

**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) January 3, 2012



U.S. AUTO PARTS NETWORK, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33264
(Commission
File Number)

68-0623433
(IRS Employer
Identification No.)

17150 South Margay Avenue, Carson, CA 90746
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (310) 735-0092

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

(b) On January 3, 2012, Theodore R. Sanders resigned as the Chief Financial Officer of U.S. Auto Parts Network, Inc. (the “*Company*”), effective immediately. In connection with his resignation, the Company entered into an Amended and Restated Employment Agreement (the “*Amended Employment Agreement*”) with Mr. Sanders, pursuant to which Mr. Sanders will serve as an Internal Consultant for the Company through June 17, 2012. The Amended Employment Agreement replaces and supersedes the Employment Agreement entered into with Mr. Sanders on March 29, 2010.

Pursuant to the terms of the Amended Employment Agreement, Mr. Sanders will receive an annual pro-rata base salary of \$307,500 through the earlier of Mr. Sanders’ termination of employment with the Company or June 17, 2012. While Mr. Sanders will be employed on an at-will basis, the Amended Employment Agreement provides that in the event of his termination for any reason (other than for cause) or as a result of his own voluntary resignation with good reason, Mr. Sanders will be entitled to his salary through June 17, 2012 (payable in accordance with the Company’s regular pay practices) plus reimbursement for the cost of COBRA coverage until January 17, 2013.

(c) In connection with Mr. Sanders’ resignation, on January 3, 2012, the Company appointed David G. Robson, 45, as the Company’s Chief Financial Officer, effective immediately. Prior to his appointment as the Company’s Chief Financial Officer, Mr. Robson served as the Executive Vice President and Chief Administrative Officer at Mervyns’ LLC since 2007. From 2001 until 2007, Mr. Robson served as the Senior Vice President of Finance and Principal Accounting Officer for Guitar Center, Inc. Mr. Robson began his career in public accounting with the accounting firm Deloitte & Touche. Mr. Robson holds a B.S. in Accounting from the University of Southern California and is also a certified public accountant.

In connection with Mr. Robson’s appointment as Chief Financial Officer, Mr. Robson entered into an Employment Agreement (the “*Employment Agreement*”), pursuant to which Mr. Robson will receive an annual base salary of \$300,000, subject to an annual performance review. Mr. Robson will also be eligible to receive an annual target incentive bonus of up to 50% of his annual base salary, depending on the achievement of certain performance goals to be established by the Compensation Committee of the Company’s Board of Directors. While Mr. Robson will be employed on an at-will basis, the Employment Agreement provides that in the event of his termination for any reason (other than for cause) or as a result of his own voluntary resignation with good reason, Mr. Robson will be entitled to severance payments equal to one year’s base salary (payable in accordance with the Company’s regular pay practices), plus a pro-rated portion of his target bonus for the year in which he was terminated, and reimbursement for the cost of COBRA coverage for a period of up to twelve months following his termination of employment.

In connection with the Employment Agreement, Mr. Robson was granted a stock option to purchase 300,000 shares of the Company’s common stock (the “*Option*”) pursuant to the Company’s 2007 Omnibus Incentive Plan and a Non-Incentive Stock Option Agreement between the Company and Mr. Robson (the “*Option Agreement*”). The exercise price for the Option is \$4.62, which was the closing sales price of the Company’s common stock as reported by Nasdaq on the date of grant. The Option vests over a four year period, with 25% vesting and becoming exercisable on January 3, 2013, and the remainder of which vests and becomes exercisable in 36 equal monthly installments thereafter.

On January 4, 2012, the Company issued a press release announcing Mr. Robson’s appointment as its Chief Financial Officer and Mr. Sanders’ transition as an Internal Consultant for the Company. A copy of this press release is attached as Exhibit 99.1 hereto.

The foregoing descriptions of the Amended Employment Agreement, the Employment Agreement and the Option Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of those documents attached hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.62	Amended and Restated Employment Agreement dated January 3, 2012 between the Company and Theodore R. Sanders.
10.63	Employment Agreement dated January 3, 2012 between the Company and David G. Robson.
10.64	Non-Incentive Stock Option Agreement dated January 3, 2012 between the Company and David G. Robson.
99.1	Press Release dated January 4, 2012 of U.S. Auto Parts Network, Inc.

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.

Dated: January 4, 2012

U.S. AUTO PARTS NETWORK, INC.

By: /s/ SHANE EVANGELIST

Shane Evangelist
Chief Executive Officer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “*Agreement*”) is effective as of January 17, 2012 (the “*Effective Date*”) by and between U.S. Auto Parts Network, Inc., a Delaware corporation (the “*Company*”), and Theodore R. Sanders, Jr., an individual (the “*Employee*”). As of the Effective Date, this Agreement supersedes all prior and contemporaneous oral or written employment agreements or arrangements between Employee and the Company including the Employment Agreement between the Company and Employee dated March 29, 2010 (the “*Prior Agreement*”).

RECITALS

WHEREAS, the Company desires assurance of the continued association and services of Employee in order to retain Employee’s experience, skills, abilities, background and knowledge, and is willing to engage Employee’s services on the terms and conditions set forth in this Agreement; and

WHEREAS, Employee desires to be in the continued employ of the Company, and is willing to accept such employment on the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the foregoing Recitals and the mutual promises and covenants herein contained, and for other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Duties and Responsibilities.

A. As of the Effective Date, Employee shall serve as an Internal Consultant, reporting directly to the Company’s Chief Executive Officer. Employee shall assist with the transition of duties and responsibilities to the Company’s Chief Financial Officer, and shall have such other duties and powers at the Company that are customary for an individual holding such position.

B. Employee agrees to use his best efforts to advance the business and welfare of the Company, to render his services under this Agreement faithfully, diligently and to the best of his ability.

2. **Employment Period.** Following the Effective Date, Employee’s employment with the Company shall be governed by the provisions of this Agreement for the period commencing as of the date hereof and continuing until the earlier of (i) Employee’s termination of employment with the Company for any reason, or (ii) June 17, 2012 (the “*Employment Period*”).

3. Cash Compensation.

A. **Salary.** Employee’s base salary shall be \$307,500 per year (the “*Salary*”), which shall be payable in accordance with the Company’s standard payroll schedule (but in no event less frequent than on a monthly basis), and may be increased from time to time at the discretion of the Company’s Board of Directors or the Compensation Committee of the Company’s Board of Directors (the “*Compensation Committee*”).

