

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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): April 26, 2021

## CREDIT ACCEPTANCE CORPORATION

(Exact name of registrant as specified in its charter)

Michigan

(State or other jurisdiction of incorporation)

000-20202

(Commission File Number)

38-1999511

(IRS Employer Identification No.)

25505 West Twelve Mile Road

Southfield, Michigan

(Address of principal executive offices)

48034-8339

(Zip Code)

Registrant's telephone number, including area code: (248) 353-2700

Not Applicable

(Former name or former address, if changed since last report.)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	CACC	The Nasdaq Stock Market LLC

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On April 26, 2021, Brett A. Roberts, Chief Executive Officer and President of Credit Acceptance Corporation (referred to as the “Company,” “Credit Acceptance,” “we,” “our” or “us”) and a member of our board of directors (the “Board”), informed us that he has decided to retire from the Company as an officer, director and employee effective May 3, 2021.

On April 28, 2021, the Board elected and appointed Kenneth S. Booth, currently our Chief Financial Officer and our principal financial and accounting officer, to succeed Mr. Roberts as Chief Executive Officer and President and as a director of the Company effective May 3, 2021. Upon becoming Chief Executive Officer and President, Mr. Booth will be our principal executive and financial officer and will cease to serve as Chief Financial Officer and as our principal accounting officer. Mr. Booth, age 53, joined Credit Acceptance in January 2004 as Director of Internal Audit. He was named Chief Accounting Officer in May 2004 and Chief Financial Officer in December 2004. From August 1991 until joining us, Mr. Booth worked in public accounting, most recently as a senior manager at PricewaterhouseCoopers LLP. In connection with Mr. Booth’s becoming Chief Executive Officer and President, the Executive Compensation Committee of the Board approved an increase in Mr. Booth’s annual base salary from \$700,000 to \$1,000,000 and the grant to Mr. Booth of an award under our Amended and Restated Incentive Compensation Plan of 110,000 stock options that will expire ten years from the date of the grant and will vest and become exercisable in four equal annual installments from the date of the grant subject to continuous employment through the relevant vesting date.

On April 28, 2021, the Board increased the number of directors constituting the entire Board from four to five, effective May 3, 2021, and elected Vinayak R. Hegde as a director of the Company effective May 3, 2021 to fill the vacancy created by the increase in the size of the Board. In connection with his election to the Board, Mr. Hegde has been appointed to serve as a member of the following committees of the Board: the Executive Compensation Committee and the Nominating Committee. As a non-employee director, Mr. Hegde is eligible to receive a quarterly retainer of \$12,500 (prorated based on the effective date of his election to the Board for the current quarter) or payments of \$1,500 for each Board meeting attended and \$500 for each committee meeting attended; stock-based awards under our Amended and Restated Incentive Compensation Plan; and reimbursement for travel related expenses. In connection with Mr. Hegde’s commencement of service as a director, the Executive Compensation Committee of the Board approved the grant to Mr. Hegde of an award under our Amended and Restated Incentive Compensation Plan of 10,000 stock options that will expire ten years from the date of the grant and will vest and become exercisable in four equal annual installments from the date of the grant subject to continuous service through the relevant vesting date.

On April 28, 2021, the Company determined that Jay D. Martin, our Senior Vice President – Accounting & Financial Reporting, will be our principal accounting officer effective May 3, 2021. Mr. Martin, age 47, joined Credit Acceptance as Manager of SEC Reporting in September 2003. He was promoted to Director of Accounting in February 2005, Vice President – Accounting & Financial Reporting in February 2009 and Senior Vice President – Accounting & Financial Reporting in January 2012. Effective May 3, 2021, his title will change to Senior Vice President – Finance & Accounting. In connection with Mr. Martin’s becoming our principal accounting officer, the Executive Compensation Committee of the Board approved an increase in Mr. Martin’s annual base salary from \$360,000 to \$400,000 and the grant to Mr. Martin of an award under our Amended and Restated Incentive Compensation Plan of 2,250 stock options that will expire six years from the date of the grant and will vest and become exercisable in four equal annual installments from the date of the grant subject to continuous employment through the relevant vesting date.

The grant of each of the stock option awards described above is subject to shareholder approval, at our next annual meeting of shareholders, of an amendment to our Amended and Restated Incentive Compensation Plan increasing the number of shares available for issuance under the plan.

**Item 7.01. Regulation FD Disclosure.**

On April 29, 2021, the Company issued a press release relating to Mr. Booth’s election and appointment to succeed Mr. Roberts as our Chief Executive Officer and President and the election of Mr. Roberts and Mr. Hegde to the Board, as described in Item 5.02 of this report. A copy of the press release is furnished pursuant to Item 7.01 of Form 8-K as Exhibit 99.1 to this report.

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The information furnished in this report pursuant to Item 7.01 of Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
<a href="#">99.1</a>	Press Release dated April 29, 2021.
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

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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.

CREDIT ACCEPTANCE CORPORATION

Date: April 29, 2021

By: /s/ Kenneth S. Booth  
Kenneth S. Booth  
Chief Financial Officer

**Credit Acceptance**  
25505 West Twelve Mile Road  
Southfield, MI 48034-8339  
(248) 353-2700  
[creditacceptance.com](http://creditacceptance.com)

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**Date: April 29, 2021**

**Investor Relations: Douglas W. Busk**  
**Chief Treasury Officer**  
**(248) 353-2700 Ext. 4432**  
**[IR@creditacceptance.com](mailto:IR@creditacceptance.com)**

**Nasdaq Symbol: CACC**

**CREDIT ACCEPTANCE ANNOUNCES RETIREMENT OF BRETT A. ROBERTS AS CEO AND DIRECTOR; APPOINTMENT OF KENNETH S. BOOTH AS SUCCESSOR; AND ELECTION OF VINAYAK R. HEGDE TO THE BOARD OF DIRECTORS**

**Southfield, Michigan – April 29, 2021 – Credit Acceptance Corporation (Nasdaq: CACC)** (referred to as the “Company”, “Credit Acceptance”, “we”, “our”, or “us”) today announced that Brett A. Roberts, the Company’s Chief Executive Officer and President and a member of the Company’s Board of Directors, will retire at the close of business on May 3, 2021. The Board of Directors has unanimously elected and appointed the Company’s Chief Financial Officer, Kenneth S. Booth, as the Company’s new Chief Executive Officer and President and as a director, effective May 3, 2021.

