

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: July 11, 2016
(Date of earliest event reported)

FEDERATED NATIONAL HOLDING COMPANY
(Exact name of registrant as specified in its charter)

<u>Florida</u> (State or other jurisdiction of incorporation)	<u>000-25001</u> (Commission File Number)	<u>65-0248866</u> (I.R.S. Employer Identification No.)
<u>14050 N.W. 14th Street, Suite 180</u> <u>Sunrise, FL</u> (Address of principal executive offices)		<u>33323</u> (Zip Code)

Registrant's telephone number, including area code: (954) 581-9993

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))

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

(e) Federated National Holding Company (the “Company”), through its Board of Directors, has undertaken a comprehensive review and update of its corporate governance and executive compensation practices. This review and update reflects the Company's significant growth, both in revenues and market capitalization, in recent years and reflects recent developments in corporate governance and executive compensation practices. In that regard, the Company and its Chief Executive Officer and President, Michael H. Braun, have agreed to amend his Second Amended and Restated Employment Agreement dated as of January 18, 2012, as amended (the “Employment Agreement”), to require a “double trigger” for the payment of a change-in-control severance payment under the Employment Agreement and to eliminate Mr. Braun’s automobile allowance.

The foregoing description of the amendments to Mr. Braun’s Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the amendment, a copy of which is attached to this Current Report as Exhibit 10.1.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

(a) Amendment to Bylaws

Also in connection with the Board of Director’s review and update of the Company’s corporate governance practices, the Board of Directors has approved, effective July 11, 2016, amendments to the Company’s Amended and Restated Bylaws (the “Bylaws”), as follows:

- Article II, Section 1 of the Bylaws is amended to clarify that annual meetings of shareholders shall be held on such date and at such time and place as may be approved by the Board of Directors.
- Article II, Section 7 of the Bylaws is amended to provide that in an uncontested election of directors, a director who is unopposed shall be elected if the votes cast for the election of such director by the shareholders represented at the meeting and entitled to vote on the election of such director exceed the votes cast opposing the election of such director. In a contested election of directors, a director whose election is opposed by one or more other candidates shall be elected if such director receives a plurality of the votes cast.

The foregoing description of the amendments to the Bylaws does not purport to be complete and is qualified in its entirety by reference to the complete text of the amendment to the Bylaws, a copy of which is attached to this Current Report as Exhibit 3.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 3.1 Amendment to Amended and Restated Bylaws of Federated National Holding Company
- 10.1 Amendment No. 2 dated July 11, 2016 to Second Amended and Restated Employment Agreement dated as of January 18, 2012, as amended, between Federated National Holding Company and Michael H. Braun

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.

FEDERATED NATIONAL HOLDING COMPANY

Date: July 11, 2016

By: /s/ Michael H. Braun

Name: Michael H. Braun

Title: Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Title</u>
---------------------------	-----------------------------

- | | |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 | Amendment to Amended and Restated Bylaws of Federated National Holding Company |
| 10.1 | Amendment No. 2 dated July 11, 2016 to Second Amended and Restated Employment Agreement dated as of January 18, 2012, as amended, between Federated National Holding Company and Michael H. Braun |

**AMENDMENT
TO THE
AMENDED AND RESTATED BYLAWS
OF
FEDERATED NATIONAL HOLDING COMPANY**

Pursuant to Article X of the Amended and Restated Bylaws (the “Bylaws”) of 21st Century Holding Company, n/k/a Federated National Holding Company (the “Company”), the Bylaws are hereby amended as follows:

1. Article II, Section 1 of the Bylaws is hereby deleted in its entirety and replaced as follows:

Section 1. Annual Meetings. All annual meetings of the shareholders of the Company for the election of directors and for such other business as may properly come before the meeting shall be held on such date or at such time as may be fixed, from time to time, by the Board of Directors, and at such place, within or without the State of Florida, as may be designated by or on behalf of the Board of Directors and stated in the notice of meeting or in a duly executed waiver of notice thereof.

