuck) Shaffer, current executive vice president, chief operating officer (COO), and chief financial officer (CFO), has been promoted to president and COO and will become chief executive officer (CEO) and a member of the Company’s board of directors in December 2020. Tracey Dexter, the Company’s current controller, has been promoted to executive vice president and CFO. Dennis S. Hudson, III, the Company’s current chairman of the board of directors and CEO, will become executive chairman of the board of directors in December 2020. Jennings “Jay” Walker, the Company’s current treasurer, has been promoted to executive vice president, treasurer and director of corporate strategy.

As executive chairman, Hudson will ensure a seamless transition for the Company as Shaffer assumes his new role of president and CEO. Hudson took over leadership of the Company from his father and uncle in 1992. Hudson’s grandfather originally chartered Seacoast in Florida in 1926.

“We’re transitioning leadership according to a careful and methodical plan we’ve had in place for some time,” Hudson said. “During the past several years, Chuck has demonstrated through his excellent execution of our balanced growth strategy that he is the right person to lead Seacoast. He’s been instrumental in positioning Seacoast for what we believe will be a vibrant future.”

Shaffer was appointed COO and CFO in May 2019 after serving as executive vice president and CFO since January 2017. He led the Company’s community banking group from October 2013 to January 2017. As a key driver in the Company’s growth strategy, Chuck was instrumental in influencing Seacoast’s retail, commercial banking, wealth, digital, and non-branch distribution strategies, as well as designing and working across the organization at all levels to drive peer-leading earnings performance. He served as senior vice president and controller from December 2005 through September 2013.

Shaffer, a native of Florida, holds a bachelor of science degree in finance from Florida State University, a bachelor of arts degree in accounting from Florida Atlantic University, a master of business administration with a finance specialization from the University of Central Florida, and is a graduate of the advanced management program at the University of Pennsylvania Wharton School of Business. He is a certified public accountant (CPA) licensed in the state of Florida.

Hudson partnered closely with the Company’s board of directors to orchestrate the planning and preparation for the transition to a new management team.

“During the last few years, we have added significant talent to our board of directors and have strengthened our management team to develop and implement a winning strategy. The leadership team has been very successful and we believe is well prepared to continue to build value for shareholders and customers utilizing this same strategy,” said Hudson. “While my role will change in December, as executive chairman and as the Company’s largest individual shareholder, my commitment to ensuring Seacoast continues to outperform is stronger than ever. My commitment to preserve our culture and carry on my family’s legacy of customer service and support for the communities we serve will remain.”

Dexter, the Company's new CFO, joined in January 2017 as its controller. Before joining Seacoast, Dexter was with PwC's Banking and Capital Markets Practice for 12 years in audit and advisory roles, including senior manager in Florida, New York City, and at the firm's national office. Her areas of focus included SEC/financial reporting, capital markets transaction activity, internal controls, and accounting policy.

Dexter is a CPA licensed to practice in the state of Florida. She has a bachelor of science degree in finance from Florida State University and a bachelor of business administration in accounting from Florida Atlantic University.

Walker, treasurer and director of corporate strategy, joined the Company in March 2010 and has been responsible for its balance sheet and investment management strategy, financial planning, and was the Company's controller from 2013 to 2015. In his new role, Walker also will be responsible for general corporate development and strategic capital allocation.

Walker has a master of business administration from the University of Florida and a bachelor of business administration in accounting from Florida Gulf Coast University.

Hudson confirmed that the executives being promoted participated in the development of the Company's growth strategy. "Chuck, Tracey, Jay - they are all talented leaders and share a common vision of how to continue Seacoast's disciplined growth and success," said Hudson. "I have the utmost confidence in them and the rest of the executive team and am excited about the Company's future."

About Seacoast Banking Corporation of Florida (NASDAQ: SBCF)

Seacoast Banking Corporation of Florida is one of the largest community banks headquartered in Florida, with approximately \$7.4 billion in assets and \$5.9 billion in deposits as of March 31, 2020. The Company provides integrated financial services including commercial and retail banking, wealth management, and mortgage services to customers through advanced banking solutions, and 50 traditional branches of its locally branded, wholly owned subsidiary bank, Seacoast Bank. Offices stretch from Fort Lauderdale, Boca Raton, and West Palm Beach north through the Daytona Beach area, into Orlando and Central Florida and the adjacent Tampa market, and west to Okeechobee and surrounding counties. More information about the Company is available at www.SeacoastBanking.com.

