

**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): January 31, 2022

Acadia Healthcare Company, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35331
(Commission
File Number)

45-2492228
(IRS Employer
Identification No.)

6100 Tower Circle, Suite 1000
Franklin, Tennessee
(Address of Principal Executive Offices)

37067
(Zip Code)

(615) 861-6000
(Registrant's Telephone Number, including Area Code)

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))

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.

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	ACHC	NASDAQ Global Select Market

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

On October 5, 2021, Acadia Healthcare Company, Inc. (the “Company”) announced that Debbie Osteen, Chief Executive Officer and Director of the Company, will retire as Chief Executive Officer and that it was anticipated that Ms. Osteen’s retirement would be effective on January 31, 2022. Consistent with that expectation, the Company, through its subsidiary Acadia Management Company, Inc., and Ms. Osteen entered into an Amendment to Employment Agreement, dated as of December 22, 2021 (the “First Amendment”), to extend the employment period under Ms. Osteen’s Employment Agreement, dated as of January 19, 2021 (the “Employment Agreement”), through January 31, 2022.

On January 31, 2022, the Company and Ms. Osteen entered into a side letter to the Employment Agreement (the “Side Letter,” and together with the First Amendment, the “Amendments”). The Side Letter, among other things:

(i) extends the employment period under the Employment Agreement to March 31, 2022 to assist with and ensure a smooth transition of leadership;

(ii) provides for Ms. Osteen’s continuation as a member of the Company’s Board of Directors for the remainder of her Board term;

(iii) subject to certain conditions, provides for a cash retention bonus of \$900,000 to be paid to Ms. Osteen after, and for service through, March 31, 2022; and

(iv) updates the vesting criteria applicable to Ms. Osteen’s annual equity awards granted in 2019, 2020 and 2021.

The foregoing description of the Amendments does not purport to be complete and is qualified in its entirety by reference to the text of the Amendments, which are filed as [Exhibit 10.1](#) and [Exhibit 10.2](#) to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) [Exhibits](#)

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment, dated December 22, 2021, to Employment Agreement, dated January 19, 2021, by and between Acadia Management Company, Inc. and Debra K. Osteen.
10.2	Side Letter, dated January 31, 2022, to Employment Agreement, dated January 19, 2021, by and between Acadia Management Company, Inc. and Debra K. Osteen.
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.

Date: February 1, 2022

ACADIA HEALTHCARE COMPANY, INC.

By: /s/ Christopher L. Howard
Christopher L. Howard
Executive Vice President, Secretary and General Counsel

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT, effective as of December 22, 2021 the “**Agreement**”), is by and between Acadia Management Company, Inc., a Delaware corporation (the “**Company**”), and Debra K. Osteen (the “**Executive**”).

WHEREAS, the Company and Executive are party to that certain Employment Agreement, dated as of January 19, 2021 (the “**Employment Agreement**”); and

WHEREAS, the Company and Executive have agreed to make certain amendments to the Employment Agreement upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. AMENDMENTS TO EMPLOYMENT AGREEMENT.

1.1 Amendment to Section 1. The first sentence of Section 1 shall be deleted in its entirety and the following substituted therefore:

The Company shall continue to employ Executive, and Executive hereby accepts continued employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning as of January 1, 2021 and ending on January 31, 2022 (the “**Employment Period**”).

1.2 Amendment to Section 4(b)(iii). Section 4(b)(iii) shall be deleted in its entirety and the following substituted therefore:

(iii) continued payment of the Executive’s Base Salary, payable in accordance with the Company’s general payroll practices (as in effect from time to time) from the Termination through January 31, 2022, as if Executive had continued to be employed during such period.

2. GENERAL.

2.1 FullForce and Effect. Except as expressly amended hereby, the Employment Agreement shall continue in full force and effect in accordance with the provisions thereof on date hereof.

2.2 GoverningLaw; Venue. This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Delaware, other than the conflict of laws provisions of such laws. The parties agree that any dispute arising out of or relating to this Agreement shall be brought in the state courts located in Williamson County, Tennessee or the United States District Court for the Middle District of Tennessee. Each party hereby waives any objection to the personal or subject matter jurisdiction and venue of such courts.

