
**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): February 25, 2015

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 98101**
(Address of Principal Executive Offices)

(206) 331-3300
(Registrant's telephone number, including area code)

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))
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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.***Officer and Director Changes.***

On February 25, 2015 (the “Effective Date”), Marchex, Inc. (“Marchex” or the “Company”) announced that Russell C. Horowitz, one of the Company’s co-founders and its only Chairman and Chief Executive Officer since Marchex’s inception in 2003, has elected to serve going forward as an Executive member of the Board of Directors (the “Board”) focusing on Marchex’s long-term strategy and related opportunities.

On the Effective Date, Marchex announced that Clark Kokich, previously Marchex’s Chief Strategy Officer, has been appointed Executive Chairman of the Board.

Mr. Kokich, 63, has served as Marchex’s Chief Strategy Officer since September 2013. Before that, Mr. Kokich was Chairman of Razorfish, one of the largest digital marketing agencies in the world. He also held the roles of CEO and President during his tenure there.

In connection with Mr. Kokich’s appointment to the Board as Executive Chairman, Marchex’s Compensation Committee (i) awarded Mr. Kokich restricted stock under Marchex’s 2012 Stock Incentive Plan (the “Plan”) on February 25, 2015 (the “Grant Date”) to purchase 150,000 shares of Marchex’s Class B Common Stock in his capacity as Executive Chairman and at a purchase price of \$0.01 per share, with 25% of the aggregate amount of such shares vesting on the first annual anniversary of the Grant Date and the remainder of such shares vesting quarterly thereafter over the next three (3) year period in equal increments of 6.25% of the aggregate amount of such shares (in each such case assuming continued service as Executive Chairman on the applicable vesting date) and with accelerated vesting upon certain events as set forth in such restricted stock agreement, and (ii) approved an annual salary for Mr. Kokich of \$60,000.

On the Effective Date, Marchex announced that Peter Christothoulou, previously Marchex’s President, has been appointed Chief Executive Officer.

Mr. Christothoulou, 43, has held a number of executive level positions of increasing responsibility at Marchex during the past 12 years. He is one of Marchex’s founders and has served as Marchex’s President since December 2011. Prior to serving as President, Mr. Christothoulou served as Marchex’s Chief Operating Officer from March 2009 until December 2011 and as Marchex’s Chief Strategy Officer from Marchex’s inception in January 2003 through March 2009.

On the Effective Date, Marchex announced that it has increased the number of directors of the Company from six to seven directors in accordance with Marchex’s amended and restated bylaws and that Ian Morris has been appointed to the Board.

Mr. Morris, 46, was most recently the Chief Executive Officer and President of Market Leader, Inc., a leading provider of online software, marketing and lead management solutions, which was acquired by Trulia, Inc. Before joining Market Leader, Mr. Morris ran Microsoft HomeAdvisor, a business that he helped launch in 1997.

In connection with Mr. Morris’ appointment to the Board, Marchex’s Compensation Committee awarded Mr. Morris options under Marchex’s Plan on the Grant Date to purchase that number of shares of Marchex’s Class B Common Stock with a value of \$400,000 based on the Grant Date fair value of such option award in his capacity as a director and at an exercise price equal to the closing price on the Grant Date, with 25% of the aggregate amount of such shares vesting on the first annual anniversary of the Grant Date and the remainder of such shares vesting quarterly thereafter over the next three (3) year period in equal increments of 6.25% of the aggregate amount of such shares (in each such case assuming continued Board service on the

applicable vesting date) and with accelerated vesting upon certain events as set forth in such option agreement. Mr. Morris shall also receive cash compensation as established by the Company from time to time for non-employee directors (currently \$2,000 per quarter) prorated from the Effective Date.

In connection with such appointments, Marchex entered into its standard form indemnity agreement for Marchex's Section 16 executive officers and directors with each of Mr. Kokich and Mr. Morris.

There is no family relationship between Mr. Christothoulou and any other executive officer or director of Marchex and there is no arrangement or understanding between Mr. Christothoulou and any other person pursuant to which he was appointed as Chief Executive Officer of Marchex. There are no transactions in which Mr. Christothoulou has an interest requiring disclosure under Item 404(a) of Regulation S-K.

There are no arrangements or understandings between Mr. Kokich and/or Mr. Morris and any other person pursuant to which Mr. Kokich and/or Mr. Morris was selected as a director of Marchex. There are no transactions in which Mr. Kokich and/or Mr. Morris has an interest requiring disclosure under Item 404(a) of Regulation S-K.

Except as provided above, there were no compensation changes in connection with the foregoing officer and director changes.

Marchex, Inc. Amended & Restated Annual Incentive Plan.

