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**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) March 17, 2015



**LANDSTAR SYSTEM, INC.**

(Exact name of registrant as specified in its charter)

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

**021238**  
(Commission  
File Number)

**06-1313069**  
(I.R.S. Employer  
Identification No.)

**13410 Sutton Park Drive South, Jacksonville, Florida**  
(Address of principal executive offices)

**32224**  
(Zip Code)

**(904) 398-9400**  
(Registrant's telephone number, including area code)

N/A  
(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:

- ☐ 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))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) On March 17, 2015, and in connection with the previously announced promotion of James B. Gattoni to the position of Chief Executive Officer of Landstar System, Inc. (the “Company”), the Company and Mr. Gattoni entered into an agreement granting to Mr. Gattoni, as of May 1, 2015, a performance-related stock award under the Company’s 2011 Equity Incentive Plan in the form of 20,000 restricted stock units. In general, the award will vest on April 30 of 2019, 2020, and 2021, with the number of units that vest on each vesting date determined by multiplying one-third of the number of units credited to Mr. Gattoni pursuant to the award by a “payout percentage” that is based on the Company’s total shareholder return (TSR) compound annual growth rate (CAGR) over the vesting period, adjusted to reflect dividends (if any) paid during such period, and as may be necessary to take into account capital adjustments. The “payout percentage” as of each vesting date is as follows, with straight line interpolation between performance levels:

Performance Level	If TSR CAGR is:	Then the Payout Percentage is:
Maximum	12.0% or greater	150%
Target	10.0%	100%
Threshold	8.0%	50%
<Threshold	Less than 8.0%	0%

To the extent units are not vested at the maximum level in the chart above as of the first or second vesting dates, such units will again be eligible to vest at the next vesting date based on the “payout percentage” achieved as of such next vesting date. In addition, if any dividends are paid by the Company during the vesting period, dividend equivalents will be credited to Mr. Gattoni under the award as additional units that are eligible to vest based on the “payout percentage” achieved as of the future vesting dates of the underlying restricted stock units to which such dividend equivalents relate. Any units that vest will be settled in shares of Company common stock as soon as practicable after the applicable vesting date. Any units that do not become vested as of April 30, 2021 (or earlier upon Mr. Gattoni’s termination of employment or a change in control of the Company) will be forfeited.

Mr. Gattoni’s right to receive shares underlying the award is generally conditioned upon his continued employment through the applicable vesting dates. In the event of his death or disability prior to a vesting date, a pro rata number of the units then credited to Mr. Gattoni pursuant to the award (based on the number of days he remained employed during the vesting period) will vest based on the “payout percentage” achieved as of his termination of employment. Similarly, if there is a change in control of the Company prior to a vesting date, a pro rata number of the units then credited to Mr. Gattoni pursuant to the award (based on the number of days during the vesting period prior to the change in control) will vest based on the “payout percentage” achieved as of the date of the change in control.

If the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the compensation committee may, in its discretion after considering the costs and benefits of doing so, recover all or a portion of any shares delivered or payment made that is related to the award during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, to the extent the value of such shares or the amount of such payment exceeds the amount or value that the committee determines would have been payable in respect of the award had the revised financial statement(s) reflected in the restatement been applied to determine such amount or value.

This summary of Mr. Gattoni’s award is not intended to be complete and is qualified in its entirety by the Total Shareholder Return Performance Related Stock Award Agreement, a copy of which is attached hereto as Exhibit 99.1.

Also on March 17, 2015, the Company amended its Executive Incentive Compensation Plan to provide that if the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the Company’s compensation committee may, in its discretion after considering the costs and benefits of doing so, recover that portion of any bonus paid under the plan to any current or former executive officer during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, which exceeds the amount or value that the committee determines would have been payable or received in respect of such bonus had the revised financial statement(s) reflected in the restatement been applied to determine such bonus. This summary of this amendment to the Company’s Executive Incentive Compensation Plan is not intended to be complete and is qualified in its entirety by the copy of the Amendment to the Landstar System, Inc. Executive Incentive Compensation Plan, a copy of which is attached hereto as Exhibit 99.2.