Tom Tryforos, the Company’s Lead Director, said “I think I speak for all at Credit Acceptance in saying that Brett’s decision to retire came way too soon, but we are extremely grateful for his nearly 30-year commitment and loyalty to the Company. For the past 19 years, Brett served as the Company’s CEO. Under his leadership, and with the support of the rest of the management team, we built a world-class company and culture with an intense and deeply-embedded focus on changing lives.” During Roberts’ tenure as CEO, adjusted net income per share grew at a compounded annual rate of 24.3% per year from \$0.62 in 2001 to \$38.26 in 2020, and economic profit improved from a loss of \$3.2 million to a profit of \$471.3 million over the same period. GAAP net income per share over this period grew at a compounded rate of 21.6% per year from \$0.57 to \$23.47, and GAAP net income improved from \$24.7 million to \$421.0 million over the same period.

Mr. Booth joined the Company in January 2004 as Director of Internal Audit. He was named Chief Accounting Officer in May 2004 and Chief Financial Officer in December 2004. From August 1991 until joining us, Mr. Booth worked in public accounting, most recently as a senior manager at PricewaterhouseCoopers LLP. “Ken Booth’s appointment as CEO is a natural, evolutionary step. He is a highly respected and proven leader with deep knowledge of the Company’s business and we are very fortunate to have him as CEO. Under Ken’s leadership, we are confident Credit Acceptance’s business and culture will thrive for many years to come,” said Mr. Tryforos.

“The Company is in good hands,” said Mr. Roberts. “We have a remarkably talented senior leadership team. The seven executives that comprise the senior leadership team have over 140 years of combined experience at the Company. Our Board of Directors includes three outside directors who have tremendous experience and wisdom and care deeply about our Company. And today, we are announcing the addition to our Board of Directors of Vinayak Hegde, whom I know and for whom I have great respect. I look forward to watching the Company’s success under Ken’s leadership.”

Vinayak R. Hegde will be joining the Board as an independent director on May 3, 2021. “We are looking forward to adding Vinayak to the Board,” said Mr. Tryforos. “His operational experience, coupled with his proven history of driving strategic growth, will be a benefit to both the Board and management.”

Mr. Hegde served as the President and Chief Operating Officer of Blink Health from July 2020 to March 2021. Prior to that, he served as the Chief Marketing Officer of Airbnb Homes. He was responsible for the growth and marketing of their global business, which grew to \$4.8 billion in revenue and over \$38 billion in bookings during his tenure. Previously, he served as Global Chief Marketing Officer at Groupon where he managed marketing, national sales and revenue management. He launched their brand campaigns and growth strategy, which grew to service over 50 million customers worldwide with over 160 million Groupon app downloads. He led Groupon's acquisition of LivingSocial.com, an online marketplace for users to buy and share things to do in their city, serving as President after the transaction. Prior to Groupon, he spent over 12 years at Amazon, where he served as General Manager for Amazon Smile, Amazon Goldbox, the CRM program and all social media channels and led product and engineering for Amazon's traffic and marketing organization. Mr. Hegde graduated with a Bachelor of Engineering degree from National Institute of Technology, Karnataka, India. Mr. Hegde also sits on the boards of directors of LifeVantage and Gannett.

### About Credit Acceptance

Since 1972, Credit Acceptance has offered financing programs that enable automobile dealers to sell vehicles to consumers, regardless of their credit history. Our financing programs are offered through a nationwide network of automobile dealers who benefit from sales of vehicles to consumers who otherwise could not obtain financing; from repeat and referral sales generated by these same customers; and from sales to customers responding to advertisements for our financing programs, but who actually end up qualifying for traditional financing.

Without our financing programs, consumers are often unable to purchase vehicles or they purchase unreliable ones. Further, as we report to the three national credit reporting agencies, an important ancillary benefit of our programs is that we provide consumers with an opportunity to improve their lives by improving their credit score and move on to more traditional sources of financing. Credit Acceptance is publicly traded on the Nasdaq Stock Market under the symbol CACC. For more information, visit [creditacceptance.com](http://creditacceptance.com).

### Reconciliation of GAAP Financial Results to Non-GAAP Measures

	GAAP net income per share	Floating yield adjustment per share	Senior notes adjustment per share	Income tax adjustment per share (diluted)	Other adjustments per share	Adjusted net income per share
2001	\$ 0.57	\$ 0.03	\$ —	\$ 0.05	\$ (0.03)	\$ 0.62
2020	\$ 23.47	\$ 14.45	\$ 0.22	\$ 0.12	\$ —	\$ 38.26

(\$ in millions)	GAAP net income	Floating yield adjustment	Senior notes adjustment	Income tax adjustment	Other adjustments	Adjusted net income	Imputed cost of equity	Economic Profit
2001	\$ 24.7	\$ 1.2	\$ —	\$ 2.0	\$ (1.1)	\$ 26.8	\$ (30.0)	\$ (3.2)
2020	\$ 421.0	\$ 259.2	\$ 4.0	\$ 2.1	\$ —	\$ 686.3	\$ (215.0)	\$ 471.3