2. Article II, Section 7 of the Bylaws is hereby deleted in its entirety and replaced as follows:

Section 7. Voting. If a quorum is present, action on a matter, other than the election of directors, shall be approved if the votes cast by the shareholders represented at the meeting and entitled to vote on the subject matter favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes or voting by classes is required by Florida law or by the Articles of Incorporation. In an uncontested election of directors, a director who is unopposed shall be elected if the votes cast for the election of such director by the shareholders represented at the meeting and entitled to vote on the election of such director exceed the votes cast opposing the election of such director. In a contested election of directors, a director whose election is opposed by one or more other candidates shall be elected if such director receives a plurality of the votes cast. Elections of directors shall occur in accordance with Article III, Section 3 of these Bylaws. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, unless otherwise provided under the Articles of Incorporation (or any resolution authorizing any class or series of Preferred Stock) or under Florida law.

3. Effective Date. This amendment shall be effective as of the date set forth below.

4. Incorporation of Terms. Each and all of the provisions of this amendment are hereby incorporated into the Bylaws, so that each and all of such provisions shall constitute a part of the Bylaws. In the event of any conflict or inconsistency between the provisions of this amendment, on the one hand, and the provisions of the Bylaws, on the other hand, the provisions of this amendment shall be controlling. Except as specifically modified herein, each and all of the terms and conditions of the Bylaws shall remain in full force and effect, unmodified in any way.

5. Governing Law. This amendment shall be governed by and construed under the laws of the State of Florida.

IN WITNESS WHEREOF, the undersigned officer of the Company hereby certifies that this amendment to the Amended and Restated Bylaws of Federated National Holding Company was duly adopted by the Board of Directors of the Company on the 11th day of July, 2016.

FEDERATED NATIONAL HOLDING COMPANY

By: /s/ Michael H. Braun

Name: Michael H. Braun

Title: Chief Executive Officer and President

**AMENDMENT NO. 2
TO
EMPLOYMENT AGREEMENT**

THIS AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT (the “Amendment”) is entered into effective as of July 11, 2016 (the “Amendment Effective Date”) by and between:

- (i) Michael H. Braun (the “Employee”); and
- (ii) FEDERATED NATIONAL HOLDING COMPANY, a Florida corporation (the “Company”).

P R E L I M I N A R Y S T A T E M E N T

WHEREAS, the Company and the Employee are parties to that certain Second Amended and Restated Employment Agreement dated as of January 18, 2012 (the “Employment Agreement”) and that certain Amended and Restated Non-Competition, Non-Disclosure and Non-Solicitation Agreement dated as of August 5, 2013 (the “Restrictive Covenant Agreement”), each as amended by that certain Amendment to Employment Agreement and Restrictive Covenant Agreement dated as of March 17, 2015 (the “March 2015 Amendment”); and

WHEREAS, in connection with a review and update of the Company’s corporate governance practices, the Company and the Employee desire to amend the Employment Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Capitalized Terms. Capitalized terms used but not defined in this Amendment shall have the meanings as set forth in the Employment Agreement.
- 2. Amendment to Section 4 of Employment Agreement. Section 4(c) of the Employment Agreement is hereby deleted.
- 3. Amendment to Appendix A of Employment Agreement. Clause (7) of the definition of “Good Reason” included in Appendix A to the Employment Agreement is hereby deleted.
- 4. Effect of Amendment. Except as expressly set forth in this Amendment, the provisions of the Employment Agreement and the Restrictive Covenant Agreement, each as amended by the March 2015 Amendment, shall be unmodified and remain in full force and effect.
- 5. Injunction. It is recognized and hereby acknowledged by the parties hereto that a breach by the Employee of the covenants set forth in this Amendment will cause irreparable harm and damage to the Company, the monetary amount of which may be virtually impossible to ascertain. As a result, the Employee recognizes and hereby acknowledges that the Company shall be entitled to an injunction from any court of competent jurisdiction enjoining and restraining any violation of the covenants contained in this Amendment by the Employee or any of his affiliates, associates, partners or agents, either directly or indirectly, and that such right to injunction shall be cumulative and in addition to whatever other remedies the Company may possess.
- 6. Entire Agreement; Conflict with Restrictive Covenant Agreement. This Amendment, the Employment Agreement, the Restrictive Covenant Agreement and the March 2015 Amendment constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, letters and understandings relating to the subject matter hereof. If any provision of this Amendment shall conflict with the Employment Agreement, the Restrictive Covenant Agreement or the March 2015 Amendment, the terms of

