

**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): July 11, 2018

Natus Medical Incorporated

(Exact name of registrant as specified in its charter)

**000-33001
(Commission File Number)**

**Delaware
(State or other jurisdiction
of Incorporation)**

**77-0154833
(I.R.S. Employer
Identification No.)**

**6701 Koll Center Parkway, Suite 120
Pleasanton, CA 94566
(Address of principal executive offices)**

**925-223-6700
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1953 (§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 Material Definitive Agreement

On July 11, 2018, Natus Medical Incorporated (the “Company”) and James B. Hawkins entered into the Separation Agreement, as described below.

Item 2.02. Results of Operations and Financial Condition

On July 11, 2018, the Company issued a press release regarding the matters discussed in this Form 8-K and which included second quarter 2018 revenue estimates. A copy of the press release containing these results is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 and the information in the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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

Resignation of James B. Hawkins as President, Chief Executive Officer and Director; Appointment of Jonathan A. Kennedy as President, Chief Executive Officer and Director

On July 11, 2018, James B. Hawkins, President, Chief Executive Officer, and a member of the Board of Directors (the “Board”) of the Company, resigned from all positions with Natus. Mr. Hawkins' decision to resign from the Board was not related to a disagreement with Natus over any of its operations, policies or practices. The Board has agreed that Mr. Hawkins will receive the benefits to which he is entitled upon a termination without cause, other than in connection with a change of control, under his Employment Agreement dated April 19, 2013, subject to his compliance with the terms thereof, and as described in Compensation Discussion and Analysis in the Company's Proxy Statement for the 2018 Annual Meeting of Stockholders. The Company has entered into a letter agreement (“Separation Agreement”) with Mr. Hawkins to this effect.

On July 11, 2018, the Board appointed Jonathan A. Kennedy, current Executive President Finance and Chief Financial Officer of the Company, age 47, as President and Chief Executive Officer to replace Mr. Hawkins. The Board also elected Mr. Kennedy to the Board to fill the vacancy created by Mr. Hawkins' resignation.

Mr. Kennedy has been the Company's Senior Vice President and Chief Financial Officer since April 8, 2013 and has served as the Company's Executive Vice President and Chief Financial Officer since September, 2016. Mr. Kennedy served as the Chief Financial Officer and Senior Vice President of Intersil Corporation from April 2009 to March 31, 2013 and its Principal Accounting Officer until March 31, 2013. Mr. Kennedy served as Interim Chief Financial Officer of Intersil Corp. from December 3, 2008 to April 2009. He joined Intersil in 2004 as Director of Finance and served as its Corporate Controller since 2005. He was Advisor of Intersil Corporation from March 31, 2013 to April 5, 2013. He held management roles in Finance and IT with Alcon Inc. and Harris Corporation. He is a Certified Public Accountant. Mr. Kennedy holds a Bachelor of Science degree in Business Administration and a Master of Science degree in Accounting from the University of Central Florida.

There are no family relationships between Mr. Kennedy and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Compensatory Arrangements

In connection with his appointment as President and Chief Executive Officer, Mr. Kennedy will receive an annual base salary of \$650,000 in 2018, and will remain eligible to participate in the Company's Cash Incentive Plan. Mr. Kennedy's target bonus as a percentage of 2018 base salary will be 100%, and his minimum and maximum cash bonus percentages may range from 50% to 200% of the target amount, provided the threshold for bonus payment has been achieved.

In addition, Mr. Kennedy will receive an equity award valued at \$1.6 million, consisting of 50% in value in stock options, which shall vest in equal installments on each anniversary of the grant date over a four year period, and 50% in value of performance stock units.

Mr. Kennedy will also enter into a new employment agreement with severance terms corresponding to those of the agreement with the Company's previous President and Chief Executive Officer, Mr. Hawkins.

