

ERICKSON INC.
Form DEF 14C
July 09, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14C

(Rule 14c-101)

Information Statement Pursuant to Section 14(c) of the
Securities Exchange Act of 1934

Check the appropriate box:

- Preliminary Information Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
- Definitive Information Statement

ERICKSON INCORPORATED

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act, Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NOTICE OF ACTION BY WRITTEN CONSENT OF HOLDERS OF A MAJORITY OF
THE OUTSTANDING COMMON STOCK OF ERICKSON INCORPORATED

Dear Erickson Stockholder:

The enclosed Information Statement is being furnished by the board of directors of Erickson Incorporated, a Delaware corporation, to the holders of record of our common stock at the close of business on July 2, 2015, or the Record Date, pursuant to Rule 14c-2 promulgated under the Securities Exchange Act of 1934, as amended. The purpose of the enclosed Information Statement is to inform our stockholders of action taken by written consent of the holders of a majority of our common stock. The enclosed Information Statement shall be considered the notice required under Section 228 of the Delaware General Corporation Law.

The following action was authorized by written consent of the holders of a majority of our outstanding common stock: approval and adoption of the CEO Plan & Stock Option Agreement, or the Plan and Agreement. The action facilitates our providing an incentive to retain our Chief Executive Officer through the grant of an option to purchase shares of our common stock pursuant to the Plan and Agreement.

The written consent we have received constitutes the only stockholder approval required under the Delaware General Corporation Law and our Third Amended and Restated Certificate of Incorporation and our Third Amended and Restated Bylaws to approve and adopt the Plan and Agreement. Our board of directors is not soliciting your consent or your proxy in connection with this action and neither consents nor proxies are being requested from stockholders. The action taken by the written consent will not become effective until the date that is 20 calendar days after the enclosed Information Statement is first mailed or otherwise delivered to holders of our common stock as of the Record Date. Promptly following this date, we expect to grant our Chief Executive Officer an option award pursuant thereto.

**THIS IS NOT A NOTICE OF SPECIAL MEETING OF STOCKHOLDERS AND NO
STOCKHOLDER MEETING WILL BE HELD TO CONSIDER ANY MATTER WHICH
IS DESCRIBED HEREIN. WE ARE NOT ASKING YOU FOR A CONSENT OR PROXY
AND YOU ARE REQUESTED NOT TO SEND US A CONSENT OR PROXY.**

Date of this Notice and the enclosed Information Statement: July 9, 2015.

Sincerely yours,

/s/ Eric Struik
Eric Struik

Chief Financial Officer

ERICKSON INCORPORATED

5550 SW MACADAM AVENUE, SUITE 200

PORTLAND, OREGON 97239

INFORMATION STATEMENT

**WE ARE NOT ASKING YOU FOR A CONSENT OR PROXY AND
YOU ARE REQUESTED NOT TO SEND US A CONSENT OR PROXY.**

GENERAL INFORMATION

Erickson Incorporated, a Delaware corporation, with its principal executive offices located at 5550 SW Macadam Avenue, Suite 200, Portland, Oregon 97239, is sending you the enclosed Notice and this Information Statement to notify you of actions that the holders of a majority of our outstanding common stock have taken by written consent in lieu of a special meeting of stockholders. References in this Information Statement to the Company, we, our, us, Erickson and EAC are to Erickson Incorporated.

Copies of this Information Statement are being mailed on or about July 9, 2015, to the holders of record of our common stock at the close of business on July 2, 2015, which we refer to as the Record Date.

Action by Written Consent

The following action was authorized by written consent of the holders of a majority of our outstanding common stock as of the Record Date in lieu of a special meeting of stockholders, which we refer to as the Written Consent :

Approval and adoption of the CEO Plan & Stock Option Agreement, or the Plan and Agreement
The action facilitates our providing an incentive to retain our Chief Executive Officer through the grant of an option to purchase shares of our common stock pursuant to the Plan and Agreement. The action taken by the Written Consent will not become effective until the date that is 20 calendar days after this Information Statement is first mailed or otherwise delivered to holders of our common stock as of the Record Date. Promptly following this date, we expect to grant our Chief Executive Officer an option award pursuant thereto.

Stockholders Entitled to Receive Notice of Action by Written Consent

Under Section 228 of the General Corporation Law of the State of Delaware, our Third Amended and Restated Certificate of Incorporation and our Third Amended and Restated Bylaws, any action that may be taken at any annual or special meeting of our stockholders may be taken without a meeting, without prior notice and without a vote, by written consent. The written consent must set forth the action so taken and be signed by the holders of our outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted. Prompt notice of any action so taken by written consent must be provided to all holders of our common stock as of the Record Date.

Our common stock was the only outstanding class of voting capital stock as of the Record Date. Each share of our common stock entitles its holder to one vote on each matter submitted to stockholders. There will be no

vote on the approval and adoption of the Plan and Agreement because the holders of a majority of our outstanding common stock have already provided their written consent for such approval and adoption. No other votes are required or requested.

