
**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 3, 2023

Marchex, Inc.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50658
(Commission File Number)

35-2194038
(I.R.S. Employer
Identification No.)

520 Pike Street Suite 2000,
Seattle, Washington
(Address of principal executive offices)

98101
(Zip Code)

Registrant's Telephone Number, Including Area Code: (206) 331-3300

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 (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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class B Common Stock	MCHX	The 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.

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth under Item 5.02 of this Current Report on Form 8-K is incorporated herein by reference.

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

On April 4, 2023, Marchex, Inc. (“Marchex” or the “Company”) announced that Troy Hartless (“Hartless”) joined Marchex as its Chief Revenue Officer effective April 3, 2023 (the “Start Date”). Mr. Hartless, age 52, previously served as Chief Executive Officer of TLJ Capital since 2009, Chief Operating Officer of Govplace from 2019 to 2020, and Chief Revenue Officer of 9Lenses from 2017 to 2019.

Mr. Hartless’s annual base salary will be \$375,000 with an annual bonus opportunity based upon the attainment of mutually agreed to performance measures. For 2023, if all targets are met at 100%, the bonus amount is \$350,000 (the “Target Amount”), with the maximum aggregate bonus amount being 195% of the Target Amount, prorated from the Start Date. The bonus payout percentages shall be 50% to 195% based on the performance target category and shall be based on achieving specified revenue (new revenue and total revenue) and adjusted OIBA targets to include the 2023 fiscal year with each target category weighted 33 1/3%.

As an inducement to join Marchex, Hartless will receive an option to purchase 200,000 shares of Class B common stock (the “Performance Option”, and collectively with the Option below, the “Options”) effective on the Start Date and issued pursuant to Marchex’s 2021 Stock Incentive Plan (the “Plan”). The exercise price of the Performance Option is the closing price of the stock on the Start Date and shall be an incentive stock option to the extent permitted by the Code and otherwise a nonqualified stock option. The Performance Option shall vest on the fifth annual anniversary of the Start Date with accelerated vesting upon certain events and subject to continued employment at all such times. With respect to acceleration, (a) 50% of such option shares shall vest upon attainment of specified revenue, adjusted OIBA or share price targets at the later of twenty-four (24) months or performance attainment (2023 revenue (or subsequent years) exceeding 120% of year of grant level, 2023 adjusted OIBA (or subsequent years) exceeding specified multiples of year of grant level, or following the first year the Class B Common Stock share price for twenty (20) consecutive trading days exceeding 150% of the year of grant trading day average), and (b) such remaining unvested option shares shall vest upon attainment of specified revenue, adjusted OIBA or share price targets at the later of thirty-six (36) months or performance attainment (2023 revenue (or subsequent years) exceeding 127% of year of grant level, 2023 adjusted OIBA (or subsequent years) exceeding specified multiples of year of grant level higher than the initial performance target above, or following the first year the Class B Common Stock share price for twenty (20) consecutive trading days exceeding 160% of the year of grant trading day average).

In addition, Mr. Hartless will receive an option to purchase 150,000 shares of Class B common stock (the “Option”) effective on the Start Date and issued pursuant to the Plan. The Option will vest over four years, with 25% of the total option shares vesting on the first anniversary of the Start Date and the remainder vesting quarterly thereafter over the next three (3) year period in equal increments of 6.25% of the aggregate amount of such shares. The exercise price of the Option is the closing price of the stock on the Start Date and shall be an incentive stock option to the extent permitted by the Internal Revenue Code of 1986, as amended (the “Code”), and otherwise a nonqualified stock option. Continuous vesting of the Option is subject to Hartless remaining a continuous full-time active employee through the applicable vesting date.

The Options above will become vested and nonforfeitable following the occurrence of a “Change in Control” (as such term is defined below) of the Company as follows: 25% upon occurrence of a Change in Control, 25% upon the eighteen month anniversary, and 50% upon the second annual anniversary, respectively, of such Change in Control. Change in Control” shall mean the consummation of: (a) a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued, unless such merger, consolidation or reorganization is a “Non-Control Transaction” (a “Non-Control Transaction” is a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued where the shareholders of the Company immediately before such merger, consolidation, or reorganization, own, directly or indirectly, at least fifty-one percent (51%) of the outstanding securities of the corporation resulting from such merger, consolidation or reorganization); or (b) a complete liquidation or dissolution of the Company; or (c) the sale or disposition of all or substantially all of the assets of the Company to any person.