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**Item 9.01    Exhibits**

Exhibit 99.1      Total Shareholder Return Performance Related Stock Award Agreement, dated May 1, 2015

Exhibit 99.2      Amendment to the Landstar System, Inc. Executive Incentive Compensation Plan, dated March 17, 2015

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**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.

LANDSTAR SYSTEM, INC.

Date: March 19, 2015

By: /s/ L. Kevin Stout

Name: L. Kevin Stout

Title: Vice President and Chief Financial Officer

**TOTAL SHAREHOLDER RETURN  
PERFORMANCE RELATED STOCK AWARD AGREEMENT**

This Total Shareholder Return Performance Related Stock Award Agreement (the “**Agreement**”), dated May 1, 2015 (the “**Grant Date**”), is between Landstar System, Inc. (the “**Company**”) and James B. Gattoni (the “**Executive**”).

1. **Grant of Performance Related Stock Award.** This Agreement is entered into pursuant to the Landstar System, Inc. 2011 Equity Incentive Plan (the “**Plan**”), and evidences the grant of a Performance Related Stock Award pursuant to Section 9 of the Plan in the form of 20,000 Restricted Stock Unit Awards (“**PSUs**”). The PSUs and this Agreement are subject to the terms and provisions of the Plan. Capitalized terms that are not otherwise defined in this Agreement have the meanings ascribed to them in the Plan.

2. **Dividend Equivalents.** Dividend equivalents shall be credited to the PSUs each time that a dividend is paid on the Company’s Stock. The aggregate amount of such dividend equivalents so credited in respect of each such dividend shall be equal to the dividend paid on a share of Stock multiplied by the number of PSUs credited to the Executive under this Agreement on the dividend record date. The dividend equivalents shall be converted into additional PSUs, rounded down to the nearest whole number, on the dividend payment date based upon the then Fair Market Value of the Stock, and such PSUs shall be added to the PSUs credited to the Executive under this Agreement.

3. **Total Shareholder Return Vesting Requirement.** Subject to Section 4, Section 5 and Section 6, the PSUs shall vest as follows:

a. **First Tranche.** 6,666 PSUs (the “**First Tranche**”), adjusted to reflect dividends (if any) paid during the period beginning on the Grant Date and ending on April 30, 2019 (the “**First Performance Period**”), and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on April 30, 2019 (the “**First Vesting Date**”) based on the First Performance Period TSR. The “**First Performance Period TSR**” shall be measured as the compound annual growth rate (“**CAGR**”) over the First Performance Period where (i) the beginning value is the average Fair Market Value of a share of Stock for the period beginning on March 1, 2015 and ending on April 30, 2015 (the “**Beginning Value**”) and (ii) the ending value is the average Fair Market Value of a share of Stock for the period beginning on March 1, 2019 and ending on the First Vesting Date, adjusted to reflect dividends (if any) paid during the First Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan. The formula for determining the total number of PSUs in the First Tranche that may vest and become payable will equal the number of PSUs credited to the Executive under this Agreement with respect to the First Tranche as of the First Vesting Date *times* the “**Payout Percentage**” set forth in the TSR Table below.

b. **Second Tranche.** 6,667 PSUs (the “**Second Tranche**”), adjusted to reflect dividends (if any) paid during the period beginning on the Grant Date and ending on April 30, 2020 (the “**Second Performance Period**”), and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on April 30, 2020 (the “**Second Vesting Date**”) based on the Second Performance Period TSR. The “**Second Performance Period TSR**” shall be measured as the CAGR for the Second Performance Period where (i) the beginning value is the Beginning Value and (ii) the ending value is the average Fair Market Value of a share of Stock for the period beginning on March 1, 2020 and ending on the Second Vesting Date, adjusted to reflect dividends (if any) paid during the Second Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan. The formula for determining the total number of PSUs in the Second Tranche that may vest and become payable will equal the number of PSUs credited to the Executive under this Agreement with respect to the Second Tranche as of the Second Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below.

