

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): June 7, 2024 (June 6, 2024)

Carriage Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-11961
(Commission
File Number)

76-0423828
(IRS Employer
Identification No.)

3040 Post Oak Boulevard, Suite 300
Houston, Texas 77056
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code:
(713) 332-8400

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 communication 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	Name of each exchange on which registered
Common Stock, par value \$.01 per share	CSV	New York Stock Exchange

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 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

(b) Resignation of L. Kian Granmayeh as Principal Financial Officer

On June 6, 2024, L. Kian Granmayeh informed Carriage Services, Inc. (the “Company”) that he would resign from his position as Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) of the Company effective July 1, 2024 (the “Effective Date”). Mr. Granmayeh’s resignation is not the result of any disagreement with the Company or its Board of Directors (the “Board”) on any matter relating to its operations, policies, or practices, including any matters concerning the Company’s controls or any financial or accounting-related matters or disclosures. The Company has engaged an executive search firm to help identify a Chief Financial Officer with the financial sophistication necessary to help drive and execute on the Company’s long-term strategic growth plan.

Related to Mr. Granmayeh’s resignation, Mr. Granmayeh and the Company have entered into a release and separation agreement (the “Separation Agreement”) which provides for, (i) a one-time payment; (ii) the continuation of certain salary payments to Mr. Granmayeh for twelve (12) months following the Effective Date; and (iii) consultant payments for a six-month period following the Effective Date. The Separation Agreement, which terminates Mr. Granmayeh’s employment agreement with the Company as of the Effective Date, contains customary release, confidentially, non-competition and non-disparagement provisions.

The foregoing summary of the Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Separation Agreement, a copy of which is filed as Exhibit 10.1 hereto and incorporated by reference.

(c) Appointment of Kathryn Shanley as Interim Principal Financial Officer

In connection with Mr. Granmayeh’s resignation, the Company’s Board appointed Kathryn Shanley as the Company’s interim Principal Financial Officer, effective June 6, 2024, until a permanent replacement is identified. Ms. Shanley, age 55, has been the Company’s Chief Accounting Officer (Principal Accounting Officer) since March 25, 2024, when she joined the Company. In this interim role, Ms. Shanley will serve as both the Company’s Principal Financial Officer and Principal Accounting Officer. Prior to joining Carriage, Ms. Shanley served as the Assistant Vice President and Assistant Controller for Service Corporation International (“SCI”) from 2014 to 2024 and Director of Operational Accounting from 2011 to 2014. Ms. Shanley joined SCI in 1994 and held various roles of increasing responsibility, leading SCI’s financial reporting, general accounting, and auditing functions. Ms. Shanley is a Certified Public Accountant and has an M.S. and B.S. in Business Administration from LeTourneau University.

No new compensatory arrangements will be entered into with Ms. Shanley in connection with her appointment as the Company’s interim Principal Financial Officer. There are no arrangements or understandings between Ms. Shanley and any other persons pursuant to which she was selected as interim Principal Financial Officer. There are no family relationships between Ms. Shanley and any director or executive officer of the Company, and there are no related transactions between the Company and Ms. Shanley that would require disclosure under Item 404(a) of Regulations S-K under the Securities Exchange Act of 1934, as amended.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

The following are furnished as part of this Current Report on Form 8-K:

<u>Exhibit</u>	<u>Description</u>
10.1	Release and Separation Agreement, dated June 6, 2024, between L. Kian Granmayeh and Carriage Services, Inc.
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document
104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Carriage Services, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARRIAGE SERVICES, INC.

Dated: June 7, 2024

By: /s/ Steven D. Metzger
Steven D. Metzger
President and Secretary

RELEASE AND SEPARATION AGREEMENT

This **RELEASE AND SEPARATION AGREEMENT** (the "**Agreement**") is made and entered into by L. Kian Granmayeh ("**Employee**") and Carriage Services, Inc., its past, present and future subsidiaries, parents, and affiliates and their respective past, present, and future employees, officers, directors, agents and insurers (hereinafter collectively referred to as the "**Company**").