Only holders of record of our common stock at the close of business on the Record Date are entitled to notice of the action taken by the Written Consent. As of the Record Date, 13,833,174 shares of our common stock were outstanding and entitled to take action by written consent and to receive notice of the action taken by the Written Consent. As of the Record Date, ZM EAC LLC, ZM Private Equity Fund I, L.P., ZM Private Equity Fund II, L.P. and 10th Lane Finance Co., LLC, to which we refer together as the ZM Funds, collectively held of record 7,543,064 shares of our common stock, which represented approximately 54.5% of the outstanding shares of our common stock. Quinn Morgan, who serves on our board of directors, is the managing member of ZM EAC LLC. Mr. Morgan and Kenneth Lau, our former director whose service terminated in March 2015, are managers of ZM Private Equity Fund I, L.P., ZM Private Equity Fund II, L.P. and 10th Lane Finance Co.

Effective Date of Action by Written Consent

Pursuant to Rule 14c-2 promulgated under the Securities Exchange Act of 1934, as amended, the earliest date that the corporate action taken pursuant to the Written Consent can become effective is 20 calendar days after the first mailing or other delivery of this Information Statement to holders of our common stock as of the Record Date. The action taken by the Written Consent will not become effective until the date that is 20 calendar days after this Information Statement is first mailed or otherwise delivered to holders of our common stock as of the Record Date. Promptly following this date, we expect to grant our Chief Executive Officer an option award pursuant the Plan and Agreement.

We recommend that you read this Information Statement in its entirety for a full description of the action approved by the holders of a majority of our outstanding common stock.

Dissenters Rights of Appraisal

Stockholders do not have any dissenters rights or appraisal rights in connection with the approval and adoption of the Plan and Agreement.

Costs of the Information Statement

We are mailing this Information Statement and will bear the costs associated therewith. We are not making any solicitations. We will reimburse banks, brokerage firms, other custodians, nominees and fiduciaries for reasonable expenses incurred in sending the Information Statement to beneficial owners of our common stock.

REASONS FOR THE APPROVAL AND ADOPTION OF THE PLAN AND AGREEMENT

On June 29, 2015, the compensation committee of our board of directors, or the Compensation Committee, approved and adopted the Plan and Agreement. On June 29, 2015, the holders of a majority of our outstanding common stock as of the Record Date approved and adopted the Plan and Agreement pursuant to the Written Consent. The Compensation Committee determined that it is in our best interests to provide an incentive to retain our Chief Executive Officer by adopting the Plan and Agreement. We previously agreed, pursuant to the February 2015 Executive Employment Agreement with Jeffrey G. Roberts, our Chief Executive Officer, to grant Mr. Roberts an incentive stock option such as that contemplated in the Plan and Agreement. We believe providing such options will help align his interests with those of our stockholders.

SUMMARY OF THE PLAN AND AGREEMENT

The major features of the Plan and Agreement are summarized below. The summary is qualified in its entirety by reference to the full text of the Plan and Agreement, which is attached to this Information Statement as [Appendix A](#).

Eligible Participant

Our Chief Executive Officer, Mr. Roberts, is the sole person eligible to receive an award under the Plan and Agreement.

Administration

The Plan and Agreement will be administered by the Compensation Committee, presently consisting of Gary R. Scott, Meredith Siegfried and James L. Welch. The Compensation Committee has the authority to grant the option contemplated in the Plan and Agreement to Mr. Roberts. The Compensation Committee may interpret the Plan and Agreement, the notice of grant thereunder, and any other agreement or document employed in administering the Plan and Agreement. The Compensation Committee may also amend the Plan and Agreement or, once granted and outstanding, the terms of the option contemplated therein to the extent permitted under the Plan and Agreement. Unless an amendment is necessary to comply with applicable law or government regulation, an amendment may not adversely affect any unexercised portion of the option contemplated in the Plan and Agreement without the consent of the participant.

Available Shares and Limitations on Awards

A maximum of 165,000 shares of our common stock are available for issuance under the Plan and Agreement. The shares of our common stock covered by the Plan and Agreement are authorized but unissued shares.

The only award authorized under the Plan and Agreement is an option to purchase 165,000 shares of our common stock we may issue to Mr. Roberts. If the Compensation Committee grants the option to Mr. Roberts and it subsequently expires, is forfeited or is terminated, then the shares of our common stock subject to the option will not become available for future awards under the Plan and Agreement.

Type of Award and Terms of Award

Under the Plan and Agreement, Mr. Roberts may be awarded an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or the Code.

The exercise price per share to be paid by the participant at the time the option is exercised will be equal to:

for 55,000 shares of our common stock, the closing market price per share as of the date of grant;

for 55,000 shares of our common stock, the closing market price per share as of the date of grant plus \$2.50; and

for 55,000 shares of our common stock, the closing market price per share as of the date of grant plus \$5.00.

