

Vera Bradley, Inc.
Form SC 13D/A
April 16, 2014

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 1)

Vera Bradley, Inc.
(Name of Issuer)

Common Stock, No Par Value
(Title of Class of Securities)
92335C106
(CUSIP Number)

Jeffrey P. Bodle, Esq.
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(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

April 16, 2014
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this Schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box o

1 NAMES OF REPORTING PERSONS
 Barbara B. Baekgaard 2009 Grantor Retained Annuity Trust

2 CHECK THE APPROPRIATE BOX IF A
 MEMBER OF A GROUP*
 (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
 OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
 ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 IN

7 SOLE VOTING POWER
 0 Shares

8 SHARED VOTING POWER
 8,810,469 Shares

9 SOLE DISPOSITIVE POWER
 0 Shares

10 SHARED DISPOSITIVE POWER
 8,810,469 Shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 8,810,469 Shares

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
 SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 21.7%

14 TYPE OF REPORTING PERSON (See Instructions)
 OO

1 NAMES OF REPORTING PERSONS
Robert J. Hall

2 CHECK THE APPROPRIATE BOX IF A
MEMBER OF A GROUP*

3 (a) (b)

4 SEC USE ONLY
SOURCE OF FUNDS
OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
United States of America

7 SOLE VOTING POWER
41,251 Shares

8 SHARED VOTING POWER
8,810,469 Shares (1)

9 SOLE DISPOSITIVE POWER
41,251 Shares

10 SHARED DISPOSITIVE POWER
8,810,469 Shares (1)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,851,720 Shares (1)

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
21.8%

14 TYPE OF REPORTING PERSON (See Instructions)
IN

(1) Includes 8,810,469 shares held by the Barbara B. Baekgaard 2009 Grantor Retained Annuity Trust.

1 NAMES OF REPORTING PERSONS
Joan B. Hall

2 CHECK THE APPROPRIATE BOX IF A
MEMBER OF A GROUP*

3 (a) (b)

4 SEC USE ONLY
SOURCE OF FUNDS
OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEM 2(d) or 2(e)
o

6 CITIZENSHIP OR PLACE OF ORGANIZATION
United States of America

7 SOLE VOTING POWER
0 Shares

8 SHARED VOTING POWER
8,810,469 Shares (1)

9 SOLE DISPOSITIVE POWER
0 Shares

10 SHARED DISPOSITIVE POWER
8,810,469 Shares (1)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,810,469 Shares (1)

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES (See Instructions)
o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
21.7%

14 TYPE OF REPORTING PERSON (See Instructions)
IN

(1) Includes 8,810,469 shares held by the Barbara B. Baekgaard 2009 Grantor Retained Annuity Trust.

1 NAMES OF REPORTING PERSONS
 Michael C. Ray
 CHECK THE APPROPRIATE BOX IF A
 2 MEMBER OF A GROUP*
 (a) (b)
 3 SEC USE ONLY
 4 SOURCE OF FUNDS
 OO
 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
 5 ITEM 2(d) or 2(e)
 o
 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 United States of America
 7 SOLE VOTING POWER
 944,998 Shares
 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
 8 SHARED VOTING POWER
 9,696,465 Shares (1)
 9 SOLE DISPOSITIVE POWER
 944,998 Shares
 10 SHARED DISPOSITIVE POWER
 9,696,465 Shares (1)
 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 10,641,463 Shares (1)
 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
 12 SHARES (See Instructions)
 o
 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 26.2% (1)
 14 TYPE OF REPORTING PERSON (See Instructions)
 IN

(1) Includes 8,810,469 shares held by the Barbara B. Baekgaard 2009 Grantor Retained Annuity Trust. Includes 885,996 shares held by the Michael Ray 2009 Grantor Retained Annuity Trust for the benefit of Mr. Ray's spouse and children. Mr. Ray's spouse has served as the sole trustee of the Michael Ray 2009 Grantor Retained Annuity Trust since January 19, 2013. Mr. Ray disclaims beneficial ownership of and pecuniary interest in the 885,996 shares held by the Michael Ray 2009 Grantor Retained Annuity Trust.

This Amendment No. 1 (“Amendment No. 1”) amends the statement on Schedule 13D initially filed on March 18, 2013 (the “Schedule 13D”) by the Barbara B. Baekgaard 2009 Grantor Retained Annuity Trust, Robert J. Hall, Joan B. Hall and Michael C. Ray (collectively, the “Reporting Parties”) with respect to common stock, no par value (the “Common Stock”), of Vera Bradley, Inc. (the “Issuer”). Except as otherwise set forth herein, this Amendment No. 1 does not modify any of the information previously reported by the Reporting Parties in the Schedule 13D.

Item 2. Identity and Background.

(a) The persons filing this statement are Barbara B. Baekgaard 2009 Grantor Retained Annuity Trust (the “Trust”), Robert J. Hall, Joan B. Hall and Michael C. Ray (collectively with the Trust, the “Reporting Persons”).

(b) The business address of the Reporting Persons is c/o Vera Bradley, Inc., 2208 Production Road, Fort Wayne, Indiana 46808.

(c) Robert J. Hall’s principal occupation is principal of Green Gables Partners, a private investment firm that he founded in 2010. The address of Green Gables Partners is 7 Spring Mill Lane, Haverford, PA 19041. He also serves as the Chairman of the Issuer’s Board of Directors. Joan B. Hall is the spouse of Robert J. Hall.

(d) During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, no Reporting Person has been a party to a civil proceeding of a judicial or administrative body as a result of which proceeding the Reporting Person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of Robert J. Hall, Joan B. Hall and Michael C. Ray is a United States citizen. The Trust is governed by Indiana law.

