

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): February 22, 2017

WESTWOOD HOLDINGS GROUP, INC.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-31234  
(Commission  
File Number)

75-2969997  
(I.R.S. Employer  
Identification Number)

200 Crescent Court, Suite 1200  
Dallas, Texas 75201  
(Address of principal executive offices, including zip code)

(214) 756-6900  
(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 obligations 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.**

Waiver of Certain Performance Shares Awarded to Chief Executive Officer

On February 22, 2017, Westwood Holdings Group, Inc. (the "Company") and Brian O. Casey, the Company's Chief Executive Officer, entered into a Waiver of Certain Performance Shares Under the Performance Share Agreement (the "Waiver"), whereby Mr. Casey irrevocably and forever waived his right to receive any Category 2 performance shares earned in excess of 100% of the target, or 17,883 shares, under that certain 2016 Performance Share Agreement by and between the Company and Mr. Casey, dated as of March 10, 2016.

The foregoing description of the Waiver is not complete and is qualified in its entirety by reference to the Waiver, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Transition and Employment Terms for Westwood Trust President

On February 24, 2017, the Company and Randall L. Root, Westwood Trust President, entered into a Letter of Understanding Regarding Transition to Chairman Role (the "Letter of Understanding"), effective as of March 1, 2017. Under the Letter of Understanding, Mr. Root will (i) transition from Westwood Trust President to Westwood Trust Chairman, (ii) be paid an annual base salary of \$200,000, subject to review by the Compensation Committee of the Board of Directors and (iii) be eligible to receive a discretionary cash bonus with a target of 50% of his 2017 base salary, with the amount and performance targets of such award to be established by the Compensation Committee of the Company's Board of Directors. The initial term of the Letter of Understanding expires on March 1, 2018, with no automatic renewal periods.

Additionally, on February 24, 2017, in connection with the Letter of Understanding, the Company and Mr. Root entered into an Employee Confidentiality and Non-Compete Agreement (the "Confidentiality and Non-Compete Agreement"). The Confidentiality and Non-Compete Agreement contains customary non-competition provisions that may apply for up to one year and non-solicitation provisions that may apply for up to two years following termination of Mr. Root's employment.

The Letter of Understanding is attached hereto as Exhibit 10.2, and the Confidentiality and Non-Compete Agreement is attached hereto as Exhibit 10.3. The foregoing description of the Letter of Understanding and the Confidentiality and Non-Compete Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Letter of Understanding and the Confidentiality and Non-Compete Agreement, each of which are incorporated herein by reference.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No. Description

10.1	Waiver of Certain Performance Shares Under the Performance Share Agreement, dated as of February 22, 2017, between the Company and Brian O. Casey
10.2	Letter of Understanding Regarding Transition to Chairman Role, dated as of February 24, 2017, between the Company and Randall L. Root
10.3	Employee Confidentiality and Non-Compete Agreement, dated as of February 24, 2017, between the Company and Randall L. Root

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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.

Date: February 28, 2017

WESTWOOD HOLDINGS GROUP, INC.

/s/ Brian O. Casey

Brian O. Casey

President & Chief Executive Officer

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## EXHIBIT INDEX

### Exhibit No. Description

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|------|---|
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| 10.2 | Letter of Understanding Regarding Transition to Chairman Role, dated as of February 24, 2017, between the Company and Randall L. Root             |
| 10.3 | Employee Confidentiality and Non-Compete Agreement, dated as of February 24, 2017, between the Company and Randall L. Root                        |

**WAIVER OF CERTAIN PERFORMANCE SHARES UNDER THE PERFORMANCE SHARE AGREEMENT**

This document is a waiver (the "Waiver") of certain performance share rights under the certain Performance Share Agreement (the "Agreement") dated as of March 10, 2016 between Brian O. Casey ("Executive") and Westwood Holdings Group, Inc. (the "Company"). Except as provided to the contrary, all capitalized terms herein shall have the same meaning as under the Agreement.

In exchange for a lump sum payment of \$100.00 and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Executive hereby irrevocably and forever waives his right to receive any Category 2 Shares in excess of 100% of the Category 2 Shares, or 17,883 Performance Shares, that could be earned by him for the fiscal year ended December 31, 2016, under Paragraph 2B of the Agreement.

Except as expressly modified by this Waiver, the Waiver does not modify or amend the Agreement in any respect, and the Agreement is hereby ratified and confirmed in all respects.