As of July 7, 2015, the closing price per share of our common stock on the NASDAQ Global Market was \$3.51. The total purchase price of the shares of our common stock to be purchased upon exercise of the option contemplated in the Plan and Agreement will be paid by the participant in cash unless the Compensation Committee allows exercise payments to be made, in whole or in part, (i) by means of a broker-assisted cashless exercise program, (ii) by a net exercise of the option in which a portion of the shares of our common stock otherwise issuable upon exercise of the option are withheld by us, or (iii) by delivery to us (or attestation as to ownership) of shares of our common stock already owned by the participant. Any shares of our common stock delivered or withheld in payment of an exercise price will be valued at their fair market value on the exercise date. Twenty percent of the shares of our common stock subject to the option will vest and become exercisable on March 3, 2016, and the remaining shares of our common stock subject to the option will vest and become exercisable at a rate of 5% per quarter over the course of the following four years (which vesting formula will be applied such that the vested shares are those shares of our common stock subject to the option then having the lowest exercise price per share). The option contemplated in the Plan and Agreement will terminate on the tenth anniversary of its grant date, unless sooner exercised or terminated in connection with the participant's termination of service or a change in control.

Transferability of Award

In general, the option contemplated in the Plan and Agreement may not be assigned or transferred by the participant, except by will or the laws of descent and distribution. Any shares of our common stock acquired upon exercise of the option will be subject to restrictions on transfer under federal and state securities laws, and any disposition within two years of the grant date of the option or one year of the date of transfer of the shares to the participant upon exercise of the option may disqualify the option from being treated as an incentive stock option. No shares of our common stock acquired upon exercise of the option may be sold or otherwise disposed of in any manner that violates any of the provisions of the Plan and Agreement.

Effect of Termination of Service

If the participant's employment or other service relationship with us and our subsidiaries is terminated, the Plan and Agreement provides that the option contemplated therein will terminate to the extent it is unvested, and any vested portion of the option will continue to be exercisable for a period of time after termination, depending on the reason for the termination. In the event of a termination due to disability or death, the vested portion of the option may be exercised within 365 days after the date on which the participant's service terminated. However, if the participant's service is terminated for cause, the option will terminate in its entirety immediately. If the participant's service terminates for any other reason, the vested portion of the option will continue to be exercisable for 90 days after the date on which the participant's service terminated. In no event will the option be exercisable more than ten years after the grant date.

Effect of Change in Control

If a change in control occurs and the participant's service has not terminated prior to the change in control, then the option contemplated in the Plan and Agreement will become immediately vested and exercisable as of the day immediately prior to the consummation of the change in control.

In a change in control in which our stockholders receive a majority of the consideration in cash, the Compensation Committee may cancel the option contemplated in the Plan and Agreement and pay the participant the equivalent value of the option at the time of the change in control. If the option has an exercise price greater than or equal to the fair market value of our common stock in such change in control transaction, the option may be cancelled without payment.

For purposes of the Plan and Agreement, change in control means a change in ownership of us in which a person or group acquires ownership of our stock that, together with stock held by such person or group,

constitutes more than 50% of the total fair market value or total voting power of our stock (unless such person or group already held more than 50% of our stock), or (2) a change in effective control of us in which a person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of our stock possessing 30% or more of the total voting power of our stock or a majority of members of our board of directors is replaced during any 12-month period by directors whose appointment is not endorsed by a majority of the members of our board of directors, or (3) a change in the ownership of a substantial portion of our assets with a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of our assets.

Share Adjustment Provisions

If any change in our common stock is effected without our receiving any consideration, such as a reorganization, reincorporation, recapitalization, stock dividend, stock split, spin-off, or other similar change in our capital structure or upon the payment of a non-cash dividend or distribution, the Compensation Committee will make appropriate and proportionate adjustments to the number, exercise price and kind of shares subject to the option contemplated in the Plan and Agreement.

Term of the Plan and Agreement

The only award authorized under the Plan and Agreement is an option to purchase 165,000 shares of our common stock to Mr. Roberts. Promptly following the effective date of the action taken by the Written Consent, we expect to grant Mr. Roberts the option pursuant to the Plan and Agreement. The option will terminate on the tenth anniversary of its grant date, unless sooner exercised or terminated in connection with the participant's termination of service or a change in control.

Amendment of the Plan and Agreement

The Compensation Committee may amend the Plan and Agreement or, once granted and outstanding, the terms of the option contemplated therein to the extent permitted under the Plan and Agreement. Unless an amendment is necessary to comply with applicable law or government regulation, an amendment may not adversely affect any unexercised portion of the option contemplated in the Plan and Agreement without the consent of the participant.