Cautionary Notice Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning, and protections, of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, as well as statements with respect to Seacoast's leadership team and board of directors, objectives, strategic plans, expectations and intentions and other statements that are not historical facts, any of which may be impacted by the COVID-19 pandemic and related effects on the U.S. economy. Actual results may differ from those set forth in the forward-looking statements.

Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates and intentions about future performance and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance or achievements of Seacoast to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You should not expect us to update any forward-looking statements.

All statements other than statements of historical fact could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may", "will", "anticipate", "assume", "should", "support", "indicate", "would", "believe", "contemplate", "expect",

"estimate", "continue", "further", "plan", "point to", "project", "could", "intend", "target" or other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation: the effects of future economic and market conditions, including seasonality and the adverse impact of COVID-19 (economic and otherwise); governmental monetary and fiscal policies, including interest rate policies of the Board of Governors of the Federal Reserve, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices, including the impact of the adoption of CECL; the risks of changes in interest rates on the level and composition of deposits, loan demand, liquidity and the values of loan collateral, securities, and interest sensitive assets and liabilities; interest rate risks, sensitivities and the shape of the yield curve; uncertainty related to the impact of LIBOR calculations on securities and loans; changes in borrower credit risks and payment behaviors; changes in the availability and cost of credit and capital in the financial markets; changes in the prices, values and sales volumes of residential and commercial real estate; our ability to comply with any regulatory requirements; the effects of problems encountered by other financial institutions that adversely affect us or the banking industry; our concentration in commercial real estate loans; the failure of assumptions and estimates, as well as differences in, and changes to, economic, market and credit conditions; the impact on the valuation of our investments due to market volatility or counterparty payment risk; statutory and regulatory dividend restrictions; increases in regulatory capital requirements for banking organizations generally; the risks of mergers, acquisitions and divestitures, including our ability to continue to identify acquisition targets and successfully acquire desirable financial institutions; changes in technology or products that may be more difficult, costly, or less effective than anticipated; our ability to identify and address increased cybersecurity risks; inability of our risk management framework to manage risks associated with our business; dependence on key suppliers or vendors to obtain equipment or services for our business on acceptable terms; reduction in or the termination of our ability to use the mobile-based platform that is critical to our business growth strategy; the effects of war or other conflicts, acts of terrorism, natural disasters, health emergencies, epidemics or pandemics, or other catastrophic events that may affect general economic conditions; unexpected outcomes of and the costs associated with, existing or new litigation involving us; our ability to maintain adequate internal controls over financial reporting; potential claims, damages, penalties, fines and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions; the risks that our deferred tax assets could be reduced if estimates of future taxable income from our operations and tax planning strategies are less than currently estimated and sales of our capital stock could trigger a reduction in the amount of net operating loss carryforwards that we may be able to utilize for income tax purposes; the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in our market areas and elsewhere, including institutions operating regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the Internet; and the failure of assumptions underlying the establishment of reserves for possible loan losses.

Given the many unknowns and risks being heavily weighted to the downside, our forward-looking statements are subject to the risk that conditions will be substantially different than we are currently expecting. If efforts to contain COVID-19 are unsuccessful and restrictions on movement last into the third quarter or beyond, the recession would be much longer and much more severe. Ineffective fiscal stimulus, or an extended delay in implementing it, are also major downside risks. The deeper the recession is, and the longer it lasts, the more it will damage consumer fundamentals and sentiment. This could both prolong the recession, and/or make any recovery weaker. Similarly, the recession could damage business fundamentals. And an extended global recession due to COVID-19 would weaken the U.S. recovery. As a result, the outbreak and its consequences, including responsive measures to manage it, have had and are likely to continue to have an adverse effect, possibly materially, on our business and financial performance by adversely affecting,

possibly materially, the demand and profitability of our products and services, the valuation of assets and our ability to meet the needs of our customers.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2019 and our quarterly report on Form 10-Q for the quarter ended March 31, 2020, under "Special Cautionary Notice Regarding Forward-looking Statements" and "Risk Factors", and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC's Internet website at www.sec.gov.

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