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) **February 16, 2009**

U.S. AUTO PARTS NETWORK, INC.

(Exact name of registrant as specified in its charter)

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) 735-0553**

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 1.01. Entry Into a Material Definitive Agreement.

On February 16, 2009, U.S. Auto Parts Network, Inc. (the "Company") entered into an Employment Agreement (the "Employment Agreement") with Theodore R. Sanders, Jr., pursuant to which Mr. Sanders will serve as the Company's Chief Financial Officer effective as of February 16, 2009.

Pursuant to the terms of the Employment Agreement, Mr. Sanders will receive an initial annual base salary of $300,000, subject to annual performance review, and will also receive a lump sum signing and retention bonus of $25,000 in February 2009. This bonus must be repaid to the Company by Mr. Sanders 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 $2,083 for each month of employment with the Company that Mr. Sanders completes. Mr. Sanders 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. Sanders 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. Sanders 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 performance 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. Sanders was granted two, ten year stock options under the Company's 2007 New Employee Incentive Plan (the "Plan") and Non-Qualified Stock Option Agreements, consisting of a performance-based option to purchase up to an aggregate of 100,000 shares of the Company's common stock, which vests based upon the attainment of certain stock price metrics (the "Performance Option"), and an option to purchase up to an aggregate of 400,000 shares of the Company's common stock, which vests over a four year period (the "Second Option"). The exercise price for both options is $1.15, which was the closing sales price of the Company's common stock as reported by Nasdaq on the date of grant. Both options terminate on February 15, 2019, unless earlier terminated in accordance with the Plan and the related stock option agreements.

The shares underlying the Performance Option will vest and become exercisable if the monthly average closing sales price of the Company's common stock as reported by the NASDAQ (the "Average Closing Price") equals or exceeds $5.00 per share in any consecutive three month period during the term of employment. In addition, if the Average Closing Price for the foregoing milestone has been achieved during the one or two calendar months prior to his termination of employment (other than for Cause or due to death or disability) or upon his resignation for Good Reason, Mr. Sanders may have up to an additional two months following his termination of employment to attain the stock price milestones. The stock price milestones will be adjusted for any stock dividends, splits, combinations or similar events with respect to the Company's common stock.

The Second Option vests over a four year period, with 25% vesting and becoming exercisable on February 16, 2010, and the remainder vests and becomes exercisable in 36 equal monthly installments thereafter. In the event that Mr. Sanders'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 Second Option will immediately vest and become fully exercisable.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On February 17, 2009, the Company announced that Mr. Sanders joined the Company as its Chief Financial Officer effective February 16, 2009. The full text of the press release is included as Exhibit 99.1 to this Report and is incorporated herein by reference. The information disclosed in Item 1.01 of this Current Report on Form 8-K is also incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated February 17, 2009, of U.S. Auto Parts Network, Inc.
10.62	Employment Agreement dated February 16, 2009 between the Company and Ted Sanders.
10.63	Non-Qualified Stock Option Agreement dated February 16, 2009
10.64	Non-Qualified Stock Option Agreement dated February 16, 2009 (Performance)

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: February 17, 2009

U.S. AUTO PARTS NETWORK, INC.

By: /s/ SHANE EVANGELIST
Shane Evangelist
Chief Executive Officer

EXHIBIT INDEX

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EXHIBIT 99.1

U.S. AUTO PARTS NETWORK, INC. NAMES TED SANDERS, CHIEF FINANCIAL OFFICER

Sanders brings 25 years of online, retail, technology finance experience

CARSON, CA – February 17, 2009 – U.S. Auto Parts Network, Inc. (Nasdaq: PRTS), a leading online provider of aftermarket auto parts and accessories, today announced that effective February 16, 2009, the Company has appointed Theodore R. ("Ted") Sanders, Jr. as Chief Financial Officer.

Mr. Sanders brings over 25 years of diversified financial and operational management experience in both public and privately held companies and "Big Four" public accounting to US Auto Parts. He joins the Company after most recently serving as Chief Financial Officer of ViewSonic Corporation. Prior to joining ViewSonic Corporation, from 1997 to 2007 Mr. Sanders served as Chief Financial Officer of public company PC Mall, Inc., a marketer of technology products with over $1.2 billion in revenue in 2007, where he helped the company grow organically and through acquisition to offer over 125,000 different products to over ten million customers. Mr. Sanders also successfully off-shored and managed certain sales and back-office functions to Canada and the Philippines.