New Plan Benefits

The following table sets forth certain information with respect to the option award we expect to grant to our Chief Executive Officer pursuant to the Plan and Agreement promptly following the effective date of action taken by the Written Consent.

Name and Position	Number of Units
Jeffrey G. Roberts, President and Chief Executive Officer	165,000 shares of our common stock
Udo Rieder, President and Chief Executive Officer ⁽¹⁾	0
Eric Struik, Chief Financial Officer	0
Edward Rizzuti, Vice President, General Counsel and Corporate Secretary ⁽²⁾	0
All executive officers as a group	165,000 shares of our common stock
All non-executive directors as a group	0
All non-executive officer employees as a group	0

- (1) Mr. Rieder's service as our President and Chief Executive Officer terminated on March 31, 2015.
- (2) Mr. Rizzuti's service as our Vice President, General Counsel and Corporate Secretary terminated on June 26, 2015.

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a description of the principal U.S. federal income tax consequences to the participant and to us with respect to an award of incentive stock options as contemplated in the Plan and Agreement, based on current statutes, regulations and interpretations, all of which are subject to change, possibly with retroactive effect. This description is not intended to be complete and does not discuss the income tax laws of any city, state or foreign jurisdiction.

If the participant is granted an incentive stock option under the Plan and Agreement, the participant will not recognize taxable income upon grant of the option. Additionally, the participant will not recognize taxable income upon exercise of the option. However, the excess of the fair market value of the shares of our common stock acquired at the time of exercise over the aggregate exercise price is an item of tax preference income potentially subject to the alternative minimum tax. If shares of our common stock acquired upon exercise of an incentive stock option are held for at least two years from the grant date of the option and one year from the date of the transfer of the shares to the participant upon exercise of the option, the gain or loss upon disposition of the shares of our common stock will be treated as a long-term capital gain or loss, and we will not be entitled to any deduction. The amount of the gain or loss will generally be equal to the difference between the fair market value on the date of disposition and the adjusted basis in the shares, which is generally the exercise price (and for alternative minimum tax purposes may also include any spread treated as an item of income for such purposes).

Except in the event of the participant's death, if the holding period requirements are not met, the option will be treated as one that does not meet the requirements of Code for incentive stock options. In this case, the participant will generally recognize ordinary income in the year of disposition equal to the lesser of: (i) the difference between the fair market value of the shares of our common stock on the date of exercise and the exercise price, or (ii) the actual gain realized on the disposition (sale proceeds minus the exercise price paid). Any additional gain in excess of the participant's adjusted basis in the shares of our common stock subject to the option will be taxable as capital gain and any loss will be a capital loss. The applicable capital gain tax rate will depend on the length of the participant's holding period. The participant's adjusted basis generally will be the sum of the exercise price paid and the amount of ordinary income recognized upon the disqualifying disposition (which for alternative minimum tax purposes may also include any spread treated as an item of income for such purposes). We would generally be entitled to a tax deduction equal to the ordinary income the participant recognizes, except to the extent such deduction is limited by applicable provisions of the Code.

The option contemplated in the Plan and Agreement will be deemed a nonqualified stock option to the extent the aggregate fair market value of the common stock subject to incentive stock options exercisable by the participant for the first time in any calendar year, under the Plan and Agreement and under any other stock option plans of ours, would exceed \$100,000, determined in accordance with Section 422(d) of the Code.

We are not required to withhold income or employment taxes upon either the participant's exercise of an incentive stock option or disposition of shares of our common acquired upon exercise. The participant will be responsible for including as income in the participant's tax return any alternative minimum taxable income resulting from exercise of an incentive stock option or any compensation recognized as ordinary income upon a disqualifying disposition. We intend to report to the Internal Revenue Service any such ordinary income resulting from a disqualifying disposition. The participant may need to pay quarterly estimated tax or increase income tax withholding from wages to avoid penalties for underpayment of estimated tax.

The foregoing description assumes that the option discussed is either not considered a deferred compensation arrangement subject to the requirements of Section 409A of the Code or has been structured to comply with these requirements. If the option fails to comply, in operation or form, with applicable requirements of Section 409A of the Code, the participant would generally be required to include in income when the option vests the amount deemed deferred, would be required to pay an additional 20% income tax on such amount, and would be required to pay

interest on the tax that would have been paid but for the deferral.