this Amendment shall control.

7. Amendment. This Amendment may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the party or parties against whom enforcement of any such amendment, supplement or modification is sought.

8. Choice of Law. This Amendment will be interpreted, construed and enforced in accordance with the laws of the State of Florida, without giving effect to the application of the principles pertaining to conflicts of laws.

9. Effect of Waiver. The failure of any party at any time or times to require performance of any provision of this Amendment will in no manner affect the right to enforce the same. The waiver by any party of any breach of any provision of this Amendment will not be construed to be a waiver by any such party of any succeeding breach of that provision or a waiver by such party of any breach of any other provision.

10. Severability. The invalidity, illegality or unenforceability of any provision of this Amendment will not affect any other provision of this Amendment, which will remain in full force and effect, nor will the invalidity, illegality or unenforceability of a portion of any provision of this Amendment affect the balance of such provision. In the event that any provision of this Amendment shall for any reason be held to be invalid, illegal or unenforceable in any respect, the parties agree that this Amendment shall be modified, reformed, construed and enforced so that such invalid, illegal or unenforceable provision is enforceable and comes closest to expressing the intention of the unenforceable provision.

11. Enforcement. Should it become necessary for any party to institute legal action to enforce the terms and conditions of this Amendment, the successful party will be awarded reasonable attorneys' fees at all trial and appellate levels, expenses and costs. Any suit, action or proceeding with respect to this Amendment shall be brought in the courts of Broward County in the State of Florida or in the U.S. District Court for the Southern District of Florida. Each party hereto consents to service of process by any means authorized by the applicable law of such forum and each party irrevocably waives, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Venue for any such action, in addition to any other venue permitted by statute, will be Broward County, Florida. The parties hereto hereby irrevocably waive, to the fullest extent permitted by law, any objection that any of them may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment or any judgment entered by any court in respect thereof brought in Broward County, Florida, and hereby further irrevocably waive any claim that any suit, action or proceeding brought in Broward County, Florida, has been brought in an inconvenient forum.

12. Assignment; Binding Effect. This Amendment may not be assigned by the Employee. This Amendment may be assigned by the Company, in whole or in part, without the consent of the Employee. This Amendment shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, successors and permitted assigns.

13. Counterparts. This Amendment may be executed in one or more counterparts, including by facsimile or other electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered when sent by facsimile with receipt confirmed or when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or by overnight courier, addressed to the Employee at the address currently on record with the Company and to the Company at 14050 N.W. 14th Street, Suite 180, Sunrise, FL 33323, or to such other address as either party hereto shall from time to time designate to the other party by notice in writing as provided herein.

15. Voluntary Execution. Employee acknowledges that he has read and understands this Amendment, has had an opportunity to consult with an attorney, and signs this Amendment voluntarily, without coercion, based upon his own judgment and not in reliance upon any representations or promises other than those set forth herein.

IN WITNESS WHEREOF, this Amendment has been duly signed by the parties hereto effective as of the day and year first above written.

FEDERATED NATIONAL HOLDING COMPANY

By: /s/ Bruce F. Simberg
Name: Bruce F. Simberg
Title: Chairman of the Board

EMPLOYEE

/s/ Michael H. Braun
Name: Michael H. Braun