B. **No Annual Target Bonus.** Employee shall not be entitled to receive an annual target incentive bonus.

C. **Applicable Withholdings.** The Company shall deduct and withhold from the compensation payable to Employee hereunder any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

4. **Equity Compensation.** Employee shall be entitled to participate in any equity incentive plans of the Company. All such options or equity awards will be made at the discretion of the Compensation Committee pursuant and subject to the terms and conditions of the applicable equity incentive plan, including any provisions for repurchase thereof. The option exercise price or value of any equity award granted to Employee will be established by the Company's Board of Directors or the Compensation Committee as of the date such interests are granted but shall not be less than the fair market value of the class of equity underlying such award.

5. **Expense Reimbursement.** In addition to the compensation specified in Section 3, Employee shall be entitled to receive reimbursement from the Company for all reasonable business expenses incurred by Employee in the performance of Employee's duties hereunder, provided that Employee furnishes the Company, not later than the expiration of the Employment Period, with vouchers, receipts and other details of such expenses in the form reasonably required by the Company to substantiate a deduction for such business expenses under all applicable rules and regulations of federal and state taxing authorities.

6. **Fringe Benefits.**

A. **Group Plans.** Employee shall, throughout the Employment Period, be eligible to participate in all of the group term life insurance plans, group health plans, accidental death and dismemberment plans, short-term disability programs, retirement plans, profit sharing plans or other plans (for which Employee qualifies) that are available to the Company's employees. During the Employment Period, the Company will continue to pay for coverage for Employee and his spouse and dependents residing in Employee's household (collectively, the "**Dependents**") under the Company's health plan, and coverage for Employee under the Company's accidental death and dismemberment plan and for short-term disability. In the event Employee elects not to participate in the Company's health plan, the Company shall reimburse Employee for the cost of alternative health care coverage of his choosing for Employee and his Dependents in an amount up to \$1,500 per month. Payment for all other benefit plans will be paid in accordance with the Company's policy in effect for similar employment positions.

B. **COBRA.** Following the Employment Period, if Employee is eligible for and timely elects continued group health plan coverage under COBRA, the Company will pay the Employee's group health insurance premiums for the Employee and his Dependents under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") or the Company will

reimburse Employee's actual COBRA payments for the Employee and his Dependents through January 17, 2013 (the "**COBRA Payment Period**"); provided, however, that any such payments will cease if Employee voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such premiums. Employee is required to immediately notify the Company in writing of any such enrollment. For all purposes of this Agreement, references to COBRA group health insurance premiums shall not include any amounts payable by Employee under an Internal Revenue Code of 1986, as amended (the "**Code**") Section 125 health care reimbursement plan. Notwithstanding anything to the contrary set forth herein, if the Company determines, in its sole discretion, that the Company cannot provide the COBRA group health insurance premium benefits without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof pay Employee a taxable cash amount, which payment shall be made regardless of whether Employee or his Dependents elect health care continuation coverage (the "**Health Care Benefit Payment**"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA insurance premiums would otherwise have been paid to the insurer. The Health Care Benefit Payment shall be equal to the amount that the Company would have otherwise paid for COBRA insurance premiums (which amount shall be calculated based on the premium for the first month of coverage), and shall be paid until the earlier of (i) expiration of the applicable COBRA Payment Period, or (ii) the date Employee voluntarily enrolls in a health insurance plan offered by another employer or entity.

C. **Vacation.** During the Employment Period, Employee shall be entitled to at least four weeks paid vacation. Vacation shall accrue pursuant to the Company's vacation benefit policies.

D. **Auto Allowance.** During the Employment Period, Employee shall be entitled to an auto allowance for one vehicle for Employee's use up to \$1,000 per month.

E. **Indemnification.** On July 17, 2009, the Company and Employee entered into the Company's standard indemnification agreement for its key employees, which is hereby incorporated by this reference as if set forth fully herein.

7. **Termination of Employment.** Employee's employment with the Company continues to be "at-will." This means that it is not for any specified period of time and can be terminated by Employee or the Company at any time, with or without advance notice, and for any or no particular reason or cause. Upon such termination, Employee (or, in the case of Employee's death, Employee's estate and beneficiaries) shall have no further rights to any other compensation or benefits from the Company on or after the termination of employment except as follows:

A. **Termination For Cause.** In the event the Company terminates Employee's employment with the Company prior to expiration of the Employment Period for Cause (as defined below), the Company shall pay to Employee the following: (i) Employee's unpaid Salary that has been earned through the termination date of his employment; (ii) Employee's accrued but unused vacation; (iii) any accrued expenses pursuant to Section 5 above, and (iv) any other payments as may be required under applicable law (subsections (i) through (iv) above shall collectively be referred to herein as the "**Required Payments**"). For purposes of this Agreement,

“Cause” shall mean that Employee has engaged in any one of the following: (i) misconduct involving the Company or its assets, including, without limitation, misappropriation of the Company’s funds or property; (ii) reckless or willful misconduct in the performance of Employee’s duties in the event such conduct continues after the Company has provided 30 days written notice to Employee and a reasonable opportunity to cure; (iii) conviction of, or plea of nolo contendere to, any felony or misdemeanor involving dishonesty or fraud; (iv) the violation of any of the Company’s policies, including without limitation, the Company’s policies on equal employment opportunity and the prohibition against unlawful harassment; (v) the material breach of any provision of this Agreement after 30 days written notice to Employee of such breach and a reasonable opportunity to cure such breach; or (vi) any other misconduct that has a material adverse effect on the business or reputation of the Company.

B. Termination Upon Death or Disability. If Employee dies during the Employment Period, the Employee’s employment with the Company shall be deemed terminated as of the date of death, and the obligations of the Company to or with respect to Employee shall terminate in their entirety upon such date except as otherwise provided under this Section 7B. If Employee becomes Disabled (as defined below), then the Company shall have the right, to the extent permitted by law, to terminate the employment of Employee upon 30 days prior written notice in writing to Employee. Upon termination of employment due to the death or Disability of Employee, Employee (or Employee’s estate or beneficiaries in the case of the death of Employee) shall be entitled to receive the Required Payments; and Employee shall also be entitled to the following: (i) continuation of his Salary following such termination through the expiration of the Employment Period, which shall be payable in accordance with the Company’s standard pay schedules; and (ii) in the case of termination due to Disability, the Company shall reimburse Employee’s premiums for health care coverage under COBRA for a period of one year. For the purposes of this Agreement, “Disability” shall mean a physical or mental impairment which, the Company determines, after consideration and implementation of reasonable accommodations, precludes the Employee from performing his essential job functions for a period longer than three consecutive months or a total of one hundred twenty (120) days in any twelve month period.