EXECUTIVE COMPENSATION

2014 Summary Compensation Table

The following table sets forth information concerning the compensation of our principal executive officer and our next two most highly-compensated executive officers during 2014. We refer to these persons as our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (\$) ⁽³⁾	Total (\$)
				Stock Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		
Udo Rieder, President and Chief Executive Officer ⁽⁴⁾	2014	347,789	40,000			46,154	433,943
	2013	343,270	120,000		182,350		645,620
Eric Struik, Chief Financial Officer ⁽⁵⁾	2014	248,954				40,016	288,970
	2013	79,327	100,000 ⁽⁵⁾	208,340	29,833	50,197	467,697
Edward Rizzuti, Vice President, General Counsel and Corporate Secretary ⁽⁶⁾	2014	204,231	20,000			20,769	245,000
	2013	216,721	60,000		93,780		370,501

- (1) Performance-based bonuses are generally paid under our executive bonus plan and reported as Non-Equity Incentive Plan Compensation. Except as otherwise noted, amounts reported as Bonus represent awards under the 2013 Retention Bonus Plan granted to the recipient on May 2, 2013, which were paid in four equal installments on the quarterly anniversary of the grant date subject to the recipient's continued service.
- (2) Amounts represent the aggregate grant date fair value of all stock awards without regard to forfeitures, computed in accordance with FASB ASC Topic 718. The assumptions used with respect to the valuation are set forth in *Erickson Air-Crane Incorporated Consolidated Financial Statements Notes to Financial Statements Note 2 Summary of Significant Accounting Policies Stock-Based Compensation* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.
- (3) Except for relocation expense reimbursement for Mr. Struik (see note 5), amounts reflect holiday and vacation pay.
- (4) Mr. Rieder's service as our President and Chief Executive Officer terminated on March 31, 2015.
- (5) Mr. Struik commenced employment with us on September 9, 2013. His compensation for 2013 reflects the partial year of employment. Mr. Struik received a reimbursement of relocation expenses in the amount of \$13,970 and \$50,197 for 2014 and 2013, respectively. Mr. Struik received a signing bonus of \$100,000 relating to his hire, which was paid in 2014.
- (6) Mr. Rizzuti's service as our Vice President, General Counsel and Corporate Secretary terminated on June 26, 2015.

Employment Agreements

We have entered into employment agreements with each of Messrs. Rieder, our former President and Chief Executive Officer, Roberts, our current President and Chief Executive Officer, and Rizzuti, our former Vice President, General Counsel and Corporate Secretary. These agreements provide for the payment of an annual base salary and non-equity incentive plan payment opportunities, as well as participation by each of them in the benefit plans and programs generally maintained by us for senior executives from time to time.

We or the employee may terminate the applicable employment agreement at any time. Upon termination of employment by us without cause, by the executive for good reason following a change in control, or as a result of the executive's death or disability, the executive is entitled to receive: (1) a basic termination payment equal to (i) the executive's base salary earned through the date of termination, plus (ii) continued payment of the executive's base salary for a specified time following the termination date; and (2) continuation of health benefits for a specified period of time after termination of employment at the same rate that was paid by the executive before termination of employment.

The specific severance payments and continuation periods for health benefits provided in the employment agreements with our named executive officers are summarized below:

Mr. Rieder, our former President and Chief Executive Officer: (i) a monthly sum equal to his monthly base salary in effect at such time for a period of 12 months and (ii) continuation of health benefits for Mr. Rieder and his family for that same period.

Mr. Roberts, our current President and Chief Executive Officer: (i) a monthly sum equal to his monthly base salary in effect at such time for a period of 12 months and (ii) continuation of health benefits for Mr. Roberts and his family for that same period.

Mr. Rizzuti, our former Vice President, General Counsel and Corporate Secretary: (i) a monthly sum equal to his monthly base salary in effect at such time for a period of nine months and (ii) continuation of health benefits for Mr. Rizzuti and his family for that same period.

The employment agreements each contain confidentiality, non-compete, and non-solicitation provisions, and subject the payment of severance benefits to the executive executing a general release of all claims against us and our affiliates.

Annual Non-Equity Incentive Plan

Our board of directors and the Compensation Committee have the authority to award discretionary annual non-equity incentive plan payments to our named executive officers and other employees. These payments are intended to compensate our named executive officers and other employees for individual performance, for our overall financial performance, and for achieving important milestones. Payment levels vary depending on the individual recipient and generally take into account such factors as our overall financial performance, including our liquidity position; the recipient's individual performance; and other operating and non-operating elements we deem relevant. Our non-equity incentive plans do not provide for threshold or maximum amounts, but, rather, provide for a single estimated payout based on accomplishing the designated performance measures. We may also make additional discretionary cash incentive payments to key employees who contribute significantly to our strategic and long-term performance objectives and growth.

Non-equity incentive plan payments ordinarily are determined and communicated to our employees following the completion and delivery of our annual audit. Our employees, including our executives, are not entitled to any non-equity incentive plan payment unless they are employed by us on the date of payment. Incentive payments, if any, are paid in a single installment, typically in the first quarter of the year. Our board of directors uses financial measures to determine the aggregate incentive pool and makes incentive payments to individuals at its discretion based on non-financial criteria. Non-financial criteria for evaluating individual performance include specific goals or achievements that employees may set for themselves with management oversight at the beginning of a year or other intangible performance objectives, including completion of certain project milestones or improving a specific skill set relating to a given employee's position.