Prior to PC Mall, Mr. Sanders was the controller and Director of Finance for BAX Global, a $1.7 billion subsidiary of The Pittston Company, a global business and security services company. At Pittston, he also served as the Director of Internal Audit. Mr. Sanders started his career at Deloitte & Touche LLP and is a Certified Public Accountant.

"Ted's background is a perfect complement to U.S. Auto Parts," said Shane Evangelist, Chief Executive Officer. "He comes from an organization where he optimized a complex, multi-national e-commerce business model - like ours, and he maximized that model within a low-margin industry. I am confident he will excel at coordinating the constantly moving cost thresholds and logistics of drop-ship and stock-ship distribution as he has previously, as well as the variable cost model of off-shore provision of services. Ted will be a great asset to U.S. Auto Parts and we are pleased to have him on the ground."

"I am very excited to join an innovative company like U.S. Auto Parts at a time when the market is poised to take advantage of USAP's products and services," said Mr. Sanders. "I think U.S. Auto Parts has tremendous potential and I look forward to rolling up my sleeves and partnering with the rest of the management team."

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.partstrain.com and www.autopartswarehouse.com and the Company's corporate website is located at www.usautoparts.net. U.S. Auto Parts is headquartered in Carson, California.

Safe Harbor Statement
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are based on management's current expectations, estimates and projections about the Company's business and its industry, as well as certain assumptions made by the Company. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will" and variations of these words or similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, the Company's expectations regarding its future operating results and financial condition, impact of changes in our key operating metrics, our potential growth, our liquidity requirements, and the status of our auction rate preferred securities. We undertake no obligation to revise or update publicly any forward-looking statements for any reason. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

Important factors that may cause such a difference include, but are not limited to, marketplace illiquidity; demand for the Company's products; the potential economic downturn that could adversely impact retail sales; increases in commodity and component pricing that would increase the Company's per unit cost and reduce margins; the competitive and volatile environment in the Company's industry; the Company's ability to expand and price its product offerings, control costs and expenses, and provide superior customer service; the mix of products sold by the Company; the Company's need to assess impairment of intangible assets and goodwill; the effect and timing of technological changes and the Company's ability to integrate such changes and maintain, update and expand its infrastructure and improve its unified product catalog; the Company's ability to improve customer satisfaction and retain, recruit and hire key executives, technical personnel and other employees in the positions and numbers, with the experience and capabilities, and at the compensation levels needed to implement the Company's business plans both domestically and internationally; the Company's cash needs; any changes in the search algorithms by leading Internet search companies; and the Company's ability to comply with Section 404 of the Sarbanes-Oxley Act and maintain an adequate system of internal controls; any remediation costs or other factors discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"), including the Risk Factors contained in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at www.usautoparts.net and the SEC's website at www.sec.gov. You are urged to consider these factors carefully in evaluating the forward-looking statements in this release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. Unless otherwise required by law, the Company expressly disclaims any obligation to update publicly any forward-looking statements, whether as result of new information, future events or otherwise.

Investor Contacts:

Anne Rakunas
ICR, Inc.
(310) 954-1100
anne.rakunas@icrinc.com

EXHIBIT 10.62

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is made effective February 16, 2009 (the "***Effective Date***") by and among between U.S. Auto Parts Network, Inc., a Delaware corporation (the "***Company***"), and Ted Sanders, 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 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 initial 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. **Bonus**.

