

Cool Holdings, Inc.
Form 8-K
October 30, 2018

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): October 30, 2018 (October 24, 2018)

Cool Holdings, Inc.
(Exact name of registrant as specified in its charter)

Commission File Number: 001-32217

Maryland 33-0599368
(State or other jurisdiction (IRS Employer
of incorporation) Identification No.)

48 NW 25th Street, Suite 108

Miami, FL 33127
(Address of principal executive offices, including zip code)

(786) 675-5246
(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:

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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.

Cool Holdings Inc. (the “Company”) closed a private placement of convertible securities in which it raised gross proceeds of \$3.1 million on October 24, 2018 and an additional \$0.9 million of convertible securities on October 30, 2018 for a total of \$4 million of 12% unsecured convertible notes (the “Notes”). The Notes mature 12 months after issuance and are convertible into shares of the Company’s common stock (the “Conversion Shares”) beginning six months after the date of issuance at \$4.25 per share. Interest on the Notes is payable in shares of common stock at the same rate of the Company at the earlier of conversion or maturity. Investors in the Notes also received a warrant to purchase one-half of one share of common stock for each Conversion Share issuable under the notes at an exercise price of \$4.25 per share (each full warrant, a “Warrant”). The Warrants are exercisable beginning six months after issuance and expire 36 months from the date of issuance and up to 470,592 Conversion Shares are issuable on exercise of the Warrants. The Notes and Warrants were issued pursuant to a subscription agreement.

The Notes were issued in the United States pursuant to an exemption from registration under Rule 506(b) of Regulation D under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). The Notes were also issued offshore pursuant to Rule 903 of Regulation S under the U.S. Securities Act.

The foregoing is a summary of certain material terms and conditions of the Notes, the Warrants, and the Subscription Agreements and are not a complete discussion of such agreements. Accordingly, the foregoing is qualified in its entirety by reference to the full text of the form of Notes, the form of Warrants, and the form Subscription Agreements attached to this Current Report on Form 8-K in Exhibits 4.1, 4.2 and 10.1 respectively, and incorporated herein by reference.

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

The information disclosed in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information disclosed in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

No.	Description
4.1	<u>Form of Unsecured Convertible Note.</u>
4.2	<u>Form of Warrant.</u>

10.1 Form of Subscription Agreement.

Signature

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.

Cool Holdings, Inc.

Date: October 30, 2018 By: /s/ Alfredo Carrasco
Alfredo Carrasco
Chief Financial Officer