Our board of directors typically uses an Adjusted EBITDA target as the primary measure to determine the size of the incentive pool and whether financial performance targets have been met.

2012 Long-Term Incentive Plan

We maintain our 2012 Long-Term Incentive Plan, or the 2012 Plan, to align the interests of our directors, officers and other service providers with the interests of our stockholders. Because vesting is based on continued service, these equity based incentives are also intended to encourage the retention of directors, officers and other service providers through the vesting period of the awards.

Eligibility; Types of Awards. Directors, officers and other employees and service providers of ours and any of our subsidiaries are eligible to participate in the 2012 Plan. We currently employ approximately 1,000 employees. The 2012 Plan provides for the grant of incentive stock options that qualify under Section 422 of the Code, nonqualified stock options, restricted stock, restricted stock units, or RSUs, stock bonuses and stock appreciation rights. Incentive stock options may be granted only to our employees, including officers, or employees of any of our subsidiaries. Nonqualified stock options, and all awards other than incentive stock options, may be granted to our employees, officers, and directors. The Compensation Committee may elect, in its sole discretion, to grant an award in exchange for the cancellation of an existing award.

Shares Available for Awards. The 2012 Plan currently authorizes 417,649 shares of our common stock to be issued. No more than 375,000 shares of our common stock may be issued under 2012 Plan pursuant to restricted stock awards, RSUs and stock awards, in the aggregate.

Administration. The 2012 Plan is administered by the Compensation Committee, which has the authority to determine which eligible individuals should receive awards, the type and amount of the awards, and the other terms and conditions of the awards (including vesting and cancellation provisions) and has the full authority to interpret the 2012 Plan. The Compensation Committee may delegate to our Chief Executive Officer or to a committee of our officers any or all authority for administering the 2012 Plan, subject to certain limitations.

Term of Plan; Amendments. We expect the 2012 Plan to be in effect until all awards issued under the 2012 Plan and all restrictions on the awards have lapsed. However, no incentive stock options will be granted under the 2012 Plan on or after the 10th anniversary of the last action by our board of directors, subsequently approved by our stockholders within twelve months of such action, adopting the 2012 Plan or approving an increase in the number of shares available for issuance under the 2012 Plan. Our board of directors may at any time modify or amend the 2012 Plan in any respect, subject to applicable laws, rules and regulations, and requirements of Nasdaq listing standards. However, no change in an award already granted under the 2012 Plan may generally be made without the written consent of the award holder if the change would adversely affect the holder.

Stock Options. The Compensation Committee determines whether a stock option is granted as an incentive stock option or a nonqualified stock option. The exercise price per share of incentive stock options may not be less than the fair value of our common stock at the date of the grant, and the maximum term of incentive stock options is ten years. The aggregate market value, on the date of the grant, of the common stock for which incentive stock options are exercisable for the first time by an employee during any calendar year may not exceed \$100,000. For grantees who own more than 10% of the total combined voting power of our outstanding capital stock or our parent or subsidiaries, incentive stock options must have an exercise price of not less than 110% of the fair market value of the common stock underlying the option and a maximum term of five years. The exercise price per share of nonqualified stock options may be any amount determined by the Compensation Committee, and nonqualified stock options may have any term fixed by the Compensation Committee.

Stock Appreciation Rights. The 2012 Plan provides that the Compensation Committee may grant stock appreciation rights, which entitle the person who exercises the rights to receive an amount equal to the difference between the fair market value of the common stock subject to the right at the time of exercise and the time of grant, in the amounts and subject to such terms, conditions, and restrictions as our board of directors determines.

Restricted Stock; Restricted Stock Units; Performance-Based Awards; Stock Bonuses. The 2012 Plan provides that the Compensation Committee may issue restricted stock, RSUs, performance-based awards or stock bonuses in the amounts and subject to such terms, conditions, and restrictions as the Compensation Committee determines. Restricted stock, RSUs and performance-based awards may be issued for any consideration determined by the Compensation Committee.

Changes in Capital Structure. The 2012 Plan authorizes the Compensation Committee to make appropriate adjustments in outstanding options and awards and in shares reserved under the 2012 Plan in the event of a stock

split, recapitalization, or certain other transactions. The Compensation Committee also has discretion to convert options, to limit the exercise period of outstanding options, and to accelerate the exercisability of options in the event of merger or certain other changes in our capital structure.

Equity Compensation Plan Information

The following table provides information as of December 31, 2014 regarding shares of our common stock that may be issued under the 2012 Plan, which was our only existing equity compensation plan as of that date and prior to the adoption of the Plan and Agreement:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans ⁽³⁾
Equity compensation plans approved by security holders	55,603		7,808
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	55,603		7,808

(1) Includes 55,603 shares issuable upon vesting of outstanding RSU awards.

(2) The weighted-average exercise price does not take into account the shares issuable upon vesting of outstanding RSU awards, which have no exercise price.

