

**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): December 20, 2024

FLEXSHOPPER, INC.

(Exact name of registrant as specified in its charter)

Delaware

001-37945

20-5456087

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

901 Yamato Road, Suite 260
Boca Raton, Florida

33431

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (855) 353-9289

N/A

(Former name or former address, if changed since last report.)

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, par value \$0.0001 per share	FPAY	The Nasdaq Stock Market LLC

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 (*see* General Instruction A.2. below):

- 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 (§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.

CURRENT REPORT ON FORM 8-K

FlexShopper, Inc. (the “Company”)

December 20, 2024

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

Resignation and New Director

On December 20, 2024, Sean Hinze resigned as a director of our company. Mr. Hinze’s resignation was not the result of any disagreement with our company on any matter relating to our company’s operations, policies or practices.

On December 20, 2024, Denis Echtchenko was elected to our Board of Directors effective December 20, 2024.

Denis Echtchenko, age 37, has been a Vice President in the Corporate Asset Management group at PIMCO, focusing on special situations and private equity investments in consumer debt, aviation, telecommunications and other industries, since March 2022. Prior to joining PIMCO, Mr. Echtchenko held investment and finance roles at Prospect Capital (from April 2017 to February 2022), Kraft Heinz (from March 2014 to March 2017), Bridgewater Associates (from September 2013 to March 2014), and J.P. Morgan (from September 2011 to September 2013), with responsibility for originating and managing investments in specialty finance and consumer retail companies. He has also served as a director and executive of several private companies in aircraft leasing, consumer debt and litigation funding. He has 14 years of investment and financial services experience and holds an AB degree in economics and history from the University of Chicago.

Mr. Echtchenko’s in-depth knowledge of the consumer finance market and the broad range of companies in the industry makes him well qualified as a member of our Board of Directors. He also brings expertise in capital markets.

Mr. Echtchenko was appointed to our Board of Directors pursuant to the Investor Rights Agreement, dated June 10, 2016 (the “B2 FIE Investor Rights Agreement”), among our company and B2 FIE in connection with B2 FIE’s purchase of our series 2 preferred stock. Pursuant to the B2 FIE Investor Rights Agreement, so long as B2 FIE and its affiliate transferees’ ownership percentage of our outstanding common stock, determined on a fully diluted basis taking into account the conversion of all outstanding shares of series 1 preferred stock and series 2 preferred stock, exceeds 10%, B2 FIE will have the right to nominate one director to the Board. For more information regarding the B2 FIE Investor Rights Agreement, please refer to our Form 8-K filed with the SEC on June 13, 2016. Apart from the B2 FIE Investor Rights Agreement, there is no arrangement or understanding between Mr. Echtchenko and our company pursuant to which he was elected to our Board of Directors.

Mr. Echtchenko has not participated in any transactions with our company nor are there currently any proposed transactions requiring disclosure pursuant to Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, except as disclosed in our Current Report on Form 8-K filed on October 28, 2024, relating to the repurchase of our company’s series 2 convertible preferred stock. In addition, there are no family relationships between Mr. Echtchenko and any of our executive officers or other directors.

With the addition of Mr. Echtchenko, the number of members on our Board of Directors remains at five members.

Employment Agreement Amendment

The Company and H. Russell Heiser Jr. are parties to an Amended and Restated Employment Agreement made and entered into effective as of January 1, 2022, as amended by Amendment No. 1 to Amended and Restated Employment Agreement, dated as of April 21, 2023 (together, the “Employment Agreement”), pursuant to which Mr. Heiser serves as the Chief Executive Officer of the Corporation.

On December 20, 2023, the Company entered into Amendment No. 2 to Amended and Restated Employment Agreement with Mr. Heiser (the “Employment Amendment”). Pursuant to the Employment Amendment, (a) Mr. Heiser’s annual Base Salary (as defined in the Employment Agreement) was increased to \$587,000 from \$460,000, effective as of January 1, 2024, (b) Mr. Heiser’s target bonus under the Company’s STI Plan was increased to 100% (rather than 50% in the Employment Agreement) of the Base Salary, with a maximum bonus payment of 200% (rather than 100% in the Employment Agreement) of the Base Salary, and (c) the Company granted Mr. Heiser 480,770 restricted stock units (settled in the Company’s common stock) (“RSUs”), which are subject to time-based vesting at the rate of 25% each year, with the first vesting date being December 31, 2024, and 25% on the last day of each of 2025, 2026 and 2027, respectively, and if there is a termination of employment (other than for Cause, as defined in the Employment Agreement) within one year following a Change in Control (as defined in the Employment Agreement), all unvested RSUs will vest.

The other terms of the Employment Agreement were unchanged.

The foregoing summary of the Employment Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Employment Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 2 to Amended and Restated Employment Agreement, dated December 20, 2024, between FlexShopper, Inc. and H. Russell Heiser Jr.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

FLEXSHOPPER, INC.