C. Termination for Any Other Reason; Resignation for Good Reason. Should the Company terminate Employee’s employment (other than for Cause or as a result of Employee’s Death or Disability) before the expiration of the Employment Period, or in the event Employee resigns for Good Reason (as defined below) before the expiration of the Employment Period following the initial occurrence of the event giving rise thereto, then the Company shall pay Employee the Required Payments; and Employee shall also be entitled to the following: (i) continuation of Employee’s Salary through the Employment Period, which shall be payable in accordance with the Company’s standard pay schedules (provided however that if Employee obtains other employment, then his severance payments shall be reduced by any amounts received by Employee from his new employer for the balance of the Employment Period); and (ii) assuming Employee timely and accurately elects to continue Employee’s health care coverage under COBRA, the Company shall pay the COBRA premiums for Employee and his Dependents until the earliest of (i) January 17, 2013, or (ii) the expiration of the Employee’s continuation coverage under COBRA and any applicable state COBRA-like statute that provides mandated continuation coverage; provided, however, that any such payments will cease if Employee voluntarily enrolls in a health insurance plan offered by another employer or entity

during the period in which the Company is paying such premiums. This Section 7C is intended to qualify as an involuntary separation pay arrangement that is exempt from application of Section 409A of the Code because certain severance payments are treated as paid on account of an involuntary separation (including a separation for Good Reason) and paid in a lump sum within the “short-term deferral” period following the time the Employee obtains a vested right to such payments. For the purposes of this Agreement, “*Good Reason*” shall mean Employee’s voluntary resignation for any of the following events that results in a material negative change to the Employee; (i) a material breach of any provision of this Agreement by the Company or (ii) the failure of the Company to have a successor entity specifically assume this Agreement. Following a Change in Control (as defined in the Company’s 2007 New Employee Incentive Plan), Good Reason shall include the Company’s chief executive officer (immediately prior the Change in Control) no longer being the chief executive officer of the successor publicly-traded company. Notwithstanding the foregoing, “Good Reason” shall only be found to exist if prior to Employee’s resignation for Good Reason, the Employee has provided, not more than 90 days following the initial occurrence thereof, written notice to the Company of such Good Reason event indicating and describing the event resulting in such Good Reason, and the Company does not cure such event within 90 days following the receipt of such notice from Employee.

8. **Non-Competition During the Employment Period.** Employee acknowledges and agrees that given the extent and nature of the confidential and proprietary information he will obtain during the course of his employment with the Company, it would be inevitable that such confidential information would be disclosed or utilized by the Employee should he obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Consequently, during any period for which Employee is receiving payments from the Company, either as wages or as a severance benefit, Employee shall not, without prior written consent of the Chief Executive Officer, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be employed by or provide advice to, any enterprise that is engaged in any business directly competitive to that of the Company in the aftermarket auto parts market in the United States; provided, however, that such restriction shall not apply to any passive investment representing an interest of less than 1% of an outstanding class of publicly-traded securities of any company or other enterprise where Employee does not provide any management, consulting or other services to such company or enterprise.

9. **Proprietary Information.** Employee has executed the Company’s standard Confidential Information and Assignment of Inventions Agreement (the “*Confidentiality Agreement*”), which is hereby incorporated by this reference as if set forth fully herein. Employee’s obligations pursuant to the Confidentiality Agreement will survive termination of Employee’s employment with the Company. Employee agrees that he will not use or disclose to the Company any confidential or proprietary information from any of his prior employers.

10. **Successors and Assigns.** This Agreement is personal in its nature and the Employee shall not assign or transfer his rights under this Agreement. The provisions of this Agreement shall inure to the benefit of, and shall be binding on, each successor of the Company whether by merger, consolidation, transfer of all or substantially all assets, or otherwise, and the heirs and legal representatives of Employee.

11. **Notices.** Any notices, demands or other communications required or desired to be given by any party shall be in writing and shall be validly given to another party if served either personally or via overnight delivery service such as Federal Express, postage prepaid, return receipt requested. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, such notice shall be conclusively deemed given two business days after the deposit thereof addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To the Company: U.S. Auto Parts Network, Inc.
17150 South Margay Avenue
Carson, California 90746
Attn: Chief Executive Officer
CC: General Counsel

To Employee: At Employee's last residence as provided by
Employee to the Company for payroll records.

Any party may change such party's address for the purpose of receiving notices, demands and other communications by providing written notice to the other party in the manner described in this Section 11.

12. **Governing Documents.** This Agreement, along with the documents expressly referenced in this Agreement, constitute the entire agreement and understanding of the Company and Employee with respect to the terms and conditions of Employee's employment with the Company and the payment of severance benefits, and supersedes all prior and contemporaneous written or verbal agreements and understandings between Employee and the Company relating to such subject matter, including but not limited to the Prior Agreement. This Agreement may only be amended by written instrument signed by Employee and an authorized officer of the Company. Any and all prior agreements, understandings or representations relating to the Employee's employment with the Company are terminated and cancelled in their entirety and are of no further force or effect, including but not limited to the Prior Agreement.

13. **Governing Law.** The provisions of this Agreement will be construed and interpreted under the laws of the State of California. If any provision of this Agreement as applied to any party or to any circumstance should be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under circumstances different from those adjudicated by the court, the application of any other provision of this Agreement, or the enforceability or invalidity of this Agreement as a whole. Should any provision of this Agreement become or be deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision will be stricken and the remainder of this Agreement shall continue in full force and effect.

14. **Remedies.** All rights and remedies provided pursuant to this Agreement or by law shall be cumulative, and no such right or remedy shall be exclusive of any other. A party may pursue any one or more rights or remedies hereunder, or may seek damages or specific performance in the event of another party's breach hereunder, or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

15. **No Waiver.** The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any later breach of that provision.