(3) To the extent that any outstanding award under the 2012 Plan is canceled, expired, forfeited, surrendered, settled in cash, or otherwise terminated without delivery of shares to the participant, the shares retained by or returned to us will be available for future awards under the 2012 Plan.

2013 Retention Bonus Plan

We developed the 2013 Retention Bonus Plan, or the 2013 Plan, in connection with our acquisition of Evergreen Helicopters, Inc., or EHI, from Evergreen International Aviation, Inc., or EIA, in May 2013. We refer to the acquisition as the Evergreen Acquisition. The 2013 Plan was developed for the purpose of retaining mission critical personnel following the Evergreen Acquisition and to motivate such persons to continue contributing to our growth and profitability.

The 2013 Plan is administered by the Compensation Committee, which has the discretionary authority to interpret and administer the 2013 Plan and to adopt rules and regulations to implement the 2013 Plan. The Compensation Committee has delegated to our Chief Executive Officer the day-to-day implementation and interpretation of the 2013 Plan, including the approval of individual payouts under the 2013 Plan to employees other than our executive management team. Our Chief Executive Officer has the sole and absolute discretion to determine the level of achievement, the amount of any bonus awards and the timing of payment of any bonus awards to be paid hereunder (provided that any such determinations in respect of our executive management team shall be made by the Compensation Committee). Our board of directors or the Compensation Committee must approve the aggregate payout under the 2013 Plan and individual payouts under the 2013 Plan to our executive management team (including

the timing or acceleration of any such payments).

Only full-time exempt employees are eligible to participate in the 2013 Plan. A former employee is not eligible to participate in the 2013 Plan if he or she resigns or is terminated for any reason at any time before a bonus is paid pursuant to the 2013 Plan. A person may be considered ineligible for the 2013 Plan at any time and for any reason at the discretion of the Compensation Committee or our Chief Executive Officer, regardless of whether he or she remains one of our employees.

The aggregate amount of bonus awards payable under the 2013 Plan shall not exceed \$2,000,000 (less our share of FICA taxes required to be withheld on the retention bonuses). No amounts awarded or accrued under the 2013 Plan will be funded, set aside or otherwise segregated prior to payment. The obligation to pay the bonuses awarded under the 2013 Plan will at all times be our unfunded and unsecured obligation. As of April 16, 2015, we have paid an aggregate of \$1.5 million to our employees under the 2013 Plan and there are no amounts still to be paid.

The following table presents the named executive officers who received bonus awards pursuant to the 2013 Plan and the aggregate amounts of such awards, as determined by the Compensation Committee. The amounts were awarded in May 2013 and were paid in four equal installments on the quarterly anniversary of the grant date, subject to the recipient's continued service:

Name	Retention Bonus (\$)
Udo Reider ⁽¹⁾	160,000
Edward Rizzuti ⁽²⁾	80,000

(1) Mr. Rieder's service as our President and Chief Executive Officer terminated on March 31, 2015.

(2) Mr. Rizzuti's service as our Vice President, General Counsel and Corporate Secretary terminated on June 26, 2015.

Retirement Benefits

We do not provide our named executive officers with supplemental or other retirement benefits other than eligibility to participate in our broad-based 401(k) plan.

Outstanding Equity Awards at Fiscal 2014 Year-End

The following table sets forth certain information with respect to the value of all unexercised RSUs and other equity awards previously awarded to our named executive officers as of December 31, 2014:

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2014

Name	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ⁽¹⁾ (\$)
Udo Rieder ⁽²⁾		
Eric Struik ⁽³⁾	11,000	91,740
Edward Rizzuti ⁽⁴⁾	6,485	54,085

(1) The aggregate dollar value of the RSUs is shown at maximum payout value based on the \$8.34 per share closing price of Erickson's common stock on the Nasdaq Global Market on December 31, 2014.

(2) Mr. Rieder's service as our President and Chief Executive Officer terminated on March 31, 2015.

- (3) All of the RSUs vest on the second anniversary of the grant date, which was November 26, 2013.
- (4) Two-fifths of the RSUs vested on the grant date, and one-fifth of the RSUs vested on each of the first, second and third anniversaries of the grant date, which was April 17, 2012. Mr. Rizzuti's service as our Vice President, General Counsel and Corporate Secretary terminated on June 26, 2015.