Dated: December 20, 2024

By: /s/ H. Russell Heiser Jr.

Name: H. Russell Heiser Jr.

Title: Chief Executive Officer

**AMENDMENT NO. 2 TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDMENT, dated December 20, 2024 (this “**Amendment**”), is between **FLEXSHOPPER, INC.**, a Delaware corporation (the “**Company**”), and **H. RUSSELL HEISER JR.** (the “**Executive**”), with an effective date of January 1, 2024 (the “**Effective Date**”).

WITNESSETH

WHEREAS, the Company and the Executive are parties to an Amended and Restated Employment Agreement, made and entered into effective as of January 1, 2022, as further amended by that certain Amendment No. 1 to Amended and Restated Employment Agreement, dated as of April 21, 2023 (together, the “**Agreement**”), pursuant to which the Executive agreed to be employed and serve as the Chief Executive Officer of the Company during a term of employment expiring on December 31, 2027, subject to automatic renewal for three successive one-year terms (unless otherwise sooner terminated) in accordance with the terms of the Agreement; and

WHEREAS, in accordance with Section 13 of the Agreement, the Company and the Executive have agreed to amend the Agreement according to the terms set forth in this Amendment.

NOW, THEREFORE, the parties hereto hereby agree to amend the Agreement as follows:

1. Definitions; References; Continuation of the Agreement. Unless otherwise specified herein, each capitalized term used herein that is defined in the Agreement shall have the meaning assigned to such term in the Agreement. Each reference to “the Agreement” and each other similar reference contained in the Agreement from and after the effectiveness of this Amendment shall refer to the Agreement, as amended hereby. Except as amended hereby, all terms and provisions of the Agreement shall continue unmodified and remain in full force and effect.

2. Amendments to the Terms of Employment. The parties hereto agree that the Agreement shall be amended as follows:

(a) Section 4(a) [Compensation – Base Salary] of the Agreement shall be amended to change the Executive’s annual Base Salary to \$587,000 from \$460,000. On the first pay period following the Effective Date, Executive shall receive a one-time lump sum payment of \$111,125, less applicable taxes and withholding, representing the difference between (i) the actual amount Executive received in Base Salary from the Effective Date and (ii) the amount Executive would have received in Base Salary if he had been receiving the amended Base Salary from the Effective Date.

(b) Section 4(b) [Compensation – Annual Cash Bonus] of the Agreement shall be amended to state that the Executive’s target bonus under the STI Plan shall be 100% (rather than 50% in the Agreement) of the Base Salary (the “**Target**”), with a maximum bonus payment of 200% (rather than 100% in the Agreement) of the Base Salary. For 2024, the STI Plan for Executive includes a threshold (1) intermediate, (2) Target, and (3) maximum bonus payout based on achievement of EBITDA targets for Q3 and Q4. For calendar year 2025 and subsequent years, the Compensation Committee, in consultation with Executive, shall establish the metrics and potential payouts under the STI Plan. Bonuses under the STI plan for any year shall be paid upon the earlier of: (i) five business days after the completion of the Company’s annual audit of the consolidated financial statements by its independent registered public accountants for the applicable year and (ii) March 15th of the year following the applicable year. For the avoidance of doubt, Executive must be employed for the entire calendar year to receive a bonus.

(c) Section 5(c) [Expense Reimbursement – Equity Awards] of the Agreement shall be amended to insert the paragraph below immediately following subsection (iv) thereof to reflect 2024 equity awards:

(v) As soon as practicable following the date hereof, the Company shall grant Executive 480,770 restricted stock units (settled in the Company's common stock) ("RSUs"). The RSUs shall be subject to time-based vesting at the rate of 25% each year, with the first vesting date being December 31, 2024, and 25% on the last day of each of 2025, 2026 and 2027, respectively. If there is a termination (other than for Cause) within one (1) year following a Change in Control, all unvested RSUs shall vest. RSUs not vested on the termination of Executive's Term of Employment (for whatever reason) shall never vest and they shall terminate. The Company shall issue an RSU grant agreement, which shall be consistent with the terms above.

3. Disclosure of Material Information. The Company shall timely file a Current Report on Form 8-K describing the terms of this Amendment in the form required by the Securities Exchange Act of 1934 and attaching a copy of this Amendment.

5. Fees. Each party hereto shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, review, execution, delivery and performance of this Amendment.

6. Counterparts; Execution; Amendments. This Amendment may be executed in counterparts and by fax or electronic signatures, all of which shall be one and the same agreement and shall have binding legal effect. No waiver or amendment under or in respect of this Amendment shall be valid unless in writing signed by the party to be charged therewith.

7. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed on the date first above written.

FLEXSHOPPER, INC.

By: /s/ Howard S. Dvorkin

Howard S. Dvorkin
Chairman of the Board

/s/ H. Russell Heiser Jr.

H. Russell Heiser Jr.