16. **Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

17. **Section 409A.**

(c) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"). Severance benefits shall not commence until Employee has a "separation from service" for purposes of Section 409A. Each installment of severance benefits is a separate "payment" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and Employee is, upon separation from service, a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) six (6) months and one day after Employee's separation from service, or (ii) Employee's death. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption.

(d) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Employee for any taxes or interest that may be assessed by the U.S. Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement. To the extent that any severance benefit payments are delayed as required by this Agreement due to the application of Section 409A, all suspended payments shall earn and accrue interest at the prevailing "Prime Rate" of interest as published by The Wall Street Journal at the time the payment is made, and any suspended payment when so made, shall be made as a lump sum payment, including accrued interest.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on January 3, 2012.

U.S. AUTO PARTS NETWORK, INC.

By: /s/ Shane Evangelist
Print Name: Shane Evangelist
Title: Chief Executive Officer
Address: 17150 South Margay Avenue
Carson, CA 90746

EMPLOYEE

/s/ Theodore R. Sanders, Jr.
THEODORE R. SANDERS, JR.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "**Agreement**") is executed on January 3, 2012, between U.S. Auto Parts Network, Inc., a Delaware corporation (the "**Company**"), and David G. Robson, an individual (the "**Executive**") and will become effective on the date Executive first reports to work with the Company (the "**Effective Date**").

WHEREAS, the parties hereto desire to enter into a written agreement to document the terms of Executive's employment with the Company.

1. **Duties and Responsibilities.**

A. Executive shall serve as the Company's Chief Financial Officer, reporting directly to the Company's Chief Executive Officer. Executive shall have the duties and powers at the Company that are customary for an individual holding such position.

B. Executive agrees to use his best efforts to advance the business and welfare of the Company, to render his services under this Agreement faithfully, diligently and to the best of his ability.

C. Executive shall be based at the Company's office located at Carson, California, or at such other offices of the Company located within 30 miles of such offices.

2. **Employment Period.** Following the Effective Date, Executive's employment with the Company shall be governed by the provisions of this Agreement for the period commencing as of the date hereof and continuing until the earlier of (i) Executive's termination of employment with the Company for any reason, or (ii) the fifth anniversary of the Effective Date (the "**Employment Period**"). Provided that Executive's employment has not been or is not being terminated for any reason, Executive and the Company agree to negotiate in good faith prior to the end of the Employment Period to enter into a new Employment Agreement to take effect after the Employment Period.

3. **Cash Compensation.**

A. **Annual Salary.** Executive's base salary shall be \$300,000 per year (the "**Annual Salary**"), which shall be payable in accordance with the Company's standard payroll schedule (but in no event less frequent than on a monthly basis), and may be increased from time to time at the discretion of the Compensation Committee of the Company's Board of Directors (the "**Compensation Committee**"). The Compensation Committee shall review Executive's Annual Salary at least annually and may increase the Annual Salary from time to time at its sole discretion. Any increased Annual Salary shall thereupon be the "Annual Salary" for the purposes hereof. Executive's Annual Salary shall not be decreased without his prior written consent at any time during the Employment Period.

B. **Annual Target Bonus.** Executive shall also be entitled to receive an annual target incentive bonus of up to 50% of the Executive's current salary, which target for the first calendar year shall be \$150,000, pro-rated based upon the Executive's length of employment during such year. The annual bonus shall be based upon the Company achieving its revenue and EBITDA goals, Executive meeting the annual goals determined by the Compensation Committee, and Executive being employed in good standing by Company at the time of the bonus payment. The amount of the annual target bonus payable to Executive in any given year shall be determined by the Compensation Committee. The annual bonus shall be paid no later than the end of February following the year for which such bonus is being paid.

C. **Applicable Withholdings.** The Company shall deduct and withhold from the compensation payable to Executive hereunder any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

4. **Equity Compensation.**

A. **Initial Grant.** As of the close of business on the date of the Executive's first day of employment with the Company, the Company's Compensation Committee shall grant Executive non-statutory stock options (the "**Initial Option**") to purchase up to 300,000 shares of the Company's common stock and shall vest over four years; 25% of the shares shall vest on the first anniversary of the grant date and the balance shall vest in 36 equal monthly installments thereafter.

The Initial Option will be granted pursuant to the Company's 2007 Omnibus Incentive Plan (the "**Plan**"), and will be subject to the terms and conditions of the Plan in effect as of the grant date and the related stock option agreements. The exercise price for the options shall be equal to the closing sales price of the Company's common stock as reported by the Exchange on the date of grant of the options.

B. **Other Equity Compensation.** Executive shall also be entitled to participate in any other equity incentive plans of the Company. All such other options or other equity awards will be made at the discretion of the Company's Compensation Committee of the Board of Directors pursuant and subject to the terms and conditions of the applicable equity incentive plan, including any provisions for repurchase thereof. The option exercise price or value of any equity award granted to Executive will be established by the Company's Board of Directors as of the date such interests are granted but shall not be less than the fair market value of the class of equity underlying such award. The vesting of the Initial Option and all subsequent stock options and other equity compensation awards (both time-based vesting and performance-vesting at target level) granted to Executive shall accelerate in full in the event that the Executive's employment is terminated without Cause (as defined herein) or Executive resigns for Good Reason (as defined herein) within the period beginning three months before, and ending twelve months following, a Change in Control as defined in the Plan.

5. **Expense Reimbursement.** In addition to the compensation specified in Section 3, Executive shall be entitled to receive reimbursement from the Company for all reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder, provided that Executive furnishes the Company with vouchers, receipts and other details of such expenses in the form reasonably required by the Company to substantiate a deduction for such business expenses under all applicable rules and regulations of federal and state taxing authorities.

6. **Fringe Benefits.**

A. **Group Plans.** Executive shall, throughout the Employment Period, be eligible to participate in all of the group term life insurance plans, group health plans, accidental death and dismemberment plans, short-term disability programs, retirement plans, profit sharing plans or other plans (for which Executive qualifies) that are available to the executive officers of the Company. During the Employment Period, the Company will pay for coverage for Executive and his spouse and dependents residing in Executive's household (collectively, the "**Dependents**") under the Company's health plan, and coverage for Executive under the Company's accidental death and dismemberment plan and for short-term disability. In the event Executive elects not to participate in the Company's health plan, the Company shall reimburse Executive for the cost of alternative health care coverage of his choosing for Executive and his Dependents in an amount up to \$1,500 per month. Payment for all other benefit plans will be paid in accordance with the Company's policy in effect for similar executive positions.

