
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): **April 3, 2008**
U.S. AUTO PARTS NETWORK, INC.

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Delaware	001-33264	68-0623433
(State or other jurisdiction of incorporation)	(Commission File Number)	(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) 735-0085	
	N/A	
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(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 Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective April 3, 2008, U.S. Auto Parts Network, Inc. (the "Company") appointed Aaron Coleman as the Company's Executive Vice President of Operations and Chief Information Officer. With respect to his role as Chief Information Officer, Mr. Coleman succeeds Alexander Adegan, who served in that capacity from May 2006 until April 3, 2008. Although Mr. Adegan has resigned as Chief Information Officer, he will continue to work with the Company to facilitate an orderly transition of his responsibilities.

Prior to joining the Company, Mr. Coleman served as Senior Vice President - Online Systems at Blockbuster Inc., which he joined as Vice President - Online Systems in March 2005. From April 2003 to March 2005, he was the Chief Technology Officer of Travelweb LLC, which is owned by priceline.com Incorporated, and was responsible for all aspects of Travelweb's technology, including the technology for Travelweb.com and over 40 affiliate websites, as well as the booking gateway for the merchant property processing for Orbitz and priceline.com. Mr. Coleman's prior experience also includes serving as Manager of the Customer Technology Infrastructure group at American Airlines.

In connection with the appointment of Mr. Coleman as the Company's Executive Vice President of Operations and Chief Information Officer, the Company entered into an employment agreement (the "Employment Agreement") with Mr. Coleman effective as of April 3, 2008. Pursuant to the terms of the agreement, Mr. Coleman will receive an initial annual base salary of \$250,000, subject to increase from time to time at the discretion of the Compensation Committee of the Company's Board of Directors, and will also receive a lump sum signing and retention bonus of \$50,000 in April 2008. This bonus must be repaid to the Company by Mr. Coleman in the event his employment with the Company is terminated for Cause or if he resigns without Good Reason (both as defined in the Employment Agreement), provided that such repayment amount will be reduced by \$4,167 for each month of employment with the Company that Mr. Coleman completes. Mr. Coleman will also be eligible to receive an annual target incentive bonus of up to 40% 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. Coleman 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 other than as a result of his own voluntary resignation without Good Reason, Mr. Coleman will be entitled to severance payments equal to one year's base salary (payable over one year in accordance with the Company's regular pay practices), plus a pro rated portion of his annual incentive bonus for the year in which he was terminated, and reimbursement for the cost of COBRA coverage for a period of up to one year following his termination of employment.

In order to assist with Mr. Coleman's move to Southern California, the Employment Agreement provides that the Company will reimburse Mr. Coleman for his real estate sales commissions paid in connection with the sale of his current home and for closing costs for the purchase of a home in California, both up to a maximum of \$35,000 in the aggregate.

As provided in the Employment Agreement, Mr. Coleman was granted a stock option to purchase up to 250,000 shares of the Company's common stock at an exercise price of \$4.01 per share, the closing sales price of the Company's common stock as reported by the NASDAQ Stock Market on the date of grant. The option terminates ten years from the date of grant and vests over a four year period, with 25% vesting and becoming exercisable on April 3, 2009 and the remainder vesting and becoming exercisable in 36 equal monthly installments thereafter. In the event that Mr. Coleman's employment with the Company is terminated for any reason other than for Cause or if he resigns without Good Reason following certain changes in control of the Company, the option will immediately vest and become fully exercisable.

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
10.1	Employment Agreement, dated April 3, 2008, between the Company and Aaron Coleman

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: April 8, 2008

U.S. AUTO PARTS NETWORK, INC.

By: /S/ MICHAEL J. MCCLANE
Michael J. McClane,
Chief Financial Officer, Executive Vice President
of Finance and Treasurer

EXHIBIT INDEX

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "*Agreement*") is made effective April 3, 2008. (the "*Effective Date*") by and among between U.S. Auto Parts Network, Inc., a Delaware corporation (the "*Company*"), and Aaron Coleman, an individual (the "*Executive*").

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 CIO and Executive Vice President of Operations, 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 positions.

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 initial base salary shall be \$250,000 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. Bonus.

(1) **Signing and Retention Bonus.** The Company shall pay to Executive a bonus of \$50,000, which shall be payable in a lump sum as soon as reasonably practicable following the Effective Date. In the event that Executive's employment is terminated for Cause (as defined below) or if Executive resigns from the Company without Good Reason (as defined below) prior to the first anniversary of the Effective Date, Executive agrees to reimburse the Company for such bonus; provided however, that the amount of the reimbursed bonus to the Company shall be reduced by \$4,167 (1/12th of the total bonus) for each complete month of Executive's employment with the Company, calculated from the Effective Date. Executive hereby agrees that the Company may deduct such bonus reimbursement from any or all payments due to Executive from the Company, including from his last paycheck (to the extent legally permissible), and Executive agrees to provide the Company with any further written authorization of the deduction as may be reasonably requested by the Company to authorize, facilitate or substantiate such deduction.

(2) **Annual Target Bonus.** Executive shall also be entitled to receive an annual target incentive bonus of up to 40% of the Executive's current salary, which for the first calendar year shall be an amount up to \$100,000 per year, 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, and Executive meeting the annual goals determined by the Compensation Committee. 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 Grants.** 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 you a non-statutory stock option. The stock option shall be an option to purchase up to 250,000 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 foregoing 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 agreement. The exercise price for the option shall be equal to the closing sales price of the Company's common stock as reported by the NASDAQ Stock Market or the primary exchange on which the Company's common stock is then listed or quoted (the "**Exchange**") on the date of grant of the option. The option shall have provisions to accelerate the vesting in the event either Executive's employment is terminated without Cause or Executive resigns for Good Reason within twelve months following a Change in Control as defined in the Plan. The option shall contain provisions that will restrict the sale of the common stock issuable upon exercise of such option for 18 months following the grant date, except to the extent necessary to cover any current tax liabilities of Executive associated with such option.

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.

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. **Housing Benefits.** Executive shall be reimbursed for all out-of-pocket, direct expenses incurred in connection with the relocation of Executive's family from Dallas, Texas to Southern California including moving costs and travel expenses; provided that Executive furnishes the Company with vouchers, receipts and other details of such expenses in the form reasonably required by the Company. The Company will also reimburse Executive for the actual real estate commissions paid by Executive on the sale of Executive's primary residence and for closing costs for purchase of Executive's home in California, both of which collectively shall not exceed \$35,000.

E. **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 bonus for the year of termination in accordance with Section 3B 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 ½ 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. Notwithstanding the foregoing, the aggregate amount of continuation payments under (ii) above made during the first six months following Executive's termination of employment shall not exceed the applicable dollar limit provided under Treasury Regulations Section 1.409A-1(b)(9)(iii)(A). The amount, if any, that exceeds the applicable dollar limit shall be paid on the first day of the seventh month following Executive's termination of employment. 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), 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 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 ½ 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 (iv) 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. Notwithstanding the foregoing, the aggregate amount of continuation payments under (iii) above made during the first six months following Executive's termination of employment shall not exceed the applicable dollar limit provided under Treasury Regulations Section 1.409A-1(b)(9)(iii)(A). The amount, if any, that exceeds the applicable dollar limit shall be paid on the first day of the seventh month following Executive's termination of employment. 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 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. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Executive's resignation for Good Reason, the Executive has provided 30 days 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.

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

Print Name: Shane Evangelist

Title: Chief Executive Officer

Address: 17150 South Margay Avenue

Carson, CA 90746

/s/ Aaron Coleman

AARON COLEMAN, Executive