(1) **Signing and Retention Bonus.** The Company shall pay to Executive a bonus of $25,000, 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 $2,083 ($1/12^{th}$ 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 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 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 Executive non-statutory stock options. The first stock option shall be an option to purchase up to 400,000 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 second stock option shall be a performance option to purchase up to 100,000 shares of the Company's common stock that will vest based solely upon the average closing sales price of the Company's common stock on the grant date as reported by Nasdaq or the primary exchange on which the Company's common stock is then listed or quoted (the "Exchange") during any consecutive three calendar months. If during the Employment Period, the average of the Monthly Average Price (as defined below) of the Company's common stock over any consecutive three months reaches $5 per share, the shares shall vest as of the last day of such period. The "Monthly Average Price" shall be calculated by adding the closing sales price reported by the Exchange for each Trading Day in a given month and dividing such sum by the total number of Trading Days in such month. For the purposes of this Agreement, a "Trading Day" shall mean any day on which the Company's common stock is listed or quoted and traded on the Exchange. For example, if there are 20 Trading Days in each month and the Monthly Average Price was $4.75 in January, $5.50 in February and $5.00 in March, then the shares subject to this option shall vest on March 31 [(($4.75*20) + ($5.50*20) + ($5.00*20))/60 = $5.08]. In addition, if the average of the Monthly Average Price of the Company's common stock exceeds the unachieved milestones set forth above for either (i) the two calendar months immediately prior to Executive's termination of employment (other than for Cause or due to death or Disability) or Executive's resignation for Good Reason, or (ii) the last completed calendar month immediately prior to such termination or resignation, then the consecutive three month period used for determining whether the milestones have been met may include one or two months following the date of such termination or resignation, as the case may be, to complete the three month determination period. For example, assuming the performance option has not yet vested and assuming there are 20 Trading Days in each month, if the Monthly Average Prices for the two months prior to such termination or resignation were $4.00 and $5.50, then the calendar month during which Executive's employment ceased may be included in the three month determination period for the purposes of calculating whether the vesting requirement has been met, even though Executive was terminated in the first week of such month.

The foregoing options will be granted pursuant to the Company's 2007 New Employee 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 both 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. 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. Both options shall contain provisions that will restrict the sale of the common stock issuable upon exercise of such options for 18 months following the grant date, except to the extent necessary to cover any current tax liabilities of Executive associated with such 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.

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 contendre 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. 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. Any termination of Executive's employment under this Section 7B (including separation on account of death) is intended to qualify as an involuntary separation from service under Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") such that Executive's right to benefits under this Section 7B is subject to a substantial risk of forfeiture under Treasury Regulations Section 1.409A-1(d).

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; (iii) 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. Any termination of Executive's employment under this Section 7C (including a separation for Good Reason) is intended to qualify as an involuntary separation from service under Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") such that Executive's right to benefits under this Section 7C is subject to a substantial risk of forfeiture under Treasury Regulations Section 1.409A-1(d). 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; (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. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Executive's resignation for Good Reason, the Executive has provided written notice to the Company within 90 days following the existence of such Good Reason event indicating and describing the event resulting in such Good Reason, and the Company does not cure such event within 30 days following the receipt of such notice from Executive. In the event the Company fails to timely cure, Executive shall resign within 6 months following the expiration of the cure period.

D. **409A Compliance**. To the extent the salary and COBRA continuation pursuant to Section 7B and 7C (a) are paid from the date of Executive's termination of employment through March 15 of the calendar year following such termination, such severance benefits are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations and thus payable pursuant to the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations; (b) are paid following said March 15, such severance benefits are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations made upon an involuntary separation from service and payable pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations, to the maximum extent permitted by said provision, and (c) are in excess of the amounts specified in clauses (a) and (b) of this paragraph, shall (unless otherwise exempt under Treasury Regulations) be considered separate payments subject to the distribution requirements of Section 409A(a)(2)(A) of the Code, including, without limitation, the requirement of Section 409A(a)(2)(B)(i) of the Code that payments or benefits be delayed until 6 months after Executive's separation from service (or death, if earlier) if he is a "specified employee" within the meaning of the aforesaid section of the Code at the time of such separation from service. In the event that a six month delay of any such separation payments or benefits is required, on the first regularly scheduled pay date following the conclusion of the delay period, Executive shall receive a lump sum payment or benefit in an amount equal to the separation payments and benefits that were so delayed, and any remaining separation payments or benefits shall be paid on the same basis and at the same time as otherwise specified pursuant to this Agreement (subject to applicable tax withholdings and deductions). The term "termination of employment" as it appears in Sections 7B and 7C shall be interpreted consistent with the term "separation from service" within the meaning of section Treasury Regulation §1.409A-1(h), but only to the extent strictly necessary to either qualify the arrangement as an involuntary separation arrangement that is exempt from section 409A of the Code, or establish a time of payment that complies with section 409A of the Code.