Compensation of Directors

The following table sets forth information concerning the compensation earned during the 2014 fiscal year by each individual who served as a non-employee director at any time during the fiscal year:

2014 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Stock Awards ⁽¹⁾ (\$)	Total (\$)
Kenneth Lau ⁽²⁾			
Quinn Morgan			
Hank Halter	40,000	48,573	88,573
Gary R. Scott	35,000	43,578	78,578
Meredith R. Siegfried	35,000	43,578	78,578
James L. Welch	40,000	48,573	88,573

(1) Amounts represent the aggregate grant date fair value of all stock awards without regard to forfeitures, computed in accordance with FASB ASC Topic 718. The assumptions used with respect to the valuation are set forth in *Erickson Air-Crane Incorporated Consolidated Financial Statements Notes to Financial Statements Note 2 Summary of Significant Accounting Policies Stock-Based Compensation* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

(2) Mr. Lau's service as a director terminated on March 19, 2015.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of Messrs. Welch or Scott or Ms. Siegfried, who serves or has served during the past fiscal year as a member of the Compensation Committee, is an officer or employee of our Company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or the Compensation Committee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information known to us regarding the beneficial ownership of our common stock as of July 2, 2015 (the Measurement Date) by (1) each stockholder who is known by us to beneficially own more than 5% of our common stock, (2) each of our directors, (3) each of our named executive officers, and (4) all of our directors and executive officers as a group. Unless otherwise indicated, the address of each beneficial owner is c/o Erickson Incorporated, 5550 SW Macadam Avenue, Suite 200, Portland, Oregon 97239.

Beneficial Owner ⁽¹⁾	Number of Shares Beneficially Owned ⁽²⁾	Percent ⁽³⁾
5% Stockholders:		
ZM EAC LLC	4,650,123 ⁽⁴⁾	33.6
ZM Private Equity Fund I, L.P.	1,580,723 ⁽⁴⁾	11.4
ZM Private Equity Fund II, L.P.	677,453 ⁽⁴⁾	4.9
10th Lane Finance Co., LLC	634,763 ⁽⁴⁾	4.6
Ariel Investments, LLC ⁽⁵⁾	2,340,545	16.9
Cetus Capital II, LLC ⁽⁶⁾	1,307,155	9.4
Coliseum Capital Management, LLC ⁽⁷⁾	838,560	6.1
Named Executive Officers and Directors:		
Udo Rieder ⁽⁸⁾	59,682	*
Eric Struik		*
Edward Rizzuti ⁽⁹⁾	8,895	*
Quinn Morgan ⁽⁴⁾	7,543,064 ⁽¹⁰⁾	54.5
Jeffrey Roberts		*
Gary R. Scott	5,478	*
Meredith R. Siegfried	5,478	*
James L. Welch	6,087	*
Glenn Johnson	0	0
All executive officers and directors as a group (10 persons)	7,569,483	54.7

* Represents beneficial ownership of less than 1% of our outstanding common stock.

(1) Except as otherwise indicated, the persons named in this table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and to the information contained in the footnotes to this table.

(2) Under SEC rules, a person is deemed to be the beneficial owner of shares that can be acquired by such person within 60 days upon the exercise, conversion, or exchange of options or other exercisable, convertible, or exchangeable securities.

- (3) Calculated on the basis of 13,833,174 shares of common stock outstanding as of the Measurement Date, plus any additional shares of common stock that a stockholder has the right to acquire within 60 days after the Measurement Date.
- (4) Mr. Morgan serves on our board of directors and is the managing member of ZM EAC LLC and Q&U Investments LLC. Q&U Investments LLC is the managing member of ZM Private Equity Fund I GP, LLC, which is the general partner of ZM Private Equity Fund I, L.P.; Q&U Investments LLC is the managing member of ZM Private Equity Fund II GP, LLC, which is the general partner of ZM Private Equity Fund II, L.P.; and Q&U Investments LLC is the managing member of 10th Lane Partners LLC, which is the managing member of 10th Lane Finance Co., LLC. Accordingly, Mr. Morgan may be deemed to have sole voting and investment power with respect to the shares held by ZM EAC LLC, ZM Private Equity Fund I, L.P., ZM Private Equity Fund II, L.P., and 10th Lane Finance Co., LLC. The address of each of the parties is 60 East 42nd Street, Suite 1400, New York, NY 10165.

- (5) Information is based on amendment No. 3 to Schedule 13G filed with the SEC on February 13, 2015, which also contains the beneficial owner's address.
- (6) Information is based on amendment No. 2 to Schedule 13G filed with the SEC on February 13, 2015, which also contains the beneficial owner's address.
- (7) Information is based on amendment No. 1 to Schedule 13G filed with the SEC on February 17, 2015, which also contains the beneficial owner's address.
- (8) Mr. Rieder's service as our President and Chief Executive Officer terminated on March 31, 2015.
- (9) Mr. Rizzuti's service as our Vice President, General Counsel and Corporate Secretary terminated on June 26, 2015.
- (10) Consists of 4,650,123 shares owned by ZM EAC LLC, 1,580,723 shares owned by ZM Private Equity Fund I, L.P., 677,453 shares owned by ZM Private Equity Fund II, L.P., and 634,763 shares owned by 10th Lane Finance Co., LLC. Mr. Morgan disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

INTERESTS OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

None of our directors or officers since January 1, 2014, being the comme