
**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 16, 2019

VERA BRADLEY, INC.

(Exact name of registrant as specified in its charter)

Indiana
(State or Other Jurisdiction
of Incorporation)

001-34918
(Commission
File Number)

27-2935063
(IRS Employer
Identification No.)

**12420 Stonebridge Road,
Roanoke, Indiana**
(Address of Principal Executive Offices)

46783
(Zip Code)

(877) 708-8372
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of exchange where registered
Common Stock	VRA	NASDAQ Global Select Market

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.

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in Item 2.01 regarding the Put/Call Agreement (as defined below) is incorporated by reference into this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As previously disclosed, on June 19, 2019, Vera Bradley, Inc. (the “Company”) and certain of its subsidiaries entered into an Interest Purchase Agreement (the “Interest Purchase Agreement”) with Creative Genius, Inc., a California corporation which was reorganized as a California limited liability company on July 3, 2019 that is engaged in the business of designing, marketing and distributing bracelets, jewelry and other related accessories primarily through its e-commerce site, subscription club and wholesale channels (“Pura Vida”), and certain affiliates of Pura Vida. Pursuant to the Interest Purchase Agreement, on July 16, 2019, the Company indirectly acquired a seventy-five percent (75%) ownership interest in Pura Vida (the “Transaction”) in exchange for cash consideration of approximately \$75 million, subject to certain adjustments and escrowed funds, including with respect to working capital and closing indebtedness. In accordance with the Interest Purchase Agreement, the Company also agreed to a contingent payment of up to \$22.5 million payable during the first quarter of calendar year 2020 based on 2019 adjusted EBITDA of Pura Vida, as defined in the Interest Purchase Agreement. The Company’s existing available cash, cash equivalents, and investments funded the purchase price due at the closing of the Transaction.

On July 16, 2019, as contemplated by the Interest Purchase Agreement, the Company and certain of its subsidiaries and the owners of the remaining twenty-five percent (25%) ownership interest in Pura Vida (the “Sellers”) which was not indirectly acquired by the Company (the “Remaining Pura Vida Interest”) entered into a Put/Call Agreement (the “Put/Call Agreement”). Pursuant to the Put/Call Agreement, and subject to the terms and conditions thereof, the Sellers have the right to sell all of the Remaining Pura Vida Interest to the Company, and the Company has the right to purchase all of the Remaining Pura Vida Interests from Sellers, in each case generally at any time following the fifth anniversary of the closing date of the Transaction until the tenth anniversary thereof. The purchase price for any Remaining Pura Vida Interest put to, or called by, the Company will be determined based on the arithmetic average of a multiple of adjusted EBITDA of Pura Vida and a multiple of adjusted EBITDA of the Company, as defined in the Put/Call Agreement, over the twelve-month period ending on the last day of the month immediately preceding the month in which an exercise notice is delivered by a relevant party. The parties may exercise their put and call rights prior to the fifth anniversary of the closing date in the event of a change in control of the Company (as defined in the Put/Call Agreement) with respect to 25% or 50% of the Remaining Pura Vida Interest depending upon the timing of the change in control.

The foregoing descriptions of the Interest Purchase Agreement and the Put/Call Agreement do not purport to be complete and are qualified in their entirety by the terms and conditions of those agreements, copies of which will be filed as exhibits to the Company’s Quarterly Report on Form 10-Q for the period ending August 3, 2019.

Item 7.01 Regulation FD Disclosure.

On July 16, 2019, the Company issued a press release announcing the completion of the Transaction, a copy of which is attached to this Current Report on Form 8-K as Exhibit 99.1, and is incorporated herein by reference. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The Company intends to file the financial statements of Pura Vida required by Item 9.01(a) as part of an amendment to this Current Report on Form 8-K not later than 71 calendar days after the date that this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

The Company intends to file the pro forma financial information required by Item 9.01(b) as part of an amendment to this Current Report on Form 8-K not later than 71 calendar days after the date that this Current Report on Form 8-K is required to be filed.

(d) Exhibits.

[99.1](#) [Press Release dated July 16, 2019](#)

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 thereunto duly authorized.

Vera Bradley, Inc.
(Registrant)

July 16, 2019

/s/ Mark C. Dely

Mark C. Dely
Chief Administrative Officer



Vera Bradley

VERA BRADLEY COMPLETES ACQUISITION OF MAJORITY OWNERSHIP OF PURA VIDA

FOR IMMEDIATE RELEASE

FORT WAYNE, Ind., July 16, 2019 - Vera Bradley, Inc. (NASDAQ: VRA; “Vera Bradley” or the “Company”), a leading American bag and luggage company and iconic lifestyle brand, today announced it has completed the acquisition of a 75% interest in Creative Genius, Inc., which also operates under the name Pura Vida Bracelets (“Pura Vida”). Pura Vida is a rapidly growing, digitally native, and highly engaging lifestyle brand that deeply resonates with its loyal consumer following. The Pura Vida brand has a differentiated and expanding offering of bracelets, jewelry, and other lifestyle accessories.

Robert Wallstrom, Chief Executive Officer of Vera Bradley, said, “We are thrilled to complete the Pura Vida acquisition. Pura Vida is a terrific fit for Vera Bradley as we move into the second phase of our Vision 20/20 three-year strategic plan and focus on growth. The acquisition will grow revenues, expand our customer community, and diversify our business, which we believe will result in increased shareholder value.”