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

By: /s/ TED SANDERS
Name: Theodore R. Sanders, Jr.
Title: Chief Executive Officer

EXHIBIT 10.63

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

This NON-QUALIFIED STOCK OPTION AGREEMENT (the "***Agreement***") is made this 16th day of February, 2009, by and between U.S. Auto Parts Network, Inc., a Delaware corporation (the "***Company***"), and Theodore R. Sanders, Jr., an individual ("***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 New Employee 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 **400,000** shares (the "***Shares***") of common stock, $0.001 par value ("***Common Stock***"), of the Company at $1.15 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 (the " ***Expiration Date***").

2. Vesting of Option Rights.

(a) The Option shall have a vesting commencement date of February 16, 2009 (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) Subject to the provisions of Section 5 below, if Optionee's employment or Service shall be terminated for any reason, voluntary or involuntary, other than for Cause (as defined in Section 3(e)) or Optionee's death or Disability (as defined in Section 3(f)), 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 Cause, 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 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 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 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) "***Cause***" shall mean Optionee 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 Optionee's duties in the event such conduct continues after the Company has provided 30 days written notice to Optionee and a reasonable opportunity to cure; (iii) conviction of, or plea of nolo contendre 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 or the Employment Agreement between the Company and Optionee (the "***Employment Agreement***") after 30 days written notice to Optionee 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. 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 Cause.

(f) "***Disability***" shall mean a physical or mental impairment which, the Board of Directors determines, after consideration and implementation of reasonable accommodations, precludes the Optionee 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.

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, or (v) 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) If this Option is assumed in connection with a Change in Control or otherwise continued in effect pursuant to the terms of the Change in Control transaction but an Involuntary Termination of Optionee is effected within twelve (12) months following such Change in Control, then 100% of the then unvested Shares subject to this Option shall automatically become vested Shares, and this Option shall be exercisable for all or any portion of such Shares, and the Option shall remain so exercisable until the earlier of (i) the Expiration Date or (ii) the one year anniversary of the date of Optionee's Involuntary Termination.

(c) 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.

(d) 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.

(e) For purposes of this Agreement, "***Involuntary Termination***" shall mean the termination of Optionee's employment or Service by reason of: (i) Optionee's involuntary dismissal or discharge by the Company for reasons other than Cause, or (ii) Optionee's voluntary resignation within sixty (60) days following an event constituting Good Reason. "***Good Reason***" shall mean any of the following events: (1) a reduction in the scope of Optionee's duties and responsibilities or the level of management to which he reports effected by the Company without Optionee's prior written consent; (2) a reduction in his level of annual base salary or bonus as a percentage of annual base salary without his prior written consent; (3) a relocation of Optionee more than thirty (30) miles from the Company's current corporate headquarters as of the date hereof effected by the Company without Optionee's prior written consent; (4) a material breach of any provision of the Employment Agreement by the Company; or (5) the failure of the Company to have a successor entity specifically assume the Employment Agreement. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Optionee's resignation for Good Reason, the Optionee 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 Optionee.

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. Restrictions on Transfer of Shares.

(a) Except for any Permitted Transfer, Optionee shall not sell, make any short sale of, loan, pledge, encumber, assign, grant any option for the purchase of, or otherwise dispose or transfer, or otherwise agree to engage in any of the foregoing transactions with respect to, any of the Shares during the period beginning on the date hereof and ending on the date which is 18 months after the date of this Agreement

(such period, the "***Restricted Period***"). For purposes of this Agreement, "***Permitted Transfer***" shall mean (i) a gratuitous transfer of the Shares, provided and only if Optionee obtains the Company's prior written consent to such transfer, (ii) a transfer of title to the Shares effected pursuant to Optionee's will or the laws of inheritance following Optionee's death, or (iii) a transfer of the Shares only to the extent necessary to cover any current tax liabilities of Optionee associated with the exercise of the Option.

(b) Each person to whom the Shares are transferred by means of clause (i) or (ii) of Section 7(a) above ("***Transferee***") must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that Transferee is bound by the provisions of this Agreement and that Transferee will not transfer, assign, encumber or otherwise dispose of any of the Shares during the Restricted Period.

(c) Any new, substituted or additional securities which are distributed with respect to the Shares by reason of any recapitalization or reorganization of the Company shall be immediately subject to the transfer restrictions set forth in this Section 7, to the same extent the Shares are at such time covered by such provisions.