c. **Third Tranche.** 6,667 PSUs (the “**Third Tranche**”), adjusted to reflect dividends (if any) paid during the period beginning on the Grant Date and ending on April 30, 2021 (the “**Third Performance Period**”), and the First Performance Period with respect to the First Tranche, the Second Performance Period with respect to the Second Tranche and the Third Performance Period with respect to the Third Tranche shall be referred to as the “**Applicable Performance Period**”), and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on April 30, 2021 (the “**Third Vesting Date**”), and, for purposes of this Agreement, the First Vesting Date with respect to the First Tranche, the Second Vesting Date with respect to the Second Tranche and the Third Vesting Date with respect to the Third Tranche each constitutes an “**Applicable Vesting Date**”) based on the Third Performance Period TSR. The “**Third Performance Period TSR**” shall be measured as the CAGR for the Third Performance Period where (i) the beginning value is the Beginning Value and (ii) the ending value is the average Fair Market Value of a share of Stock for the period beginning on March 1, 2021 and ending on the Third Vesting Date, adjusted to reflect dividends (if any) paid during the Third Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan. The formula for determining the total number of PSUs in the Third Tranche that may vest and become payable will equal the number of PSUs credited to the Executive under this Agreement with respect to the Third Tranche as of the Third Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below.

d. **Catch Up Vesting.**

i. **First Tranche Initial Catch-Up Vesting Date.** If, on the first Vesting Date, the First Tranche does not vest at the 150% Payout Percentage, the First Tranche, adjusted to reflect dividends (if any) through the Second Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on the Second Vesting Date (the “**First Tranche Initial Catch-Up Vesting Date**”) based on the Second Performance Period TSR, and the formula for determining the total number of PSUs in the First Tranche that may vest and become payable as of the First Tranche Initial Catch-Up Vesting Date will equal the number of PSUs credited to the Executive under this Agreement with respect to the First Tranche as of the First Tranche Initial Catch-Up Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below, *minus* the number of PSUs that vested as of the First Vesting Date.

ii. **First Tranche Final Catch-Up Vesting Date.** If, after operation of Section 3(a) and the forgoing Section 3(d)(i), the First Tranche does not vest as of the First Tranche Initial Catch-Up Vesting Date at the 150% Payout Percentage, the First Tranche, adjusted to reflect dividends (if any) through the Third Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on the Third Vesting Date (the “**First Tranche Final Catch-Up Vesting Date**” and, for purposes of this Agreement, the First Tranche Initial Catch-Up Vesting Date with respect to the First Tranche and the First Tranche Final Catch-Up Vesting Date with respect to the First Tranche each constitutes an “**Applicable Vesting Date**”) based on the Third Performance Period TSR, and the formula for determining the total number of PSUs in the First Tranche that may vest and become payable as of the First Tranche Final Catch-Up Vesting Date will equal the number of PSUs credited to the Executive under this Agreement with respect to the First Tranche as of the First Tranche Final Catch-Up Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below, *minus* the number of PSUs with respect to the First Tranche that vested as of the First Vesting Date and the First Tranche Initial Catch-Up Vesting Date.

iii. **Second Tranche Catch-Up Vesting Date.** If, on the Second Vesting Date, the Second Tranche does not vest at the 150% Payout Percentage, the Second Tranche, adjusted to reflect dividends (if any) through the Third Performance Period, and as may be necessary to take into account capital adjustments described in Section 5.3 of the Plan, shall vest on the Third Vesting Date (the “**Second Tranche Catch-Up Vesting Date**” and, for purposes of this Agreement, the Second Tranche Catch-Up Vesting Date with respect to the Second Tranche constitutes an “**Applicable Vesting Date**”) based on the Third Performance Period TSR, and the formula for determining the total number of PSUs in the Second Tranche that may vest and become payable as of the Second Tranche Catch-Up Vesting Date will equal the number of PSUs credited to the Executive under this Agreement with respect to the Second Tranche as of the Second Tranche Catch-Up Vesting Date *times* the “Payout Percentage” set forth in the TSR Table below, *minus* the number of PSUs with respect to the Second Tranche that vested as of the Second Vesting Date.

e. **TSR Table.** The following TSR Table shall be used for purposes of this Agreement, with straight line interpolation between performance levels:

Performance Level	If Total Shareholder Return CAGR is:	Then the Payout Percentage is:
Maximum	12.0% or greater	150%
Target	10.0%	100%
Threshold	8.0%	50%
<Threshold	Less than 8.0%	0%

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4. **Continuous Employment Requirement.** Except as otherwise determined by the Committee, or except as otherwise provided in Section 5 or Section 6, the PSUs shall vest only if the Executive is continuously employed by the Company from the Grant Date through the Applicable Vesting Date. Except as otherwise determined by the Committee, or except as otherwise provided in Section 5 or Section 6, any PSUs that have not vested as of the date the Executive's employment terminates shall be immediately forfeited and the Executive shall have no further rights under this Agreement following the date as of which the Executive's employment terminates.

5. **Death or Disability.** In the event the Executive's employment terminates as a result of the Executive's death or disability prior to the Change in Control Vesting Date, the Applicable Vesting Date for purposes of Section 3 in respect of the First Tranche, Second Tranche and Third Tranche shall be the date on which the Executive's employment terminates (the "**Death or Disability Vesting Date**"). In any such event, the formula for determining the total number of PSUs that may vest and become payable with respect to each of the First Tranche, Second Tranche and Third Tranche, as applicable, will equal (x) the number of PSUs credited to the Executive under this Agreement with respect to such tranche as of the Death or Disability Vesting Date *times* the Payout Percentage set forth in the TSR Table set forth in Section 3 (provided that the average Fair Market Average for the trailing 60-day period ending on the Death or Disability Vesting Date shall be used to determine the Company's Fair Market Value as of the Applicable Vesting Date instead of the average Fair Market Value of a share of Stock for the period beginning on March 1 and ending on the Applicable Vesting Date), *multiplied* by (y) a fraction, the numerator of which is the number of days from the Grant Date through the Death or Disability Vesting Date and the denominator of which is the number of days in the Applicable Performance Period.

6. **Change in Control.** Subject to the Executive's continued employment through the date such Change in Control occurs, in the event of a Change in Control that occurs prior to the Death or Disability Vesting Date, the Applicable Vesting Date for purposes of Section 3 in respect of the First Tranche, Second Tranche and Third Tranche shall be the date on which the Change in Control occurs (the "**Change in Control Vesting Date**"). In any such event, the formula for determining the total number of PSUs that may vest and become payable with respect to each of the First Tranche, Second Tranche and Third Tranche, as applicable, will equal (x) the number of PSUs credited to the Executive under this Agreement with respect to such tranche as of the Change in Control Vesting Date *times* the Payout Percentage set forth in the TSR Table set forth in Section 3 (provided that the Change in Control Price shall be used to determine the Company's Fair Market Value as of the Applicable Vesting Date instead of the average Fair Market Value of a share of Stock for the period beginning on March 1 and ending on the Applicable Vesting Date) *multiplied* by (y) a fraction, the numerator of which is the number of days from the Grant Date through the Change in Control Vesting Date and the denominator of which is the number of days in the Applicable Performance Period.



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7. **Expiration.** Notwithstanding anything in this Agreement to the contrary, any PSUs that do not vest as of the earlier to occur of (i) April 30, 2021, (ii) the Death or Disability Vesting Date and (iii) the Change in Control Vesting Date (the “**Expiration Date**”) shall expire as of the Expiration Date and the Executive shall have no further rights under this Agreement following the Expiration Date.

8. **Payment.** As soon as practicable after the date as of which the applicable tranche vests (but in no event later than March 15 of the year following such date), a number of shares of Stock represented by the PSUs that have become vested with respect to such tranche shall be issued to the Executive, subject to any withholding for taxes; **provided however**, that in the event of a Change in Control, PSUs shall either (i) be paid in shares of Stock or (ii) be cancelled in exchange for an immediate payment in cash of an amount based upon the Change in Control Price, in the discretion of the Committee. If the Executive dies before the payment due hereunder is made, such payment shall be made to the Executive’s beneficiary.

9. **Shareholder Rights.** The Executive shall have no rights as a shareholder with respect to shares of Stock to which this grant relates. Except as provided in the Plan or in this Agreement, no adjustment shall be made, for dividends or other rights for which the record date occurs while the PSUs are outstanding.