“We will provide each other invaluable support as we grow our brands together,” Wallstrom continued. “Vera Bradley will be able to leverage Pura Vida’s expertise around digital marketing and social customer engagement, and Pura Vida will be able to leverage our infrastructure and back office support capabilities. We are thrilled to partner with founders Griffin Thall and Paul Goodman to help guide the brand to new heights.”

Strategic Rationale

Vera Bradley and Pura Vida are highly complementary businesses. Both companies have devoted, emotionally-connected, and multi-generational customer bases; alignment as casual, comfortable, affordable, and fun lifestyle brands; positioning as “gifting” and socially-connected brands; strong, entrepreneurial cultures and shared values of ingenuity, tenacity, and optimism; a keen focus on community, charity, and social consciousness; complementary, multi-channel distribution strategies; and talented core leadership teams aligned and committed to the long-term success of their brands.

Vera Bradley values Pura Vida’s unique positioning as a digitally-native brand with a loyal and growing consumer following. Pura Vida will be able to utilize Vera Bradley’s infrastructure to support its growth.

Pura Vida has a strong growth profile, and the transaction is expected to be accretive to the Company’s earnings in fiscal 2020 (fiscal year ending February 1, 2020). Forward-looking guidance will be presented in conjunction with the Company’s second quarter earnings release scheduled for September 4, 2019.

Transaction Details

Vera Bradley purchased its 75% ownership interest in Pura Vida for a cash consideration of \$75 million and up to \$22.5 million in incremental earnout cash consideration, subject to certain performance-based targets for calendar year 2019. Vera Bradley’s existing available cash, cash equivalents, and investments funded 100% of the purchase price paid to date. Vera Bradley has the right, and potentially the obligation, to acquire the remaining 25% stake in Pura Vida, in each case generally commencing five years post-closing.

Pura Vida will operate as a subsidiary of Vera Bradley from its current headquarters in La Jolla, California, and will continue to be led by Thall and Goodman.

About Vera Bradley

Vera Bradley is a leading designer of women's handbags, luggage and travel items, fashion and home accessories, and unique gifts. Founded in 1982 by friends Barbara Bradley Baekgaard and Patricia R. Miller, the brand's innovative designs, iconic patterns, and brilliant colors continue to inspire and connect women unlike any other brand in the global marketplace.

Vera Bradley offers a multi-channel sales model as well as a focus on service and a high level of customer engagement. The Company sells its products through two reportable segments: Direct and Indirect. The Direct business consists of sales of Vera Bradley products through the Company's full-line and factory outlet stores, verabradley.com, the Company's online outlet site, and its annual outlet sale in Fort Wayne, Indiana. The Indirect business consists of sales of Vera Bradley products to approximately 2,200 specialty retail locations, substantially all of which are located in the United States, as well as sales to select department stores, national accounts, third party e-commerce sites, and third-party inventory liquidators, and royalties recognized through licensing agreements.

The Company's commitment to bringing more beauty into women's lives includes its dedication to breast cancer research through the Vera Bradley Foundation for Breast Cancer for which they have raised over \$32 million to date.

For more information about Vera Bradley, visit www.verabradley.com or follow the brand @VeraBradley on Twitter and Instagram.

About Pura Vida

Griffin Thall and Paul Goodman, two Southern California friends traveling through Costa Rica on a post-college graduation trip in 2010, crossed paths with two bracelet artisans, Jorge and Joaquin, who were living in poverty. Jorge and Joaquin made beautiful, colorful handmade bracelets that seemed to capture the essence of their journey. Thall and Goodman asked the artisans to make 400 bracelets to take home with them.

Upon returning to San Diego, the pair placed the bracelets in a local boutique. Within days, the bracelets sold out and customers were clamoring for more. So, Pura Vida, which means "pure life" in Spanish and is a philosophy that encourages the appreciation of life's simple treasures, was born. Today, millions of people around the world wear the bracelets, and Pura Vida's artisan community has expanded from Costa Rica to El Salvador, India, and more.

Giving back is a core belief at Pura Vida and the impetus for the Pura Vida Charity Collection. Since 2010, Pura Vida has partnered with over 174 different charities around the world and has donated more than \$1.7 million to causes they believe in.

Pura Vida has expanded its collection from bracelets to other jewelry items and accessories. Visit www.PuraVidaBracelets.com for more information or follow the brand @puravidabrac on Twitter or @puravidabracelets on Instagram.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Such statements involve risks, uncertainties, and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of Vera Bradley, Inc. and its subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements regarding the expected benefits and costs of the Pura Vida acquisition. Risks, uncertainties, and assumptions include the possibility that acquisition benefits may not materialize as expected; that Pura Vida's business may not perform as expected; that the parties are unable to successfully implement integration strategies; and other risks that are described in Vera Bradley's latest Annual Report on Form 10-K and its other filings with the SEC. Vera Bradley assumes no obligation and does not intend to update these forward-looking statements.

Contacts

Vera Bradley Investors:

Julia Bentley, VP of Investor Relations and Communications

jbentley@verabradley.com

(260) 207-5116

Vera Bradley Media:

877-708-VERA (8372)

Mediacontact@verabradley.com