Item 3. Source and Amount of Funds or Other Consideration.

Barbara B. Baekgaard (“Baekgaard”), co-founder, Chief Creative Director and a director of the Issuer, created the Trust on January 19, 2009 and served as its sole trustee until January 19, 2013. On January 19, 2009, Baekgaard contributed 8,810,469 shares of Common Stock (the “Trust Shares”) to the Trust. On January 19, 2013, Baekgaard resigned as trustee of the Trust, and Joan B. Hall and Michael C. Ray were appointed as co-trustees of the Trust. Joan B. Hall is Baekgaard’s daughter and is married to Robert J. Hall, the Chairman of the Board of Directors of the Issuer. Michael C. Ray is married to Baekgaard’s daughter. When Baekgaard was serving as the sole trustee of the Trust, the Trust Shares were deemed indirectly beneficially owned by Baekgaard. Upon her resignation as the trustee, the Trust Shares are deemed directly beneficially owned by the Trust, and indirectly beneficially owned by its co-trustees - Joan B. Hall and Michael C. Ray. Robert J. Hall is also deemed to indirectly beneficially own the Trust Shares since he is the spouse of Joan B. Hall. Each of Robert J. Hall and Michael C. Ray disclaims all pecuniary interest in the Trust Shares. Joan B. Hall disclaims all pecuniary interest in the Trust Shares except to the extent that any such pecuniary interest is allocated to her in accordance with the Trust documents.

Robert J. Hall acquired 41,251 shares of Common Stock in connection with his service as a non-employee director of the Issuer.

Michael C. Ray acquired a net of 48,967 shares of Common Stock in connection with his prior service as the Chief Executive Officer of the Issuer, purchased 1,772,027 shares prior to the Issuer becoming a public company and purchased 10,000 shares of Common Stock on the public market. Of these shares, 944,998 shares are held by Michael C. Ray, 885,996 shares are held by the Michael Ray 2009 Grantor Retained Annuity Trust for the benefit of Mr. Ray’s spouse and children. Mr. Ray’s spouse has served as the sole trustee of the Michael Ray 2009 Grantor Retained Annuity Trust since January 19, 2013. Mr. Ray disclaims beneficial ownership of and pecuniary interest in the 885,996 shares held by the Michael Ray 2009 Grantor Retained Annuity Trust.

Item 4. Purpose of Transaction.

The Reporting Persons are holding the shares of Common Stock described in Item 3 for investment purposes, without the intention of changing or influencing control of the Issuer or participating in any transaction having that purpose or effect.

On March 24, 2014, Michael C. Ray entered into a Rule 10b5-1 trading plan (the "Trading Plan"), with Goldman, Sachs & Co. ("Broker") pursuant to which Broker is authorized and directed to sell on behalf of Mr. Ray up to 250,000 shares of Common Stock through March 25, 2015, subject to satisfaction of certain conditions, including among others, minimum sale price and limit on the number of shares that can be sold on a single trading day. All transactions under the Trading Plan are to be made in accordance with the terms and conditions of the Trading Plan. The Trading Plan was adopted to enable Mr. Ray to sell a portion of his shares of Common Stock as a part of his long-term tax and asset diversification strategy. By using a Rule 10b5-1 trading plan, Mr. Ray can diversify his investment portfolio over an extended period of time. If all shares covered by the Trading Plan are sold, Mr. Ray will continue to hold 1,580,994 shares of Common Stock. The Trading Plan does not include the shareholdings of the Trust, which continues to beneficially own 8,810,469 shares of Common Stock.

The Reporting Persons retain the right to change their investment intent, from time to time to acquire additional shares of Common Stock or other securities of the Issuer, or to sell or otherwise dispose of (or enter into plans or arrangements to sell or otherwise dispose of), all or part of the shares of Common Stock or other securities of the Issuer, if any, beneficially owned by them, in any manner permitted by law. The Reporting Persons may engage from time to time in transactions with financial institutions and other parties with respect to the securities described herein as permitted by law. Other than a Reporting Person in his capacity as a director and/or an executive officer of the Issuer or as described above, none of the Reporting Persons currently has any plans or proposals which would be related to or would result in any of the matters described in Items 4(a)-(j) of Schedule 13D. However, as part of the ongoing evaluation of investment alternatives, the Reporting Persons may consider such matters and, subject to applicable law, may formulate a plan with respect to such matters, and, from time to time, one or more Reporting Persons may hold discussions with or make formal proposals to management or the Board of Directors of the Issuer or other third parties regarding such matters as permitted by law.

Item 5. Interest in Securities of the Issuer.

See the information contained on the cover pages of this Statement on Schedule 13D which is incorporated herein by reference. The percentage of shares of Common Stock beneficially owned by each Reporting Person is based on 40,606,731 outstanding shares of Common Stock of the Issuer as of December 12, 2013, as reported in the Issuer's Quarterly Report on Form 10-Q for the fiscal quarter ended November 2, 2013. In computing the number of shares of Common Stock beneficially owned by a person and the percentage ownership of that person, common shares subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of March 31, 2014 are deemed outstanding but are not deemed outstanding for computing the percentage ownership of any other person.

There have been no reportable transactions with respect to the shares of Common Stock of the Issuer within the last 60 days by the Reporting Persons other than as described in this Schedule 13D.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 16, 2014

BARBARA B. BAEKGAARD 2009 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Joan B. Hall
Joan B. Hall
Trustee

By: /s/ Michael C. Ray
Michael C. Ray
Trustee

ROBERT J. HALL
/s/ Robert J. Hall
Robert J. Hall

JOAN B. HALL
/s/ Joan B. Hall
Joan B. Hall

MICHAEL C. RAY
/s/ Michael C. Ray
Michael C. Ray