B. **Vacation.** Executive shall be entitled to at least four weeks paid vacation per year. Vacation shall accrue pursuant to the Company's vacation benefit policies.

C. **Auto Allowance.** Executive shall be entitled to an auto allowance for one vehicle for Executive's use up to \$1,000 per month.

D. **Indemnification.** As of the Effective Date, the Company and Executive shall enter into the Company's standard indemnification agreement for its key executives.

7. **Termination of Employment.** Executive's employment with the Company is "at-will." This means that it is not for any specified period of time and can be terminated by Executive or the Company at any time, with or without advance notice, and for any or no particular reason or cause. Upon such termination, Executive (or, in the case of Executive's death, Executive's estate and beneficiaries) shall have no further rights to any other compensation or benefits from the Company on or after the termination of employment except as follows:

A. **Termination For Cause.** In the event the Company terminates Executive's employment with the Company prior to expiration of the Employment Period for Cause (as defined below), the Company shall pay to Executive the following: (i) Executive's unpaid Annual Salary that has been earned through the termination date of his employment; (ii) Executive's accrued but unused vacation; (iii) any accrued expenses pursuant to Section 5 above,

and (iv) any other payments as may be required under applicable law (subsections (i) through (iv) above shall collectively be referred to herein as the “**Required Payments**”). For purposes of this Agreement, “**Cause**” shall mean that Executive has engaged in any one of the following: (i) misconduct involving the Company or its assets, including, without limitation, misappropriation of the Company’s funds or property; (ii) reckless or willful misconduct in the performance of Executive’s duties in the event such conduct continues after the Company has provided 30 days written notice to Executive and a reasonable opportunity to cure; (iii) conviction of, or plea of nolo contendere to, any felony or misdemeanor involving dishonesty or fraud; (iv) the violation of any of the Company’s policies, including without limitation, the Company’s policies on equal employment opportunity and the prohibition against unlawful harassment; (v) the material breach of any provision of this Agreement after 30 days written notice to Executive of such breach and a reasonable opportunity to cure such breach; or (vi) any other misconduct that has a material adverse effect on the business or reputation of the Company.

B. Termination Upon Death or Disability. If Executive dies during the Employment Period, the Executive’s employment with the Company shall be deemed terminated as of the date of death, and the obligations of the Company to or with respect to Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 7B. If Executive becomes Disabled (as defined below), then the Company shall have the right, to the extent permitted by law, to terminate the employment of Executive upon 30 days prior written notice in writing to Executive. Upon termination of employment due to the death or Disability of Executive, Executive (or Executive’s estate or beneficiaries in the case of the death of Executive) shall be entitled to receive the Required Payments; and Executive shall also be entitled to the following: (i) Executive’s annual target bonus for the year of termination in accordance with Section 3B(2) above (pro rated up to the termination date), which bonus shall be paid at the earlier of (A) such time as the Company regularly pays bonuses, or (B) 2 1/2 months following the calendar year in which the termination occurs; and (ii) continuation of his Annual Salary following such termination for a period of one year, which shall be payable in accordance with the Company’s standard pay schedules; and (iii) in the case of termination due to Disability, the Company shall reimburse Executive’s COBRA payments for Executive’s health insurance benefits for a period of one year. For the purposes of this Agreement, “**Disability**” shall mean a physical or mental impairment which, the Board of Directors determines, after consideration and implementation of reasonable accommodations, precludes the Executive from performing his essential job functions for a period longer than three consecutive months or a total of one hundred twenty (120) days in any twelve month period.

C. Termination for Any Other Reason; Resignation for Good Reason. Should the Company terminate Executive’s employment (other than for Cause or as a result of Executive’s Death or Disability), or in the event Executive resigns for Good Reason (as defined below) within two years following the initial occurrence of the event giving rise thereto, then the Company shall pay Executive the Required Payments; and Executive shall also be entitled to the following: (i) a pro rated share of Executive’s target bonus (pro rated up to the termination or resignation date, as the case may be), which bonus shall be paid at the earlier of (A) such time as the Company regularly pays bonuses; or (B) no later than 2 1/2 months following the calendar year in which the termination or resignation occurs; (ii) continuation of Executive’s Annual Salary, which shall be payable in accordance with the Company’s standard pay schedules for a

period of one year (provided however that if Executive obtains other employment, then his severance payments shall be reduced after the first six months of the foregoing one year severance period by any amounts received by Executive from his new employer for the balance of the one year severance period); and (iii) the Company shall also reimburse Executive's actual COBRA payments for Executive's health insurance benefits for a period of one year. This Section 7C is intended to qualify as an involuntary separation pay arrangement that is exempt from application of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") because certain severance payments are treated as paid on account of an involuntary separation (including a separation for Good Reason) and paid in a lump sum within the "short-term deferral" period following the time the Executive obtains a vested right to such payments. For the purposes of this Agreement, "**Good Reason**" shall mean Executive's voluntary resignation for any of the following events that results in a material negative change to the Executive; (i) a reduction without Executive's prior written consent in either his level of Annual Salary or his target annual bonus as a percentage of Annual Salary; (ii) a reduction in the scope of Executive's authorities, duties and responsibilities or a reduction in the authority, duties or responsibilities of the supervisor to whom the Executive is required to report, (iii) a relocation of Executive more than thirty (30) miles from the Company's current corporate headquarters as of the date hereof, (iv) a material breach of any provision of this Agreement by the Company or (v) the failure of the Company to have a successor entity specifically assume this Agreement. Following a Change in Control (as defined the Plan), Good Reason shall include (x) a material negative change in authority, duties or responsibilities resulting from the Executive no longer being an executive officer of a publicly-traded company and (y) the Company's chief executive officer (immediately prior the Change in Control) no longer being the chief executive officer of the successor publicly-traded company. Notwithstanding the foregoing, the Executive shall be entitled to benefits described in this Section 7C and in Section 4B due to a resignation resulting from (x) or (y) of the preceding sentence only if such resignation occurs more than six months after the Change in Control. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Executive's resignation for Good Reason, the Executive has provided, not more than 90 days following the initial occurrence thereof, written notice to the Company of such Good Reason event indicating and describing the event resulting in such Good Reason, and the Company does not cure such event within 90 days following the receipt of such notice from Executive.