10. **Amendment of Agreement.** The Committee has the right, in its sole discretion, to alter or amend this Agreement from time to time and in any manner for the purpose of promoting the objectives of the Plan, provided that no such amendment shall in any manner adversely affect the Executive’s rights under this Agreement without the Executive’s consent.

11. **Transferability.** The Executive may not, at any time prior to the Applicable Vesting Date, assign, alienate, pledge, attach, sell or otherwise transfer or encumber the PSUs and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable for all purposes.

12. **Clawback.** If the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the Committee may, in its discretion after considering the costs and benefits of doing so, recover all or a portion of any shares of Stock delivered to the Executive that is related to the PSUs during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, to the extent the value of such shares exceeds the value that the Committee determines would have been payable in respect of the PSUs had the revised financial statement(s) reflected in the restatement been applied to determine such amount or value. In the alternative, subject to applicable law, the Committee may seek such excess compensation by requiring the Executive to pay such value to the Company; by set-off; by reducing future compensation; or by such other means or combination of means as the Committee determines to be appropriate.

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13. **Committee Authority.** The Committee shall have complete discretion in the exercise of its rights, powers, and duties under this Agreement, and as set forth in the Plan. Any interpretation or construction of any provision of, and the determination of any question arising under, this Agreement shall be made by the Committee in its discretion. This Agreement is intended to grant the PSUs upon the terms and conditions authorized by the Plan, including, without limitation, the clawback provision set forth in section 13.4 of the Plan and the tax withholding provision set forth in Section 13.3 of the Plan. Any provisions of this Agreement that cannot be so administered, interpreted, or construed shall be disregarded. In the event that any provision of this Agreement is held invalid or unenforceable, such provision shall be considered separate and apart from the remainder of this Agreement, which shall remain in full force and effect.

LANDSTAR SYSTEM, INC.

THE EXECUTIVE

By: /s/ David G. Bannister  
Name: David G. Bannister  
Title: Chair of the Compensation Committee

/s/ James B. Gattoni  
James B. Gattoni

**AMENDMENT TO THE LANDSTAR SYSTEM, INC.  
EXECUTIVE INCENTIVE COMPENSATION PLAN**

This amendment (this “Amendment”) to the Landstar System, Inc. Executive Incentive Compensation Plan (the “Plan”), is hereby adopted by the Compensation Committee (the “Committee”) of the Board of Directors of Landstar System Inc. (the “Company”).

WHEREAS, the Company maintains the Plan to enable the Company and its subsidiaries to attract, retain, motivate and reward the best qualified executive officers and key employees by providing them with the opportunity to earn competitive compensation directly linked to the Company’s performance;

WHEREAS, the Committee has determined that it is in the best interests of the Company to amend the Plan to provide that certain payments made under the Plan, or portions of any such payments, be subject to recovery or “clawback” by the Company if the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws;

WHEREAS, Section 6(b) of the Plan authorizes the Committee to amend the Plan;

NOW, THEREFORE, Section 6 of the Plan is hereby amended to add a new clause (k) that reads as follows:

(k) Clawback. If the Company is required to restate its financial results due to material noncompliance with any financial reporting requirement under the securities laws, the Committee may, in its discretion after considering the costs and benefits of doing so, recover that portion of any bonus paid under the Plan to any current or former executive officer during the three-year period preceding the date on which the Company files the restatement of such financial statement(s) with the Securities and Exchange Commission, which portion exceeds the amount or value that the Committee determines would have been payable or received in respect of such bonus had the revised financial statement(s) reflected in the restatement been applied to determine such bonus. Subject to applicable law, the Committee may seek such excess compensation by requiring the executive officer to pay such amount to the Company; by set-off; by reducing future compensation; or by such other means or combination of means as the Committee determines to be appropriate.”

Except as expressly provided herein, this Amendment is not intended to amend any other provision of the Plan.

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IN WITNESS WHEREOF, the Committee has caused this Amendment to be duly executed effective as of March 17, 2015.

LANDSTAR SYSTEM, INC.

By: /s/ David G. Bannister

Title: Chairman of the Compensation Committee