Resignation of Jonathan A. Kennedy as Executive Vice President Finance and Chief Financial Officer; Appointment of Sharon Villaverde as Interim Chief Financial Officer

On July 11, 2018, and concurrently with his appointment as President and Chief Executive Officer of the Company, Mr. Kennedy ceased to serve as Executive President Finance and Chief Financial Officer of the Company. The Board appointed Sharon Villaverde, the Company's Vice President, Finance, as interim Chief Financial Officer, effective as of July 11, 2018. Mrs. Villaverde, age 44, has served as Vice President of Finance at the Company since May 2017. From June 2013 to May 2017, she was the Company's Corporate Controller. Before joining Natus, Mrs. Villaverde held management roles in Finance with Lockheed Martin and Alcon, Inc. She holds a Bachelor of Science degree in Accounting from the University of Central Oklahoma. Mrs. Villaverde also is a Certified Public Accountant.

There are no family relationships between Mrs. Villaverde and any director or executive officer of the Company, and she has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01. Regulation FD Disclosure

On July 11, 2018, the Company issued a press release announcing the matters discussed above in this Report. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this report furnished pursuant to Item 7.01, including Exhibit 99.1 attached hereto, will not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Press release dated July 11, 2018 announcing leadership changes.</u>

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.

NATUS MEDICAL INCORPORATED

Date: July 11, 2018

By: /s/ Jonathan A. Kennedy
Jonathan A. Kennedy
President and Chief Executive Officer



Natus Medical Announces Leadership Changes

Jim Hawkins Retires after 14 years as President and CEO

Jonathan Kennedy Appointed President and Chief Executive Officer

Board Appoints Barbara Paul, M.D. Chairperson

Releases Preliminary Q2 2018 Revenue and Conference Call Date

PLEASANTON, Calif., July 11, 2018 - Natus Medical Incorporated (NASDAQ:BABY) (“The Company”) today announced that Jim Hawkins is retiring from Natus after 14 years of service as CEO. During Jim’s leadership of Natus, the Company has grown from \$30 million in annual revenue and a single product offering to over \$500 million in annual revenue offering comprehensive products and solutions in the neurology and neurodiagnostics, newborn care and diagnostic hearing markets. During this time, Natus’ market capitalization has grown from approximately \$70 million to \$1.2 billion. As part of a planned succession, Jonathan Kennedy, who has served as Chief Financial Officer since April 2013, has been appointed President and Chief Executive Officer, effective immediately. Mr. Kennedy has also been appointed to the Natus Board of Directors.

In addition, the Company announced that Barbara Paul, M.D. was appointed Chairperson of the Natus Board of Directors.

“On behalf of the Board of Directors, I would like to thank Jim Hawkins for his service and many contributions to Natus. Jim has been a visionary leader who transformed Natus into the strong global company it is today. Jim leaves Natus financially sound with attractive market opportunities and an experienced and stable management team,” said Dr. Paul, Chairperson of the Natus Board of Directors.

“Jonathan is a proven leader with a deep understanding of our business operations and a clear vision for the future,” said Dr. Paul. “He has diverse experience leading both technology and medical device companies, spearheading acquisition integration efforts and developing and implementing cost reduction initiatives on a worldwide basis. No one is better prepared than Jonathan to lead Natus into its next phase of growth and value creation and the Board has the utmost confidence in him.”

Mr. Hawkins said, “It has been a privilege to serve as Natus’ CEO over the past 14 years and I thank Natus’ talented employees for their hard work and partnership on this journey. I am proud of all that we have accomplished in building Natus into the market leader it is today. I have known and worked with Jonathan for several years and am confident that he is the right leader to keep Natus moving forward and delivering market leading products and solutions to our customers and creating value for our shareholders.