8. **Non-Competition During the Employment Period.** Executive acknowledges and agrees that given the extent and nature of the confidential and proprietary information he will obtain during the course of his employment with the Company, it would be inevitable that such confidential information would be disclosed or utilized by the Executive should he obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Consequently, during any period for which Executive is receiving payments from the Company, either as wages or as a severance benefit, Executive shall not, without prior written consent of the Chief Executive Officer, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be employed by or provide advice to, any enterprise that is engaged in any business directly competitive to that of the Company in the aftermarket auto parts market in the United States; provided, however, that such restriction shall not apply to any passive investment representing an interest of less than 1% of an outstanding class of publicly-traded securities of any company or other enterprise where Executive does not provide any management, consulting or other services to such company or enterprise.

9. **Proprietary Information.** Executive has executed or is concurrently executing the Company's standard Confidential Information and Assignment of Inventions Agreement (the "**Confidentiality Agreement**"), which is hereby incorporated by this reference as if set forth fully herein. Executive's obligations pursuant to the Confidentiality Agreement will survive termination of Executive's employment with the Company. Executive agrees that he will not use or disclose to the Company any confidential or proprietary information from any of his prior employers.

10. **Successors and Assigns.** This Agreement is personal in its nature and the Executive shall not assign or transfer his rights under this Agreement. The provisions of this Agreement shall inure to the benefit of, and shall be binding on, each successor of the Company whether by merger, consolidation, transfer of all or substantially all assets, or otherwise, and the heirs and legal representatives of Executive.

11. **Notices.** Any notices, demands or other communications required or desired to be given by any party shall be in writing and shall be validly given to another party if served either personally or via overnight delivery service such as Federal Express, postage prepaid, return receipt requested. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, such notice shall be conclusively deemed given two business days after the deposit thereof addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To the Company: U.S. Auto Parts Network, Inc.
17150 South Margay Avenue
Carson, California 90746
Attn: Chief Executive Officer

To Executive: At Executive's last residence as provided by
Executive to the Company for payroll records.

Any party may change such party's address for the purpose of receiving notices, demands and other communications by providing written notice to the other party in the manner described in this Section 11.

12. **Governing Documents.** This Agreement, along with the documents expressly referenced in this Agreement, constitute the entire agreement and understanding of the Company and Executive with respect to the terms and conditions of Executive's employment with the Company and the payment of severance benefits, and supersedes all prior and contemporaneous written or verbal agreements and understandings between Executive and the Company relating to such subject matter. This Agreement may only be amended by written instrument signed by Executive and an authorized officer of the Company. Any and all prior agreements, understandings or representations relating to the Executive's employment with the Company are terminated and cancelled in their entirety and are of no further force or effect.

13. **Governing Law.** The provisions of this letter agreement will be construed and interpreted under the laws of the State of California. If any provision of this Agreement as applied to any party or to any circumstance should be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under circumstances different from those adjudicated by the court, the application of any other provision of this Agreement, or the enforceability or invalidity of this Agreement as a whole. Should any provision of this Agreement become or be deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision will be stricken and the remainder of this Agreement shall continue in full force and effect.

14. **Remedies.** All rights and remedies provided pursuant to this Agreement or by law shall be cumulative, and no such right or remedy shall be exclusive of any other. A party may pursue any one or more rights or remedies hereunder, or may seek damages or specific performance in the event of another party's breach hereunder, or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

15. **No Waiver.** The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any later breach of that provision.

16. **Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

17. **Section 409A.**

(A) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"). Severance benefits shall not commence until Executive has a "separation from service" for purposes of Section 409A. Each installment of severance benefits is a separate "payment" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and Executive is, upon separation from service, a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) six (6) months and one day after Executive's separation from service, or (ii) Executive's death. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption.

(B) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code to payments made pursuant to this Agreement. To the extent that any severance benefit payments are delayed as required by this Agreement due to the application of Section 409A, all suspended payments shall earn and accrue interest at the prevailing "Prime Rate" of interest as published by The Wall Street Journal at the time the payment is made, and any suspended payment when so made, shall be made as a lump sum payment, including accrued interest.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

U.S. AUTO PARTS NETWORK, INC.

By: /s/ Shane Evangelist
Name: Shane Evangelist
Title: Chief Executive Officer

EXECUTIVE

By: /s/ David G. Robson
Name: David G. Robson

**U.S. AUTO PARTS NETWORK, INC.
NON-INCENTIVE STOCK OPTION AGREEMENT**

This NON-INCENTIVE STOCK OPTION AGREEMENT (the “*Agreement*”) is made this January 3, 2012, by and between U.S. Auto Parts Network, Inc., a Delaware corporation (the “*Company*”), and David G. Robson (“*Optionee*”). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the U.S. Auto Parts Network, Inc. 2007 Omnibus Incentive Plan (the “*Plan*”).

1. Grant of Option. The Company hereby grants Optionee the option (the “*Option*”) to purchase all or any part of an aggregate of 300,000 shares (the “*Shares*”) of common stock, \$0.001 par value (“*Common Stock*”), of the Company at the exercise price of \$4.62 per share according to the terms and conditions set forth in this Agreement and in the Plan. The Option will *not* be treated as an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “*Code*”). The Option is issued under the Plan and is subject to its terms and conditions. A copy of the Plan will be furnished upon request of Optionee.

The Option shall terminate at the close of business ten (10) years from the date hereof.

2. Vesting of Option Rights.

(a) The Option shall have a vesting commencement date of January 3, 2012, (the “*Vesting Commencement Date*”), and except as otherwise provided in this Agreement, the Option shall be exercisable for vested Shares only. The Option shall initially be for unvested Shares. Twenty-five percent (25%) of the Shares shall become vested Shares upon the anniversary of the Vesting Commencement Date provided that Optionee must have continuously provided Service during such time. The balance of the Shares shall become vested Shares in a series of thirty-six (36) successive equal monthly installments upon Optionee’s completion of each additional month of Service over the thirty-six (36) month period measured from the anniversary of the Vesting Commencement Date. In no event shall any additional Shares vest after Optionee’s Service ceases.