WHEREAS, Employee and Company entered into an employment agreement dated March 13, 2023; a first amendment to that employment agreement on February 21, 2024; and a second amendment to that employment agreement on April 30, 2024 (hereinafter collectively referred to as the "**Employment Agreement**"); and

WHEREAS, Employee has advised Company of his intent to resign his employment, effective as of July 1, 2024 (the "**Separation Date**"), and terminate the Employment Agreement concurrently; and

WHEREAS, both Employee and Company wish to settle all issues and potential issues which relate, or may relate to, Employee's employment with, and departure from, the Company, including but not limited to, those arising under the Employment Agreement.

NOW, THEREFORE, Company and Employee agree as follows, in consideration of the mutual covenants and obligations contained herein, and intending to be legally held bound:

1. EMPLOYEE'S RESIGNATION. Employee hereby irrevocably resigns his employment and will cease to be employed by the Company effective as of the Separation Date. In addition, Employee hereby resigns his positions as Executive Vice President, Chief Financial Officer and Treasurer for Carriage Services, Inc. and any officer or director position Employee may hold for the Company's subsidiaries and affiliates, in each case as of the Separation Date, or earlier if effectuated by a separate action. As of the Separation Date, Employee specifically waives all rights to any additional bonus and/or awards, vesting or payment under the Company's 2017 Omnibus Incentive Plan or any other current or past plan or policy of the Company, except as may otherwise be expressly set out in this Agreement. As of the Separation Date, all of Employee's rights under the Employment Agreement are terminated and Employee hereby waives all such rights he may have had under the Employment Agreement prior to the Separation Date.

2. CONSIDERATION. In consideration for the releases and other covenants set forth in this Agreement, after this Agreement becomes effective, the Company agrees to provide Employee the following:

a. Company will continue to pay Employee's base salary at the biweekly rate of Nineteen Thousand Two Hundred Thirty Dollars and Seventy-Seven Cents, (\$19,230.77) for twenty-six (26) bi-weekly pay periods following the Separation Date (the "**Continued Salary**"). The Continued Salary shall total \$500,000.00. The first payment will be paid on the first regular, bi-weekly Company payroll date following the Separation Date. The Company shall have the right to deduct from any payment of compensation to the Employee hereunder, any federal, state or local taxes required by law to be withheld with respect to such payments, and any other amounts specifically authorized to be withheld or deducted by the Employee.

b. Company will pay Employee a lump sum amount of Two Hundred Fifty Thousand Dollars and No Cents (\$250,000.00) upon the execution of this Agreement by both Employee and Company.

c. Company will pay Employee a monthly fee of Twenty Thousand Dollars (\$20,000.00) (the "**Consultant Fee**") for six months following the Separation Date to provide consultant services to the Company, as more fully described in Section 10 of this Agreement. The monthly Consultant Fee will be paid at the same time as the first Continued Salary payment of each month for the first six months following the Separation Date.

d. If Employee becomes eligible to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**") and properly elects such coverage, the Company shall reimburse the Employee, or pay on the Employee's behalf, 100% of applicable medical continuation premiums for the benefit of the Employee (and his covered dependents as of the date of his Separation, if any) under the Employee's then-current plan election, with such coverage to be provided under the closest comparable plan as offered by the Company from time to time, for so long during the 18-month period following the Separation Date as Employee remains eligible for, and elects, COBRA coverage.

e. Employee shall retain all vested equity awards. All unvested equity awards will be cancelled as of the Separation Date and Employee shall have no rights or claims with respect to any unvested equity awards.

f. If Employee dies at any time while the Company is paying consideration pursuant to Section 2, the Company shall continue making the remaining payments under Section 2 to the Employee's estate. Such payments to the Employee's estate shall be made in the same manner and at the same times as they would have been paid to the Employee had he not died.