Pursuant to the Marchex Amended & Restated Annual Incentive Plan (the "Amended & Restated Incentive Plan"), on the Effective Date Marchex's Compensation Committee determined for the 2015 fiscal period that the aggregate amount of the entire bonus pool is up to \$1,264,000, that the participants for the 2015 fiscal period are Michael Arends, Ethan Caldwell and Peter Christothoulou, and that the target bonus pool shall be 100% of base salary and shall be based on achieving specified revenue and adjusted OIBA targets for the 2015 fiscal period as follows:

<u>If Revenue or Adjusted OIBA Achievement is:</u>	<u>Bonus Payout % of base salary</u>
<90%	0%
90 – 94.9%	35%
95 – 99.9%	60%
100 – 104.9%	100%
105 – 109.9%	135%
>110%	160%

Bonuses are based on: 1/3 from Revenue target attainment and 2/3 from Adjusted OIBA target attainment.

The Compensation Committee determined that for the 2015 fiscal period any bonuses paid out under the Amended & Restated Annual Incentive Plan shall be paid quarterly consistent with the prior year.

Acceleration of Marchex Equity (Arends).

Marchex's Compensation Committee determined on the Effective Date to accelerate vesting in full of all Marchex equity (including any and all options, shares of restricted stock and restricted stock units) held by Michael Arends as of the Effective Date in connection with the foregoing officer and director changes and in light of certain terms in Mr. Arends's employment agreement.

A copy of the press release dated February 25, 2015 announcing the foregoing officer and director changes, in each instance effective immediately, is attached as Exhibit 99.1 to this report and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
No.**

Description

99.1 Press Release, dated February 25, 2015.

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.

Date: February 25, 2015

MARCHEX, INC.

By: _____ /s/ MICHAEL ARENDS
Name: **Michael Arends**
Title: **Chief Financial Officer**

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press Release, dated February 25, 2015.

Marchex Announces Board Additions and Executive Role Evolutions

SEATTLE -- (BUSINESS WIRE) – February 25, 2015 -- Marchex, Inc. (NASDAQ:MCHX) (“Marchex”), a mobile advertising technology company, today announced new Board member additions and executive role evolutions.

“In consultation with my executive team and Board of Directors, I have indicated the desire to evolve my role into being an Executive member of our Board of Directors in a manner that frees me up to focus on long-term strategy and related opportunities,” said Russell Horowitz. “It has been my privilege to have led the founding of Marchex and to serve as its CEO and Chairman for more than a decade, growing the company from an initial idea to where we are today. I see a transformative and significant growth opportunity as we move forward, and I will continue to support the executive team and the company’s overall ongoing needs. This action is also intended to foster growth in the company’s executive leadership, and we will continue actively looking for new senior team members to join and deepen our team.”

In connection with this, Marchex is announcing the following changes today:

Clark Kokich has joined the Marchex Board of Directors and will serve as Executive Chairman. Kokich previously served as Marchex’s Chief Strategy Officer. He has more than 15 years of experience in the digital advertising space, and is a well-known advertising technology expert and digital marketing thought leader. Previously, Kokich was Chairman of Razorfish, one of the largest digital marketing agencies in the world, where he also held the roles of CEO and President during his tenure.

“I am excited to expand my role to help lead the company as we focus on what we believe is a transformative opportunity. Marchex is uniquely positioned to play a leading role in helping advertisers and agencies successfully navigate the transition to mobile advertising. I look forward to supporting Pete with his expanded responsibilities and to continue working with Russ in his evolved role,” Kokich said.

Pete Christothoulou has been elevated to CEO from his position as President. Christothoulou is a company co-founder and has served as President since December 2011. He has led the company’s call advertising business since its beginning in 2009, at which time he was named Chief Operating Officer. Before that, he was Marchex’s Chief Strategy Officer.

“Marchex has the ability to truly revolutionize mobile advertising and business performance through our unique analytics technology. My focus will be to accelerate products that bring full, real-time visibility to mobile and transform customer growth and continue building a world-class team that can drive innovation for our customers. I couldn’t be more honored to serve as CEO as we move forward,” Christothoulou said.

Additionally, Ian Morris has joined the Marchex Board of Directors. Morris served as the President and Chief Executive Officer of Market Leader, Inc. for more than a decade before selling the company to Trulia, Inc. in 2013. After taking the company public in 2004, he established Market Leader as the leading provider of software-as-a-service solutions to the real estate industry and one of the foremost providers of leads and lead management services to the company’s more than 150,000 enterprise and SMB customers. Previously, Morris spent seven years at Microsoft, where he led a number of the company’s early online marketing efforts and later served as the General Manager of Microsoft HomeAdvisor. Morris holds an MBA from Harvard Business School.

About Marchex

Marchex is a mobile advertising technology company. The company provides a suite of products and services for businesses that depend on consumer phone calls to drive sales. Marchex's mobile advertising platform delivers new customer phone calls to businesses, while its technology analyzes the data in these calls to help maximize ad campaign results. Marchex disrupts traditional advertising models by giving businesses full transparency into their ad campaign performance and charging them based on new customer acquisition.

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

For further information, contact:

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