(b) During the lifetime of Optionee, the Option shall be exercisable only by Optionee and shall not be assignable or transferable by Optionee, other than by will or the laws of descent and distribution. Notwithstanding the foregoing, Optionee may transfer the Option to any Family Member (as such term is defined in the General Instructions to Form S-8 (or successor to such Instructions or such Form)); *provided, however*, that (i) Optionee may not receive any consideration for such transfer, (ii) the Family Member must agree in writing not to make any subsequent transfers of the Option other than by will or the laws of the descent and distribution and (iii) the Company receives prior written notice of such transfer.

3. Exercise of Option after Death or Termination of Employment or Service. The Option shall terminate and may no longer be exercised if Optionee ceases to be employed by or provide Service to the Company or its Affiliates, except that:

(a) If Optionee’s employment or Service shall be terminated for any reason, voluntary or involuntary, other than for “*Misconduct*” (as defined in Section 3(e)) or Optionee’s death or Permanent Disability, Optionee may at any time within a period of one (1) month after such termination exercise the Option to the extent the Option was exercisable by Optionee on the date of the termination of Optionee’s employment or Service.

(b) If Optionee's employment or Service is terminated for Misconduct, the Option shall be terminated as of the date of the act giving rise to such termination.

(c) If Optionee shall die while the Option is still exercisable according to its terms, or if employment or Service is terminated because of Optionee's Permanent Disability while in the employ of the Company, and Optionee shall not have fully exercised the Option, such Option may be exercised, at any time within twelve (12) months after Optionee's death or date of termination of employment or Service for Permanent Disability, by Optionee, personal representatives or administrators or guardians of Optionee, as applicable, or by any person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution, to the extent of the full number of Shares Optionee was entitled to purchase under the Option on (i) the earlier of the date of death or termination of employment or Service or (ii) the date of termination for such Permanent Disability, as applicable.

(d) Notwithstanding the above, in no case may the Option be exercised to any extent by anyone after the termination date of the Option.

(e) "*Misconduct*" shall mean (i) the commission of any act of fraud, embezzlement or dishonesty by Optionee, (ii) any unauthorized use or disclosure by such person of confidential information or trade secrets of the Company (or of any Affiliate), (iii) any other misconduct by Optionee adversely affecting the business or affairs of the Company (or any Affiliate) in any manner, (iv) failure to perform or continuing to neglect, or gross negligence in the performance of, Optionee's duties, or (v) the violation of Company policies or procedures including, without limitation, the Company's policies on equal employment opportunity and prohibition of unlawful harassment. However, if the term or concept has been defined in an employment agreement between the Company and Optionee, then Misconduct shall have the definition set forth in such employment agreement. The foregoing definition shall not in any way preclude or restrict the right of the Company (or any Affiliate) to discharge or dismiss any Optionee or other person in the Service of the Company (or any Affiliate) for any other acts or omissions but such other acts or omissions shall not be deemed, for purposes of the Agreement, to constitute grounds for termination for Misconduct.

4. Method of Exercise of Option. Subject to the foregoing, the Option may be exercised in whole or in part from time to time by serving written notice of exercise on the Company at its principal office within the Option period. The notice shall state the number of Shares as to which the Option is being exercised and shall be accompanied by payment of the exercise price. Payment of the exercise price shall be made (i) in cash (including bank check, personal check or money order payable to the Company), (ii) with the approval of the Company

(which may be given in its sole discretion), by delivering to the Company for cancellation shares of the Company's Common Stock already owned by Optionee having a Fair Market Value equal to the full exercise price of the Shares being acquired, (iii) with the approval of the Company (which may be given in its sole discretion) and subject to Section 402 of the Sarbanes-Oxley Act of 2002, by delivering to the Company the full exercise price of the Shares being acquired in a combination of cash and Optionee's full recourse liability promissory note with a principal amount not to exceed eighty percent (80%) of the exercise price and a term not to exceed five (5) years, which promissory note shall provide for interest on the unpaid balance thereof which at all times is not less than the minimum rate required to avoid the imputation of income, original issue discount or a below-market rate loan pursuant to Sections 483, 1274 or 7872 of the Code or any successor provisions thereto, (iv) subject to Section 402 of the Sarbanes-Oxley Act of 2002, to the extent this Option is exercised for vested shares, through a special sale and remittance procedure pursuant to which Optionee shall concurrently provide irrevocable instructions (1) to Optionee's brokerage firm to effect the immediate sale of the purchased Shares and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased Shares plus all applicable income and employment taxes required to be withheld by the Company by reason of such exercise and (2) to the Company to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale, (v) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price, or (vi) with the approval of the Company (which may be given in its sole discretion) and subject to Section 402 of the Sarbanes-Oxley Act of 2002, by delivering to the Company a combination of any of the forms of payment described above. This Option may be exercised only with respect to full shares and no fractional share of stock shall be issued.

5. Change in Control.

(a) If this Option is assumed in connection with a Change in Control or otherwise continued in effect, then this Option shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities which would have been issuable to Optionee in consummation of such Change in Control had the Option been exercised immediately prior to such Change in Control, and appropriate adjustments shall also be made to the exercise price, *provided* the aggregate exercise price shall remain the same. To the extent that the actual holders of the Company's outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation may, in connection with the assumption of this Option, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such Change in Control.

(b) This Agreement shall not in any way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

(c) For purposes of this Agreement, “*Change in Control*” shall mean a change in ownership or control of the Company effected through any of the following transactions: (i) a merger, consolidation or other reorganization unless securities representing more than 50% of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Company’s outstanding voting securities immediately prior to such transaction; (ii) the sale, transfer or other disposition of all or substantially all of the Company’s assets; or (iii) the acquisition, directly or indirectly by any person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company), of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s stockholders.

6. Capital Adjustments and Reorganization. Should any change be made to the Common Stock by reason of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Company’s receipt of consideration, appropriate adjustments shall be made to (a) the number and/or class of securities subject to this Option and (b) the exercise price in order to reflect such change and thereby preclude a dilution or enlargement of benefits hereunder.

7. Miscellaneous.

(a) Entire Agreement; Plan Provisions Control. This Agreement (and any addendum hereto) and the Plan constitute the entire agreement between the parties hereto with regard to the subject matter hereof. In the event that any provision of the Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control. All decisions of the Committee with respect to any question or issue arising under the Plan or this Agreement shall be and binding on all persons having an interest in this Option. All capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meaning assigned to them in the Plan.