Employee acknowledges and agrees that the consideration outlined above constitutes fair and adequate compensation for the promises and covenants of Employee set forth in this Agreement.

3. EMPLOYEE'S RELEASE OF CLAIMS. For and in consideration of the Consideration as described in Section 2 of this Agreement, Employee hereby irrevocably and unconditionally releases, forever discharges, and covenants not to sue, or bring any other legal action against the Company with respect to any and all claims and causes of action of any nature, both past and present, known and unknown, foreseen and unforeseen, which Employee has, or which could be asserted on his behalf by any other person or entity, resulting from or relating to any act or omission of any kind occurring on or before the date of the execution of this Agreement. Employee understands and agrees that this Release includes, but is not limited to, the following:

a. All claims and causes of action arising under contract, tort or other common law, including, without limitation, breach of contract, fraud, estoppel, misrepresentation, express or implied duties of good faith and fair dealing, wrongful discharge, discrimination, retaliation, harassment, negligence, gross negligence, false imprisonment, assault and battery, conspiracy, intentional or negligent infliction of emotional distress, slander, libel, defamation, refusal to perform an illegal act and invasion of privacy;

b. All claims and causes of action arising under any federal, state, or local law, regulation, or ordinance, including without limitation, the Civil Rights Act of 1964, as amended, the Americans With Disabilities Act, the Fair Labor Standards Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, and relevant state laws, as well as any claims for wages, employee benefits, vacation pay, severance pay, pension or profit sharing benefits, health or welfare benefits, bonus compensation, vesting of stock options, restricted stock,

commissions, deferred compensation or other remuneration, or employment benefits or compensation;

c. All claims and causes of action for past or future loss of pay or benefits, expenses, damages for pain and suffering, mental anguish or emotional distress damages, liquidated damages, punitive damages, compensatory damages, attorney's fees, interest, court costs, physical or mental injury, damage to reputation, and any other injury, loss, damage, or expense or any other legal or equitable remedy of any kind whatsoever; and

d. All claims and causes of action arising out of or in any way connected with, directly or indirectly, Employee's employment with the Company, or any incident thereof, including, without limitation, Employee's treatment by the Company; the terms and conditions of the Employee's employment; and the separation of Employee's employment.

4. RETURN OF COMPANY PROPERTY. Employee shall return, in good working order, all property of the Company that is in his possession, custody or control on or before July 1, 2024. Such property includes, but is not limited to, keys, computers, cell phones, software, calculators, equipment, credit cards, forms, files, manuals, correspondence, business cards, personnel data, lists of or other information regarding customers, contacts and/or employees, contracts, contract information, agreements, leases, plans, brochures, catalogues, training materials, computer tapes and diskettes or other portable media.

5. TAX ISSUES. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes as may be required pursuant to any law or governmental regulation or ruling, and all other normal employee deductions made with respect to the Company's employees generally. All determinations required to be made under this Section 5 shall be made by the Company.

6. NON-ADMISSION. Employee and Company agree that this Agreement and the consideration provided to Employee by the Company is not an admission by either party of any violation of the other party's rights or of any violation of contract or statutory or common law.

7. NON-DISPARAGEMENT. Employee and Company mutually agree not to, directly or indirectly, make, publish, or communicate or cause to be made, published or communicated, to anyone any remark, statement or comment, orally or in writing, criticizing or disparaging the other party.