In the event that Hartless is terminated by the Company without “Cause” (as such term is defined below) more than three months prior to the occurrence of a Change in Control, Hartless will receive the following: (a) for termination before the one year anniversary of the Start Date, a lump sum payment equal to six months of base salary plus any accrued bonus through the date of termination, and an additional twenty-five percent (25%) of vesting on the Options; (b) for termination on or following the one year anniversary of the Start Date, a lump sum payment equal to nine months of base salary plus any earned bonus for the prior calendar year if not yet paid plus any accrued bonus through the date of termination, and an additional fifty percent (50%) of vesting on the Options. Cause shall mean that the Company’s Board of Directors has reasonably determined in good faith that any one or more of the following has occurred: (i) Hartless shall have been convicted of, or shall have pleaded guilty or nolo contendere to, any felony or

a crime of moral turpitude or to a driving under the influence or drug related offense; (ii) Hartless shall have willfully failed or refused to carry out the reasonable and lawful instructions of the Company's Chief Executive Officer (other than as a result of illness or disability) concerning duties or actions consistent with his then current position in a timely manner and otherwise in a manner reasonably acceptable to the Company's Chief Executive Officer and such failure or refusal shall have continued for a period of ten (10) days following written notice from the Company's Chief Executive Officer describing such failure or refusal in reasonable detail; (iii) Hartless shall have breached any material provision of any agreement with the Company or the Company's Code of Conduct; (iv) Hartless shall have committed any fraud, embezzlement, misappropriation of funds, breach of fiduciary duty or other act of dishonesty against the Company, or (v) the violation by Hartless of any applicable securities laws or SEC regulations or the Company experiencing any deficiency or material weakness in internal controls occurring with his knowledge.

In the event that Hartless is terminated by the Company without Cause within three months prior to or upon or following the occurrence of a Change in Control, Hartless will receive the following: (a) a lump sum payment equal to nine months of base salary plus (i) any accrued bonus through the date of termination if before the one year anniversary of the Start Date, or (ii) any earned bonus for the prior year if not yet paid plus any accrued bonus through the date of termination if on or after the one year anniversary of the Start Date, and an additional fifty percent (50%) of vesting on the Options; and (b) upon the 18 month anniversary of the Change in Control, one hundred percent (100%) of vesting on the Options.

In connection with such appointment, Marchex entered into its standard form indemnity agreement for Marchex's Section 16 executive officers and directors with Mr. Hartless. There is no family relationship between Mr. Hartless and any other executive officer or director of Marchex and there is no arrangement or understanding between Mr. Hartless and any other person pursuant to which he was appointed Chief Revenue Officer of Marchex. There are no transactions in which Mr. Hartless has an interest requiring disclosure under Item 404(a) of Regulation S-K.

A copy of the press release dated April 4, 2023 announcing the foregoing appointments is attached as Exhibit 99.1 to this report and incorporated herein by reference. The information contained in the press release attached hereto is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be deemed incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit</u> <u>No.</u>	<u>Description</u>
99.1	<u>Press Release of Marchex, dated April 4, 2023</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Marchex has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

MARCHEX, INC.

Date: April 4, 2023

By: _____ /s/ FRANCIS J. FEENEY
Name: Francis J. Feeney
Title: **Secretary**

Marchex Hires Troy Hartless as Chief Revenue Officer

SEATTLE - April 4, 2023--Marchex, Inc. (NASDAQ: MCHX), the award-winning AI-powered conversation intelligence company that helps businesses turn strategic insights into the actions that drive their most valued sales outcomes, today announced that Troy Hartless has joined the company as Chief Revenue Officer. Hartless has extensive experience-as an executive officer for both private and publicly traded technology companies, and will lead Marchex's sales, marketing, business development, solutions consulting and customer success organizations.

Most recently, Hartless was COO of Govplace, a cloud, cybersecurity, and perimeter security solutions company which he led through COVID while returning the business to profitability. Previously, he served as CRO of Callis Communications, a cloud-based SaaS company, providing hosted VOIP, data, security, collaboration and desktop solutions. Hartless also served as the COO of InfoData (INFD), leading sales, business development, marketing, and professional services, delivering secure database management and IT solutions, and he helped return the company to profitability, achieving 11 consecutive quarters of revenue growth. Earlier in his career, Hartless held numerous executive positions at various technology companies, including Ericsson (ERICY), GTSI, & Secure Data in Motion.

"Troy Hartless brings to Marchex a unique and proven track record of driving revenue while leading dynamic sales and business development organizations for high-growth technology companies," said Edwin Miller, Marchex CEO. "We are thrilled to have Troy join our leadership team and look forward to working with him to help Marchex realize our considerable opportunities at-hand."

"With a powerful product and technology portfolio and a strong foundation of world-class customers already in-place, Marchex is exceptionally well-positioned for growth," said Hartless. "Marchex sits at the intersection of AI and data science and its solutions are ideally suited to help businesses build better sales experiences and customer outcomes. I'm excited to work with the Marchex team and apply my expertise in helping technology businesses scale, along with engaging directly with our customers and prospects to drive adoption and enhance our leadership in conversation intelligence."

About Marchex

Marchex's award-winning conversation intelligence platform, featuring AI-powered sales engagement and marketing solutions, helps businesses turn strategic insights into the actions that drive their most valued sales outcomes. Our multichannel voice and text capabilities enable sales and marketing teams to deliver the buying experiences that today's customers expect. Marchex is the trusted conversation intelligence partner for market-leading companies in critical industries, including many of the world's most innovative and successful brands.

Please visit <http://www.marchex.com>, www.marchex.com/blog or [@marchex](https://twitter.com/marchex) on Twitter ([Twitter.com/Marchex](https://twitter.com/marchex)), where Marchex discloses material information from time to time about the company, its financial information, and its business.

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