Effective as of February 22, 2017

ACCEPTED AND AGREED TO:

WESTWOOD HOLDINGS GROUP, INC.

By: /s/ Brian O. Casey

Brian O. Casey

By: /s/ Tiffany B. Kice

Tiffany B. Kice

Chief Financial Officer



February 24, 2017

Mr. Randy Root

**Re: Letter of Understanding Regarding Transition to Chairman Role**

Dear Randy,

We are pleased that you have decided to transition to the Chairman role for Westwood Trust (the “Company”). As we discussed, below is a summary of our understanding.

Your last day as Company President will be February 28, 2017, and your first day as Chairman will be March 1, 2017. Though you will no longer have further responsibilities as President, you will: assist the new President with transition, assist with the transition of clients to other Company employees, engage in client service as needed, work to build a non-profit business, and train Company employees, including Mark Walsh, on investment products. You will also continue to attend Westwood Trust events.

As part of your Chairman role, you will execute a written agreement with confidentiality and restrictive covenant obligations, and in exchange, the Company will provide you a base annual salary of \$200,000.00 beginning March 1, 2017. You will also be eligible to receive a discretionary cash bonus with a target of 50% of your 2017 salary. Moreover, you will have the opportunity to vest 4594 shares on or before March 1, 2017 and an additional 4790 shares on or before March 1, 2018, provided that you continue in the Chairman role through that date. You will also have thirty days off for 2017, though additional unpaid days can be taken with CEO approval.

As noted above, the formal written agreement will include confidentiality and restrictive covenants. The confidentiality obligations will be ongoing. The restrictive covenants (non-competition and non-solicitation) obligations will take effect during the agreement; the non-competition obligations will continue for twelve (12) months after separation of employment, and the non-solicitation obligations will continue for twenty-four (24) months after separation of employment.

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While your employment will continue to be at-will, the term of the agreement for the Chairman role is intended to be for a year through March 1, 2018, at which time it will end, unless the parties decide to mutually renew.

Notwithstanding anything to the contrary herein, to the extent your employment terminates for any reason other than "cause" prior to March 1, 2018, Westwood will offer you a severance/release agreement in which you will receive 12 months of salary in exchange for your release of any actual or potential claims against the Company. For purposes of this letter "cause" would include, without limitation, your: conviction or no contest plea of a felony offense, refusal to perform your job duties, misappropriation of Company or client funds or property, or other misconduct related to the performance of your job duties.

Please indicate your agreement with this Letter of Understanding with your signature below. If you have any questions, please contact me at 214.756.6938.

Sincerely,

/s/ Beth A. Obear

Beth A. Obear  
VP, Director of Human Resources  
Westwood Holdings Group, Inc.

**I agree to the terms outlined in the above Letter of Understanding.**

/s/ Randy Root

Randy Root

2/24/2017

Date



## EMPLOYEE CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Agreement is effective as of March 1, 2017 between WESTWOOD HOLDINGS GROUP, INC., including any and all subsidiaries and affiliates (collectively the “Company”), and Randy Root (the “Employee”).

The parties agree as follows:

1. ACCESS TO CONFIDENTIAL INFORMATION AND GOODWILL.
    - (a) Company agrees to provide Employee with proprietary and confidential information developed and/or owned by Company, and of which Employee does not have previous knowledge, including for example, and without limitation, unique investment approaches, sales and marketing programs and materials, marketing and business strategies, client lists and profile data, investment advisory contracts and fee schedules, trademarks, technical information, computer software programs and electronic information, financial and other information concerning its operations (collectively, “Trade Secrets”). Employee recognizes that (i) his or her business role with Company requires access to Trade Secrets and other proprietary and confidential information; (ii) such information is of special value to the Company; and (iii) if such information became known to any person competing with the Company, irreparable damage could result to the Company.
    - (b) Employee acknowledges that Company has and owns certain goodwill that provides Company with a competitive advantage, including Company’s strong brand and reputation (the “Goodwill”). Employee further acknowledges that (i) the Goodwill, and successful execution of Company’s day-to-day functions, depend on formation of relationships of trust and confidence between individual employees and Company clients; (ii) Company’s continued growth and viability depend on nurturing the relationships between its own employees and its clients and on maintaining its own relationship with employees whom it has placed in a position to form client relationships and necessarily supported while those relationships formed and grew; and (iii) the Goodwill, and Company’s positive reputation or position in the eyes of its clients or potential clients, often manifests itself through repeat business with existing clients and through referrals to potential clients. Company agrees to provide Employee with the institutional training, support and synergy that will enable Employee to provide services of the quality that clients of Company value highly and that form, at least in part, the basis for the Goodwill owned by Company. Employee recognizes that he or she will or may have close association with Company’s clients, which will or may cause those clients to associate Employee with the products or services of the Company, without paying due regard to the role of the Company as a whole, including its entire team of professionals, in the creation and delivery of those products and services.
    - (c) Employee agrees that the Company must protect its business, including the Trade Secrets and Goodwill. In exchange for the Company’s promise to provide the Trade Secrets and the institutional training, support and synergy referenced above, as well as the other consideration provided herein and elsewhere, Employee agrees to the all of the covenants set forth below. Employee further agrees that the covenants set forth
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below are reasonable, consistent with Employee's and Company's best interests, to protect the Company and its affiliates.