8. NON-COMPETITON AND NON-SOLICITATION. Employee hereby agrees that for a period of one (1) year following the Separation Date, Employee shall not, directly or indirectly,

(a) alone or for his own account, or as an officer, director, shareholder, partner, member, trustee, employee, consultant, advisor, agent or any other capacity of any corporation, partnership, joint venture, trust, or other business organization or entity, encourage, support, finance, be engaged in, interested in, or concerned with, any business within the deathcare industry having a funeral home, cemetery, crematory, or office within a radius of fifty (50) miles of any funeral home, cemetery, or other deathcare business owned or operated by the Company or any of its affiliates;

(b) induce or assist anyone in inducing in any way, any employee of the Company or any of its affiliates who he had contact with during his employment or knew of by

virtue of his employment with the Company, to resign or sever his or her employment or to breach an employment contract with the Company or any affiliate; or

(c) own, manage, advise, operate, join, control, or participate in the ownership, management, operation, or control of, or be connected in any manner with, any business which is or may be in the funeral, mortuary, crematory, cemetery, or burial insurance business or in any business related thereto within a radius of fifty (50) miles of any funeral home, cemetery, or other deathcare business owned or operated by the Company or any of its affiliates.

The foregoing covenants shall not be held invalid or unenforceable because of the scope of the territory or actions subject hereto or restricted hereby, or the period of time within which such covenants respectively are operative, but the maximum territory, the action subject to such covenants and the period of time they are enforceable are subject to any determination by a final judgment of any court which has jurisdiction over the parties and subject matter. Employee acknowledges that these provisions were contained in his Employment Agreement and that the consideration for these provisions includes consideration provided in connection with his execution of the Employment Agreement and during his employment with the Company, in addition to the additional consideration provided for in this Agreement. Employee agrees not to challenge the enforceability of these restrictions for any reason, including that they are overly broad or that he received insufficient consideration. Employee acknowledges the enforceability of these restrictions and agrees to comply with them.

9. CONTINUING OBLIGATIONS. Employee acknowledges that in the course of his employment with the Company he has obtained confidential and proprietary information including, but not limited to, financial, accounting, business, product, customer and marketing information, plans, lists, agreements, forecasts, trade secrets, management methods, operating techniques, strategies, prospective acquisitions, reports, studies, analyses, this Agreement, and other confidential information and knowledge concerning the business of the Company (collectively "**Confidential Information**"). Employee acknowledges and agrees that he has a continuing obligation to maintain the confidentiality of all such non-public information, even after the Separation Date. Employee understands and acknowledges that the Employee's obligations under this Agreement regarding Confidential Information begin immediately and shall continue until the Confidential Information has become public knowledge other than as a result of the Employee's breach of this Agreement or a breach by those acting in concert with the Employee or on the Employee's behalf.

10. CONSULTANT SERVICES. Employee agrees to provide consulting services to the Company, as requested and directed by the Company, for six months following the Separation Date (the "**Consultant Period**"). The Consultant Period shall include, but not be limited to, Employee providing assistance to, and cooperation with, the Company as it relates to the successful onboarding of a new Chief Financial Officer and other transition related requests.

11. COOPERATION. Employee acknowledges and agrees that from and after the Separation Date, he will cooperate fully with the Company, its officers, employees, agents, affiliates and attorneys in the defense or prosecution of, or in preparation for the defense or prosecution of any lawsuit, dispute, investigation, or other legal proceedings ("**Proceedings**"). Employee further acknowledges and agrees that he will cooperate fully with the Company, its officers, employees, agents, affiliates, and attorneys on any matter related to Company business ("**Matters**") that occurred during the period of Employee's employment or were otherwise impacted by Employee's employment.

Such cooperation shall include providing true and accurate information or documents concerning, or affidavits or testimony about, all or any matters at issue in any Proceedings/Matters as shall from time to time be requested by the Company and shall be with the knowledge of Employee. Such cooperation shall be provided by Employee without remuneration, but Employee shall be entitled to reimbursement for all reasonable and appropriate out of pocket expenses incurred by him in so cooperating, including, by way of example and not by way of limitation, airplane fares, hotel accommodations, meal charges and other similar expenses to attend Proceedings/Matters outside of the city of Employee's residence. The reasonable fees and expenses of Employee shall be reimbursed by the Company on a regular, periodic basis upon presentation by Employee of a statement and receipts in accordance with the Company's customary practices and policies; provided, however, that such reimbursement will be paid no later than December 31st of the calendar year following the calendar year in which Employee incurred the expense. In the event Employee is asked by a third party to provide information regarding the Company or is called other than by the Company to testify in any Proceeding/Matter related to the Company, he will notify the Company as soon as possible to give the Company a reasonable opportunity to respond and/or participate in such Proceeding/Matter.