Mr. Kennedy said, “I am honored to lead Natus during this pivotal time in the Company’s history. When I joined Natus, I was impressed by the pace at which the Company had grown and gained leading positions in its markets. Natus has added neurodiagnostics, neurosurgery and hearing diagnostics to its legacy newborn care business -- and with new products like Otoscan, the Company has clear potential to meaningfully enhance patient care. I look forward to working with the rest of the Natus leadership team to create value for our shareholders, provide customers and patients with market leading products and services and employees with opportunities to continue to grow as part of a dynamic company.”

Mr. Hawkins will receive the benefits to which he is entitled upon a termination without cause, other than in connection with a change of control, under his employment agreement with the Company as described in Compensation Discussion and Analysis in the Company's Proxy Statement for the 2018 Annual Meeting of Stockholders.

In connection with Mr. Kennedy's appointment, Sharon Villaverde, Vice President, Finance, has been appointed interim CFO, effective immediately. The Company will conduct a comprehensive search to identify a permanent CFO with both internal and external candidates being considered.

Second Quarter Revenue Update

For the second quarter of 2018, the Company expects to report revenue between \$130 million and \$131 million compared to previously announced revenue guidance of \$129 million to \$131 million.

Second Quarter Conference Call

The Company will release its 2018 second quarter financial results before the market opens on Wednesday, July 25th. Natus management will host an investment-community conference call the same day beginning at 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time) to discuss those results and to answer questions.

Individuals interested in listening to the conference call may do so by dialing 1-844-634-1441 for domestic callers, or 1-508-637-5658 for international callers, and entering reservation code 3879826. A telephone replay will be available for 48 hours following the conclusion of the call by dialing 1-855-859-2056 for domestic callers, or 1-404-537-3406 for international callers, and entering reservation code 3879826.

About Jonathan Kennedy

Jonathan Kennedy joined Natus as Chief Financial Officer in April 2013 and served as General Manager of Natus' Newborn Care Business Unit from April 2017 to February 2018. Before joining Natus, Mr. Kennedy was Chief Financial Officer of Intersil Corporation, a global semiconductor manufacturer, since 2009. Prior to that, he was Intersil's Corporate Controller since 2005 and Director of Finance since 2004. Before joining Intersil, Mr. Kennedy held management roles in Finance and Information Technology with Alcon Inc. and Harris Corporation. He holds a Bachelor of Science degree in Business Administration and a Master of Science degree in Accounting from the University of Central Florida.

Forward Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, particularly statements regarding the expectations, beliefs, plans, intentions and strategies of Natus, including expectations of revenue and earnings for the second quarter of 2018. These statements relate to our current estimates and assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are only predictions and the actual events or results may differ materially. Natus cannot provide any assurance that its future results or the results implied by the forward-looking statements will meet expectations. Our future results could differ materially due to a number of factors, including the effects of competition, our ability to successfully integrate and achieve our profitability goals from recent acquisitions, the demand for our products and services, the impact of adverse global economic conditions and changing governmental regulations, including foreign exchange rate changes, on our target markets, our ability to expand our sales in international markets, our ability to maintain current sales levels in a mature domestic market, our ability to control costs, risks associated with our, and our commercial partner's, bringing new products to market, and our ability to fulfill product orders on a timely basis. Natus disclaims any obligation to update information contained in any forward looking statement.

More information about potential risk factors that could affect the business and financial results of Natus is included in Natus' annual report on Form 10-K for the year ended December 31, 2017 and its subsequent quarterly reports on Form 10-Q and in other reports filed from time to time by Natus with the U.S. Securities and Exchange Commission.

About Natus Medical Incorporated

Natus is a leading provider of healthcare products and services used for the screening, detection, treatment, monitoring and tracking of common medical ailments in newborn care, hearing impairment, neurological dysfunction, neurosurgery, epilepsy, sleep disorders, and balance and mobility disorders.

Additional information about Natus Medical can be found at www.natus.com.

Contacts

Natus Medical Incorporated

Jonathan Kennedy

President and Chief Executive Officer

(925) 223-6700

InvestorRelations@Natus.com