(d) In order to enforce these transfer restrictions, the Company may impose stop-transfer instructions with respect to the Shares during the Restricted Period.

(e) During the Restricted Period, any and all stock certificates for the Shares shall be endorsed with a restrictive legend substantially in the following form:

> "The shares represented by this certificate are subject to certain transfer restrictions and may not be sold, assigned, transferred, encumbered, or in any manner disposed of except in conformity with the terms of a written agreement by and between the Company and the registered holder of the shares (or the predecessor in interest to the shares). A copy of such agreement is maintained at the Company's principal corporate offices."

8. 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, the Exchange Act, 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.

IN WITNESS WHEREOF, the Company and Optionee have executed this Agreement on the date set forth in the first paragraph.

U.S. AUTO PARTS NETWORK, INC.

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

OPTIONEE:
By: /s/ TED SANDERS
Name: Theodore R. Sanders, Jr.

EXHIBIT 10.64

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

This NON-QUALIFIED STOCK OPTION AGREEMENT (the "***Agreement***") is made this 16th day of February, 2009, by and between U.S. Auto Parts Network, Inc., a Delaware corporation (the "***Company***"), and Theodore R. Sanders, Jr., an individual ("***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 New Employee 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 **100,000** shares (the "***Shares***") of common stock, $0.001 par value ("***Common Stock***"), of the Company at $1.15 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 (the " ***Expiration Date***").

2. Vesting of Option Rights.

(a) Unless otherwise provided in this Agreement, the Option shall be exercisable for vested Shares only. The Option shall initially be for unvested Shares, and the Shares shall become vested Shares on the last day of any consecutive three calendar months when and if the average of the Monthly Average Prices (as defined below) of the Common Stock during such three month period reaches or exceeds $5.00 (as adjusted for any stock dividends, splits, combinations or similar events with respect to the Common Stock after the date of this Agreement); provided that, in such case, Optionee shall have continuously provided Service from the date of this Agreement through the date of such vesting (such proviso, the "***Continuous Service Requirement***"). The "***Monthly Average Price***" shall be calculated by adding the closing sales price of one share of the Common Stock as reported by the Exchange for each Trading Day in a given calendar month and dividing such sum by the total number of Trading Days in such month. For the purposes of this Agreement, "E***xchange***" shall mean the NASDAQ Global Market or the primary securities exchange on which the Company's common stock is then listed or quoted, and "***Trading Day***" shall mean any day on which the Common Stock is listed or quoted and traded on the Exchange. For example, if there are 20 Trading Days in each calendar month and the Monthly Average Price was $4.75 in January 2010, $5.50 in February 2010 and $5.00 in March 2010, and if Optionee had continuously provided Service from the date of this Agreement through the end of March 2010, then the Options shall vest on March 31, 2010 [(($4.75 ´ 20) + ($5.50 ´ 20) + ($5.00 ´ 20))/60 = $5.08.]. In no event shall any Shares vest after the fifth anniversary of the date of this Agreement.

Notwithstanding the Continuous Service Requirement, to the extent one or both of the milestones set forth above have not been achieved, if the Monthly Average Price of the Common Stock equals or exceeds $5.00, as adjusted for any stock dividends, splits, combinations or similar events with respect to the Common Stock after the date of this Agreement, for either (A) each of the last two completed calendar months immediately prior to (x) the termination of Optionee's employment (other than for Cause (as defined in Section 3(e)) or due to death or Disability (as defined in Section 3(f)) or (y) Optionee's resignation for Good Reason or (B) the last completed calendar month immediately prior to such termination or resignation, then the consecutive three calendar month period used for determining whether the milestones have been met may include the one or two calendar months, as the case may be, immediately following the last completed calendar month prior to such termination or resignation to complete the three month determination period, provided that the last day of such three month period falls on or prior to the fifth anniversary of the date of this Agreement. For example, assuming none of the Shares have vested and assuming there are 20 Trading Days in each month, if Optionee resigns for Good Reason prior to September 30, 2012 and the Monthly Average Prices for the two calendar months immediately prior to such resignation were $5.00 and $4.75, then the calendar month during which Optionee resigns may be included in the three month determination period for the purposes of calculating whether the vesting requirement set forth in the first paragraph of this Section 2(a) has been met, even if Optionee had resigned in the first week of such month.