2. CONFIDENTIALITY COVENANT; TRADE SECRETS.

- (a) Employee covenants, unless required as part of his or her employment or with the Company's prior written consent, not to disclose or communicate to third parties any Trade Secret, however acquired, including Trade Secrets of companies with whom the Company has a business relationship. All Trade Secrets received by Employee during his or her employment remain the Company's exclusive property and shall be returned immediately upon termination of employment or at any time requested by the Company. Employee further agrees, upon termination of employment, to make himself available and shall fully disclose and deliver to the Company any Trade Secrets in his or her possession and shall execute any documents reasonably necessary to ensure compliance with this Agreement.
  - (b) Pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. 1833(b)), an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that is made in confidence either directly or indirectly to a Federal, State, or local government official, or to an attorney, solely for the purpose of reporting or investigating, a violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret made in a complaint, or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An employee who files a lawsuit alleging retaliation by the company for reporting a suspected violation of the law may disclose the Trade Secret to his or her attorney and use the Trade Secret in the court proceeding, if the employee files any document containing the Trade Secret under seal and does not disclose the Trade Secret, except pursuant to court order. This paragraph will govern to the extent it may conflict with any other provision of this Agreement.
  - (c) Employee warrants that he is not bound by any other agreement that would be breached by execution of this Agreement or which would prevent him from performing his or her duties at the Company. Employee warrants that he has not retained proprietary information of any prior employer and will not use such information in carrying out his or her duties for the Company.
  - (d) In the event of a breach or threatened breach by Employee of the provisions of this Section 2, Company shall be entitled to an injunction restraining Employee from disclosing and/or using the Company's Trade Secrets and may pursue other remedies for such breach or threatened breach, including recovery of damages from Employee.
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3. INVESTMENT PERFORMANCE RESULTS; COPYRIGHTABLE WORKS.

- (a) Employee agrees that the investment performance of accounts managed by Company is attributable to its entire team of professionals and not to any single individual, that performance results of all present and future Company products are Company's exclusive property, and that he or she will not attempt to present as his or her own such performance or composite performance at any subsequent employer.
- (b) Employee agrees that Company owns copyrightable works developed by Employee in any way during his or her employment. Employee agrees, if requested by Company and without cost, to execute written acknowledgments or assignments of copyright ownership of such works in order to preserve Company's rights. Employee agrees not to assert any rights to attribution and integrity ("moral rights") he or she may have in any such copyrightable works.