12. REMEDIES. In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to all other available remedies, a temporary restraining order, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief.

If Employee fails to comply with any of the terms of this Agreement or post-employment obligations contained in it, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to the Employee under the provisions of this Agreement or terminate any benefits or payments that are later due under this Agreement, without waiving the releases provided herein.

Company and Employee acknowledge and agree that the prevailing party shall be entitled to payment of its attorneys' fees and other costs and expenses incurred in enforcing this provision of the Agreement and/or in prosecuting any counterclaim or cross-claim based on this provision of the Agreement.

13. FEES AND COSTS. Except as otherwise set forth in this Agreement, the parties shall bear their own attorneys' fees and costs.

14. CHOICE OF LAW/VENUE. This Agreement and any action, cause of action, claim, controversy or dispute of any kind (whether at law, in equity, in contract, in tort or otherwise) that may be based upon, arise out of, or relate to this Agreement, or the negotiation, execution or performance of this Agreement or the rights, duties and relationship of the parties hereto, shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas or federal law, where applicable, without regard to the conflict of law principles of any jurisdiction. In the event there shall be any dispute arising out of the terms and conditions of, or in connection with, this Agreement, the party seeking relief shall submit such dispute to the United States District Court for the Southern District of Texas or, if federal jurisdiction is lacking or the court declines or abstains from taking jurisdiction, the District Courts of Harris County, Texas.

15. ENTIRE AGREEMENT. It is expressly understood and agreed that this Agreement embodies the entire agreement between the Parties relating to Employee's employment

by the Company and all other matters arising between Company and Employee prior to the date and time of execution hereof, and supersedes all prior agreements, including the Employment Agreement, arrangements, or understandings between and among the Parties.


No oral understandings, statements, promises, terms, conditions, obligations, or agreements contrary or in addition to the terms of this Agreement exist. This Agreement may not be changed by oral representations and may only be amended by written instrument executed by a duly authorized representative of each of the Parties, or their respective successors or assigns. If any part of this Agreement is found to be illegal or unenforceable by any agency or court, the remaining provisions shall continue in full force and effect.

16. COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

17. OTHER REPRESENTATIONS: EMPLOYEE HEREBY REPRESENTS AND CERTIFIES THAT HE: (1) HAS CAREFULLY READ ALL OF THIS AGREEMENT; (2) HAS BEEN GIVEN A FAIR OPPORTUNITY TO DISCUSS AND NEGOTIATE THE TERMS OF THIS AGREEMENT; (3) UNDERSTANDS ITS PROVISIONS; (4) HAS BEEN ADVISED IN WRITING AND GIVEN THE OPPORTUNITY TO SEEK ADVICE AND CONSULTATION WITH ATTORNEYS REGARDING THIS AGREEMENT; (5) HAS DETERMINED THAT IT IS IN HIS BEST INTERESTS TO ENTER INTO THIS AGREEMENT; (6) HAS NOT BEEN INFLUENCED TO SIGN THIS AGREEMENT BY ANY STATEMENT OR REPRESENTATION BY THE COMPANY NOT CONTAINED IN THIS AGREEMENT; AND (7) ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY.

We the undersigned do hereby sign and agree to the terms set forth in the Release and Separation Agreement, on the dates set forth below:

COMPANY:



Carlos R. Quezada
Carriage Services, Inc.
Chief Executive Officer

6/6/2024
Date Signed

EMPLOYEE:



L. Kian Granmayeh

June 6, 2024
Date Signed

