

Accelerize Inc.
Form 8-K
September 05, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT

TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **September 5, 2018 (August 31, 2018)**

ACCELERIZE INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-52635

(Commission File Number)

20-3858769

(IRS

Employer

Identification

No.)

20411 SW Birch Street, Suite 250

Newport Beach, California 92660
(Address of Principal Executive Offices) (Zip Code)

(949) 548-2253

(Registrant's Telephone Number, Including Area Code)

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Item 3.02. Unregistered Sales of Equity Securities.

On August 31, 2018, Accelerize Inc. (the “Company”) borrowed an aggregate of \$1,500,000 (the “Borrowings”) from ten lenders (the “Lenders”) and issued promissory notes for the repayment of the amounts borrowed. The Lenders are all accredited investors. The promissory notes are unsecured, have a maturity date of August 30, 2021 and all principal is due upon maturity. Amounts borrowed accrue interest at 12% per annum and accrued interest is payable monthly. In the event the Company prepays the promissory notes prior to the end of two years, at prepayment the Lender will be paid the difference between accrued interest already paid and the amount of accrued interest payable for two years on the amount borrowed. The Company must repay the promissory notes within 30 days of retiring or refinancing all of its outstanding secured subordinated debt. The Company also issued to the Lenders six-year warrants to purchase an aggregate of 1,500,000 shares of the Company’s common stock exercisable for cash at an exercise price of \$0.35 per share. The warrants were issued under the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), as not involving a public offering. The description of the warrants is not complete and is subject to and qualified in its entirety by reference to the form of warrant, a copy of which is filed as Exhibit 4.1 to this Current Report and is incorporated herein by reference.

Also on August 31, 2018, the Company entered into a third amending agreement (the “Beedie Amendment”) of the credit agreement dated as of January 25, 2018 with Beedie Investments Limited (“Beedie”) to borrow the second tranche of the term loan facility in the amount of \$1,500,000, to permit the Borrowings, to amend the commitment fee, to amend the Company’s minimum adjusted EBITDA, revenue renewal, total debt to monthly recurring revenue and secured debt to monthly recurring revenue covenants and to provide for twice monthly reporting of the Company’s projected cash flows. In addition, the Company issued to Beedie a warrant (the “Beedie Warrant”) to purchase up to 835,000 shares of the Company’s common stock at an exercise price of \$0.35 per share subject to certain adjustments for dividends, splits or reclassifications, and a weighted average adjustment for certain issuances of common stock below the exercise price prior to January 25, 2019. The Beedie Warrant is exercisable for cash until January 25, 2024. The Beedie Warrant will be exercisable on a cashless basis at its expiration if notice of expiration is not timely provided by the Company to Beedie. The Beedie Warrant was issued under the exemption provided by Section 4(a)(2) of the Securities Act as not involving a public offering. The description of the Beedie Warrant is not complete and is subject to and qualified in its entirety by reference to the Beedie Warrant, a copy of which is filed as Exhibit 4.2, to this Current Report and is incorporated herein by reference.

Also on August 31, 2018, the Company entered into a ninth amendment of the loan and security agreement dated as of May 5, 2016 with SaaS Capital Funding II, LLC to permit the Borrowings, to amend the Company's minimum adjusted EBITDA, revenue renewal, total debt to monthly recurring revenue and secured debt to monthly recurring revenue covenants, to increase the success fee payable upon repayment of the facility to \$555,000 and to provide for twice monthly reporting of the Company's projected cash flows.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

4.1 Form of Warrant issued on August 31, 2018.

4.2 Form of Warrant issued on August 31, 2018.

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.

ACCELERIZE INC.

By: /s/ Brian Ross

Name: Brian Ross

Title: President and Chief Executive Officer

Date: September 5, 2018