

ONE Group Hospitality, Inc.
Form 8-K
October 28, 2016

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 24, 2016

THE ONE GROUP HOSPITALITY, INC.

(Exact name of registrant as specified in its charter)

| | | |
|-------------------------------------|---------------------------------|----------------------------|
| Delaware | 001-37379 | 14-1961545 |
| (State or other jurisdiction | (Commission File Number) | (IRS Employer |
| of incorporation) | | Identification No.) |

411 W. 14th Street, 2nd Floor

New York, New York 10014

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (646) 624-2400

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

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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 (*see* General Instruction A.2. below):

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 October 24, 2016, The ONE Group Hospitality, Inc. (the “**Company**”) entered into a \$2,250,000 loan agreement (the “**Loan Agreement**”) with Anson Investments Master Fund LP (the “**Investor**”) through an unsecured promissory note (the “**Note**”). In consideration of the loan amount the Company issued to the Investor a Common Stock Purchase Warrant (the “**Warrant**”) to purchase 340,000 shares of the Company’s common stock, \$0.0001 par value per share (the “**Common Stock**”). In addition to customary representations, warranties and covenants, the Loan Agreement provides the Investor with a right of participation for certain subsequent financings until the date that any notes held by the Investor are no longer outstanding.

The Warrant is exercisable at any time through October 24, 2026, in whole or in part. The Warrant contains limitations that prevent the Investor from acquiring shares of Common Stock upon exercise of the Warrant that would result in the number of shares beneficially owned by it and its affiliates exceeding 9.99% of the total number of shares of the Company’s Common Stock then issued and outstanding.

The Note bears interest at a rate of 10% per annum, payable quarterly commencing December 31, 2016. The entire balance of the Note is due on its maturity date of October 24, 2021. The Note contains customary events of default. In addition, the Note contains covenants that, among other matters, prohibit the Company from paying cash dividends or distributions on any equity securities of the Company. In addition, the covenants prohibit the Company and its subsidiaries from incurring additional debt or liens without the consent of the Noteholder, subject to certain exceptions set forth in the Note.

The securities described above were offered and sold pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), pursuant to Section 4(2) of the Securities Act and/or Regulation D promulgated thereunder on the basis that, among other things, the transaction did not involve a public offering, the Investor is an accredited investor, the Investor took the securities for investment and not resale, and the Company took appropriate measures to restrict the transfer of the securities.

The Loan Agreement, Note and Warrant are filed as Exhibits 10.1, 10.2 and 4.1, respectively, to this Current Report on Form 8-K, and such documents are incorporated herein by reference. The foregoing is only a brief description of the material terms of the Loan Agreement, Note and Warrant, does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to such exhibits.

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

The response to this item is included in Item 1.01, Entry into a Material Definitive Agreement, and is incorporated herein by this reference in its entirety.

Item 3.02 Unregistered Sales of Equity Securities.

The response to this item is included in Item 1.01, Entry into a Material Definitive Agreement, and is incorporated herein by this reference in its entirety.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|-------------|---|
| 4.1 | Common Stock Purchase Warrant dated as of October 24, 2016. |
| 10.1 | Loan Agreement by and between The ONE Group Hospitality, Inc. and Anson Investments Master Fund LP, dated as of October 24, 2016. |
| 10.2 | Unsecured Promissory Note dated as of October 24, 2016. |

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: October 28, 2016 THE ONE GROUP
HOSPITALITY, INC.

By: /s/ Samuel Goldfinger
Name: Samuel Goldfinger
Title: Chief Financial Officer