- 2.3 **Headings.**The headings of this Agreement are for the purposes of reference only and shall not affect the construction of the Agreement.
- 2.4 **Effectiveness.**This Agreement shall be deemed fully effective as of the date first above written
- 2.5 **Counterparts.**This Agreement may be executed in one or more counterparts all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive has hereunto set Executive's hand, as of the day and year first above written.

Acadia Management Company, Inc.

By: /s/ Christopher L. Howard
Name: Christopher L. Howard
Title: Vice President and Secretary

EXECUTIVE:

/s/ Debra K. Osteen
Debra K. Osteen

SIDE LETTER TO EMPLOYMENT AGREEMENT

Acadia Management Company, Inc., a Delaware corporation (the “**Company**”), and Debra K. Osteen (the “**Executive**”) hereby acknowledge and agree that that certain Employment Agreement, dated as of January 19, 2021, as amended on December 22, 2021(as amended, the “**Employment Agreement**”), shall remain in effect until March 31, 2022 or until such time it is terminated prior to the expiration of the Term in accordance with Section 4 therein (such period, the “**Term**” and such date, the “**Termination Date**”), subject to the following modifications. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Employment Agreement.

1. Duties

The Company shall continue to employ Executive as Chief Executive Officer (“**CEO**”) of Acadia Healthcare Company, Inc. (“**Acadia**”) until such date during the Term as determined by Acadia’s Board of Directors (the “**Board**”) in its sole discretion (the “**CEO Resignation Date**”), upon which date Executive shall promptly resign, and shall be automatically deemed to have resigned without the requirement of any further action, from her position as CEO of Acadia (such resignation, the “**CEO Resignation**”). During the period of the Term following the CEO Resignation Date (the “**Continued Service Period**”), Executive shall continue to be an employee of the Company and shall make herself available to provide transition services as requested by Acadia’s CEO or Board of Directors (the “**Board**”). Executive will continue to serve as a member of the Board for the remainder of her Board term. For the avoidance of doubt, the CEO Resignation shall not by itself constitute “Good Reason” (and thus trigger Executive’s entitlement to the severance benefits set forth in Section 4(b)) or “Cause” under the Employment Agreement or otherwise be a breach of the Employment Agreement or other agreement.

2. Continued Compensation and Benefits

During the Continued Service Period, Executive shall continue to (i) receive the Base Salary in accordance with Section 3(a) of the Employment Agreement and (ii) be entitled to benefits pursuant to Section 3(e) of the Employment Agreement, in each case, at the same level as Executive was entitled to receive immediately prior to the CEO Resignation Date. For the avoidance of doubt, compensation received by Executive during the Continued Service Period shall continue to be subject to all applicable withholding taxes.

3. Cash Retention Bonus

Subject to Executive’s continued service through March 31, 2022, Executive is entitled to receive a retention bonus (the “**Retention Bonus**”) equal to \$900,000, less all applicable withholding taxes, payable to Executive within thirty (30) days following March 31, 2022. In the event Executive is terminated by the Company without Cause or resigns with Good Reason prior to March 31, 2022, Executive shall be entitled to the full Retention Bonus, less all applicable withholding taxes, payable to Executive within sixty (60) days following the Termination Date.

4. Severance

If Executive’s employment with the Company (i) continues through March 31, 2022 or (ii) is terminated prior to March 31, 2022 by the Company without Cause, due to death or Disability or by the

Executive with Good Reason (as such term is modified above), Executive shall be entitled to receive the severance benefits set forth in Section 4(b) of the Employment Agreement, subject to the terms and conditions set forth therein; provided that reference to January 31, 2022 in Section 4(b)(iii) of the Employment Agreement shall be replaced with March 31, 2022.

5. Treatment of 2019, 2020 and 2021 Equity Awards

The 2019, 2020 and 2021 Awards shall be treated as set forth below: (i) the time or service vesting component(s) of the 2019 and 2020 Awards will be deemed satisfied on January 31, 2022; and (ii) the 2019, 2020 and 2021 Awards subject to performance-based vesting will remain outstanding and eligible to vest based on actual achievement of the applicable performance conditions, subject to the terms and conditions set forth in the applicable award agreement and/or governing documentation.

Dated this 31st day of January, 2022.

Acadia Management Company, Inc.

By: /s/ Christopher L. Howard
Name: Christopher L. Howard
Title: Vice President and Secretary

EXECUTIVE:

/s/ Debra K. Osteen
Debra K. Osteen