For purposes of this Agreement, "***Good Reason***" shall mean any of the following events: (1) a reduction in the scope of Optionee's duties and responsibilities or the level of management to which he reports effected by the Company without Optionee's prior written consent; (2) a reduction in his level of annual base salary or bonus as a percentage of annual base salary without his prior written consent; (3) a relocation of Optionee more than thirty (30) miles from the Company's current corporate headquarters as of the date hereof effected by the Company without Optionee's prior written consent; (4) a material breach of any provision of the Employment Agreement (as defined in Section 3(e)) by the Company; or (5) the failure of the Company to have a successor entity specifically assume the Employment Agreement. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Optionee's resignation for Good Reason, the Optionee has provided written notice to the Company of such Good Reason event within 90 days of its occurrence, indicating and describing the event resulting in such Good Reason, the Company does not cure such event within 30 days following the receipt of such notice from Optionee and Optionee resigns within 6 months of providing notice to the Company.

(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 Cause or Optionee's death or Disability, Optionee may, at any time within a period of one (1) month after the later of (i) the date of such termination or (ii) the date of any vesting of the Option pursuant to the application of the provisions in the second paragraph of Section 2(a) (the later of (i) and (ii), the "***Final Vesting Date***"), exercise the Option to the extent the Option was exercisable by Optionee on the Final Vesting Date.

(b) If Optionee's employment or Service is terminated for Cause, 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 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 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 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) "***Cause***" shall mean Optionee 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 Optionee's duties in the event such conduct continues after the Company has provided 30 days written notice to Optionee and a reasonable opportunity to cure; (iii) conviction of, or plea of nolo contendre 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 or the Employment Agreement between the Company and Optionee (the "***Employment Agreement***) after 30 days written notice to Optionee 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. 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 Cause.

(f) "***Disability***" shall mean a physical or mental impairment which, the Board of Directors determines, after consideration and implementation of reasonable accommodations, precludes the Optionee 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.

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, or (v) 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. Restrictions on Transfer of Shares.

(a) Except for any Permitted Transfer, Optionee shall not sell, make any short sale of, loan, pledge, encumber, assign, grant any option for the purchase of, or otherwise dispose or transfer, or otherwise agree to engage in any of the foregoing transactions with respect to, any of the Shares during the period beginning on the date hereof and ending on the date which is 18 months after the date of this Agreement (such period, the "***Restricted Period***"). For purposes of this Agreement, "***Permitted Transfer***" shall mean (i) a gratuitous transfer of the Shares, provided and only if Optionee obtains the Company's prior written consent to such transfer, (ii) a transfer of title to the Shares effected pursuant to Optionee's will or the laws of inheritance following Optionee's death, or (iii) a transfer of the Shares only to the extent necessary to cover any current tax liabilities of Optionee associated with the exercise of the Option.

(b) Each person to whom the Shares are transferred by means of clause (i) or (ii) of Section 7(a) above ("***Transferee***") must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that Transferee is bound by the provisions of this Agreement and that Transferee will not transfer, assign, encumber or otherwise dispose of any of the Shares during the Restricted Period.

(c) Any new, substituted or additional securities which are distributed with respect to the Shares by reason of any recapitalization or reorganization of the Company shall be immediately subject to the transfer restrictions set forth in this Section 7, to the same extent the Shares are at such time covered by such provisions.

(d) In order to enforce these transfer restrictions, the Company may impose stop-transfer instructions with respect to the Shares during the Restricted Period.

(e) During the Restricted Period, any and all stock certificates for the Shares shall be endorsed with a restrictive legend substantially in the following form:

> "The shares represented by this certificate are subject to certain transfer restrictions and may not be sold, assigned, transferred, encumbered, or in any manner disposed of except in conformity with the terms of a written agreement by and between the Company and the registered holder of the shares (or the predecessor in interest to the shares). A copy of such agreement is maintained at the Company's principal corporate offices."

8. 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, the Exchange Act, 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.

IN WITNESS WHEREOF, the Company and Optionee have executed this Agreement on the date set forth in the first paragraph.

U.S. AUTO PARTS NETWORK, INC.

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

OPTIONEE:
By: /s/ TED SANDERS
Name: Theodore R. Sanders, Jr.