4. NON-COMPETITION/NON-SOLICITATION COVENANT.

- (a) Employee agrees that, for twelve (12) months following termination of his or her employment at Company, whether by him or her or by Company and whether with or without cause ("Non-Competition Term"), Employee will not in any capacity provide investment advisory services or investment management services to any person or entity in the United States that is or was a client of Company with whom Employee did business and/or had personal contact while employed at Company.
  - (b) Employee also agrees that, during his or her employment with Company, and for twenty-four (24) months following termination of his or her employment, whether by Employee or by Company and whether with or without cause ("Non-Solicitation Term"), Employee will not:
    - (i) solicit any person or entity with whom Employee does or did business and/or has or had personal contact while employed at Company, including without limitation consultants used by Company's clients, to withdraw, or to cause the withdrawal of, any funds as to which Company provides investment management services, or attempt to cause such person or entity not to engage Company for investment management services; and/or
    - (ii) solicit any employee of Company to terminate his or her employment with Company and/or to enter into competition with Company.
  - (c) If Employee violates any of the restrictions contained in this Section 4, the Non-Competition Term and/or Non-Solicitation Term shall be suspended and will not run in favor of Employee from the time of the commencement of any such violation until the time when the Employee cures the violation to the Company's satisfaction.
  - (d) Company and Employee acknowledge that the covenants contained in this Section 4 are reasonable in light of the consideration provided by Company to Employee, including without limitation access to Trade Secrets and Goodwill owned by Company, and in light of the relationships that Employee will have with Company's clients. However, Company and Employee agree that if a court should decline to enforce the provisions of Section 4 as written, that such provisions shall be reformed to restrict Employee's competition with Company or its affiliates, and his or her solicitation of
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clients and employees, to the maximum extent as to time, geography and business scope which the court shall find enforceable; provided that the provisions of Paragraph 5 shall not be modified to be more restrictive to Employee than those contained herein.

5. ADDITIONAL NON-COMPETITION COVENANT.

Employee agrees that, at Company's election, during the initial three (3) months following termination of his or her employment at Company, whether by him or her or by Company and whether with or without cause (the "Three Month Term"), he or she will not (a) in any capacity provide investment advisory services or investment management services to any person or entity in competition with the Company's investment services; or (b) establish, join, participate in, acquire or maintain ownership in, or provide investment advisory services to, any United States based entity that offers services and/or products that compete with the Company's investment services and/or products; provided, however, that this restriction shall not be construed to prevent Employee from owning or acquiring for investment purposes less than five (5) percent of the stock of any publicly traded company. In the event Company elects to invoke the restrictions set forth in this paragraph as to Employee, Company shall continue Employee's regular compensation (excluding bonuses and/or other incentives) during the Three Month Term at the same level being paid at termination. If Employee violates any term of this Agreement, all such pay continuation shall cease, and all prior payments made shall be immediately repaid by Employee to Company.

6. AT-WILL EMPLOYMENT.

Employee's employment is at will and may be terminated at any time by him or her or by Company, with or without cause. Employee agrees that such termination shall not end his or her obligations under this Agreement. Subject to Section 7(c), any other contracts or agreements entered into between Employee and Company shall be separate from this Agreement.

7. MISCELLANEOUS.

- (a) THIS AGREEMENT SHALL BE SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS EXCEPT FOR CONFLICT OF LAWS PRINCIPLES, WITHOUT REGARD TO THE PLACE OF EXECUTION OR THE PLACE OF PERFORMANCE THEREOF.
- (b) Failure to insist upon strict compliance with any provision in this Agreement shall not be deemed a waiver of such provision or any other provision in this Agreement.
- (c) This Agreement may not be modified except by an agreement in writing executed by the parties to this Agreement.
- (d) The invalidity or unenforceability of any provision hereof shall not affect the validity of enforceability of any other provision. If, moreover, any one or more of the provisions contained in this Agreement shall, for any reason, be held to be excessively broad as to time, duration, geographical scope, activity, or subject, it shall be construed by limiting and reducing it so as to be enforceable to the extent compatible with the applicable law.
- (e) This Agreement is not a contract of employment or promise of future employment. Employee's employment is at will, as described in Section 6 above.
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- (f) Nothing in this Agreement is intended to, or will be used in any way to, limit Employee's rights to communicate with the Securities and Exchange Commission (the "**SEC**") or any other governmental agency, as provided for, protected under or warranted by applicable law, including, but not limited to, Section 21F of the Securities Exchange Act of 1934, as amended, and SEC Rule 21F-7 (the "**Protected Communications**"). Nothing in this Agreement requires you to notify, or obtain permission from, the Company before engaging in any Protected Communications.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 24<sup>th</sup> day of February 2017.

WESTWOOD HOLDINGS GROUP, INC.

By: /s/ Brian O. Casey

Printed Name: Brian O. Casey

Title: President & Chief Executive Officer

By: /s/ Randy Root

Printed Name: Randy Root

Title: Chairman

Employee's Address:

BY EXECUTION OF THIS AGREEMENT, EMPLOYEE ACKNOWLEDGES RECEIPT OF A COPY OF THE AGREEMENT.