(b) No Rights of Stockholders. Neither Optionee, Optionee’s legal representative nor a permissible assignee of this Option shall have any of the rights and privileges of a stockholder of the Company with respect to the Shares, unless and until such Shares have been issued in the name of Optionee, Optionee’s legal representative or permissible assignee, as applicable, without restrictions thereto.

(c) No Right to Employment. The grant of the Option shall not be construed as giving Optionee the right to be retained in the employ of, or if Optionee is a director of the Company or an Affiliate as giving the Optionee the right to continue as a director of, the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Optionee from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or the

Agreement. Nothing in the Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The Option granted hereunder shall not form any part of the wages or salary of Optionee for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Agreement or Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Optionee shall be deemed to have accepted all the conditions of the Plan and the Agreement and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.

(d) Governing Law. The validity, construction and effect of the Plan and the Agreement, and any rules and regulations relating to the Plan and the Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Delaware.

(e) Severability. If any provision of the Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Agreement, such provision shall be stricken as to such jurisdiction or the Agreement, and the remainder of the Agreement shall remain in full force and effect.

(f) No Trust or Fund Created. Neither the Plan nor the Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Optionee or any other person.

(g) Headings. Headings are given to the Sections and subsections of the Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Agreement or any provision thereof.

(h) Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement shall be addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to Optionee shall be addressed to Optionee at the address of record provided to the Company by Optionee in connection with Optionee's employment with or Services provided to the Company or such other address as Optionee may designate by ten (10) days' advance written notice to the Company. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon the third (3rd) day following deposit in the U.S. mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice.

(i) Conditions Precedent to Issuance of Shares. Shares shall not be issued pursuant to the exercise of the Option unless such exercise and the issuance and delivery of the applicable Shares pursuant thereto shall comply with all relevant provisions of law, including, without

limitation, the Securities Act of 1933, as amended, the Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, state blue sky laws, the requirements of any applicable Stock Exchange or the Nasdaq Stock Market and the Delaware General Corporation Law. As a condition to the exercise of the purchase price relating to the Option, the Company may require that the person exercising or paying the purchase price represent and warrant that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation and warranty is required by law.

(j) Withholding. In order to provide the Company with the opportunity to claim the benefit of any income tax deduction which may be available to it upon the exercise of the Option and in order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to insure that, if necessary, all applicable federal or state payroll, withholding, income or other taxes are withheld or collected from Optionee.

(k) Consultation With Professional Tax and Investment Advisors. Optionee acknowledges that the grant, exercise and vesting with respect to this Option, and the sale or other taxable disposition of the Shares, may have tax consequences pursuant to the Code or under local, state or international tax laws. Optionee further acknowledges that Optionee is relying solely and exclusively on Optionee's own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Optionee understands and agrees that any and all tax consequences resulting from the Option and its grant, exercise and vesting, and the sale or other taxable disposition of the Shares, is solely and exclusively the responsibility of Optionee without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse Optionee for such taxes or other items.

(l) Acceptance of Option. By accepting receipt of this Agreement, Optionee hereby agrees to the terms and conditions set forth in this Agreement and the Plan with respect to the Option and any Shares issued as a result of the exercise of the Option, in whole or in part.

IN WITNESS WHEREOF, the Company has executed this Agreement and caused this Option to be issued to Optionee on the date set forth in the first paragraph above.

U.S. AUTO PARTS NETWORK, INC.

By: /s/ Shane Evangelist

Name: Shane Evangelist

Title: Chief Executive Officer

OPTIONEE:

By: /s/ David G. Robson

Name: David G. Robson

Address: _____

U.S. Auto Parts Network, Inc. Names David Robson, Chief Financial Officer

Carson, Calif., January 4, 2012 – U.S. Auto Parts Network, Inc. (NASDAQ: PRTS), one of the largest online providers of automotive aftermarket parts and accessories, today announced the appointment of David Robson as Chief Financial Officer effective January 3, 2012.

Mr. Robson has over 20 years of finance, accounting and operational experience and has held senior positions with both public and private companies operating in the ecommerce and retail space. Mr. Robson recently served as Executive Vice President and Chief Administrative Officer at Mervyns' LLC, a department store chain that operated 175 stores in the western United States with revenues exceeding \$2 billion. Prior to joining Mervyns' in 2007, Mr. Robson was the Senior Vice President of Finance and Principal Accounting Officer for Guitar Center, Inc., the Nation's largest retailer of music equipment both online and in stores with combined revenues of \$2.5 billion. Mr. Robson was with Guitar Center from 2001 – 2007. Mr. Robson began his career in public accounting with the accounting firm Deloitte & Touche. He is a graduate of the University of Southern California with a Bachelor of Science in Accounting and is also a certified public accountant.

Shane Evangelist, Chief Executive Officer announced “We are thrilled to appoint David Robson as our Chief Financial Officer. He brings a wealth of experience working with successful ecommerce and specialty retail brands. David has a proven track record of helping businesses achieve consistent top line growth, while implementing processes and systems that scale operations and expand operating leverage. David also has experience successfully acquiring and integrating new businesses. We are delighted to have David on our team”.

In connection with the appointment of Mr. Robson as Chief Financial Officer, Ted Sanders will be stepping down as Chief Financial Officer and will remain as an internal consultant to the Company to assist with the transition.

Mr. Evangelist concluded “On behalf of U.S. Auto Parts and our Board of Directors, I would like to thank Ted for his contributions to the Company as Chief Financial Officer. Ted joined U.S. Auto Parts in 2009 and has played an important role for us over the years, and his participation on our management team has helped strengthen the Company's financial position.”

About U.S. Auto Parts Network, Inc.

Established in 1995, U.S. Auto Parts is a leading online provider of automotive aftermarket parts, including body parts, engine parts, performance parts and accessories. Through the Company's network of websites, U.S. Auto Parts provides individual

consumers with a broad selection of competitively priced products that are mapped by a proprietary product database to product applications based on vehicle makes, models and years. U.S. Auto Parts' flagship websites are located at www.autopartswarehouse.com, www.jcwhitney.com, www.partstrain.com and www.AutoMD.com and the Company's corporate website is located at www.usautoparts.net.

U.S. Auto Parts is headquartered in Carson, California.