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ations and warranties of the Company, if any, under the Acquisition Agreement, will be an amount of cash equal to 15% of the total acquisition consideration (valued in accordance with the Acquisition Agreement), subject to fraud, certain fundamental representations and warranties, and equitable remedies, for a period of twelve months following the First Closing.

Pursuant to the terms of the Acquisition Agreement, Seller has agreed to certain non-competition and non-solicitation obligations with respect to the B. Riley Entities and their respective subsidiaries for a period of two years following the First Closing.

Employment Agreements

In connection with the signing of the Acquisition Agreement, on May 19, 2014, the Company has entered into (i) an employment agreement with Bryant Riley and (ii) amended and restated employment agreements with each of Andrew Gumaer and Harvey Yellen (collectively, the “Employment Agreements”).

Pursuant to Mr. Riley’s Employment Agreement, Mr. Riley will be appointed as the Company’s Chief Executive Officer and Chairman, and his employment with the Company will commence, effective on, and contingent upon, the First Closing.

Messrs. Gumaer’s and Yellen’s respective Employment Agreements will amend and restate in their entirety such individuals’ existing employment agreements with the Company effective on, and contingent upon, the First Closing. Upon the First Closing, Messrs. Gumaer and Yellen will serve as the Chief Executive Officer and President, respectfully, of Great American Group, LLC, a wholly owned subsidiary of the Company.

Pursuant to the terms of the Employment Agreements, from and after the First Closing, Messrs. Gumaer, Riley and Yellen will be entitled to receive an annual base salary of \$300,000, subject to adjustment in the sole discretion of the compensation committee of the Company’s board of directors and, solely with respect to Mr. Yellen, decreasing to \$200,000 on the first anniversary of the First Closing and \$100,000 on the second anniversary of the First Closing. The Employment Agreements also provide for the award of an annual discretionary bonus and the reimbursement of certain business expenses.

Each Employment Agreement contains an indemnification provision wherein the Company promises to defend, indemnify, and hold the respective employee harmless to the fullest extent permitted by law against any and all liabilities incurred by such employee in connection with employment by the Company.

The term of each Employment Agreement is three years from the First Closing, which term shall be automatically extended for one year terms, unless either party gives the other party not less than 90 days' prior written notice of the intention to not extend such Employment Agreement automatically.

The foregoing description of the Purchase Agreement, Registration Rights Agreement, Payoff Letters, Acquisition Agreement and Employment Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of each document. The representations and warranties contained in the Purchase Agreement and the Acquisition Agreement were made only for the purposes of such agreements as of specific dates and may have been qualified by certain disclosures between the parties and a contractual standard of materiality different from those generally applicable to stockholders, among other limitations. The representations and warranties were made for the purposes of allocating contractual risk between the parties to such agreements and should not be relied upon as a disclosure of factual information relating to the Company, Seller or the B. Riley Entities. Copies of the Purchase Agreement, the form of Registration Rights Agreement, the Payoff Letters, the Acquisition Agreement and the Employment Agreements are attached as Exhibits 10.1, 10.2, 10.3, 10.4, 2.1, 10.5, 10.6 and 10.7, respectively, to this Current Report on Form 8-K and are 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 set forth under the heading “Debt Repayment” Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under the headings “Private Placement” and “Acquisition” under Item 1.01 is hereby incorporated by reference into this Item 3.02.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth under the heading “Employment Agreements” under Item 1.01 is hereby incorporated by reference into this Item 5.02.

Bryant R. Riley, age 47, has served as the Chairman and Chief Executive Officer of BRC LLC since founding the firm in 1997. Mr. Riley has served as a director of the Company since August 2009 and currently also serves on the board of directors of STR Holdings, Inc. since March of 2014, Lightbridge Communications Corp since March 2010, Cadiz Inc. since April 2013 and several other private companies. He also previously served on the boards of Alliance Semiconductor Corp. from July 2005 to February 2012, DDI Corp. from May 2007 to May of 2012, Trans World Entertainment Corp. from January 2009 to July 2012, National Holdings Corporation from April 2012 to October 2012 and Strasbaugh from July 2010 to August 2013. Mr. Riley also previously served on the board of directors of Aldila, Inc. from 2003 to February 2010, Celeritek, Inc. from 2003 to 2007, Integrated Silicon Solutions, Inc. from 2006 to 2008, Mossimo, Inc. from 2005 to 2006, Silicon Storage Technology, Inc. from 2008 to 2009 and Transmeta Corp. from 2008 to 2009. Mr. Riley received his B.S. in Finance from Lehigh University.

Item 8.01 Other Events.

As previously disclosed in Item 5.07 of the Current Report on Form 8-K filed by the Company on May 13, 2014, the Company’s stockholders approved a proposal authorizing the Company’s Board of Directors, in its discretion, to implement a reverse stock split of the Company’s issued and outstanding common stock at a ratio of not less than

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1-for-10 and not more than 1-for-50.

Subsequently, on May 18, 2014, the Company's Board of Directors approved the reverse stock split at a ratio of 1-for-20 (the "Reverse Stock Split") and the filing of a Certificate of Amendment to the Company's Restated Certificate of Incorporation (the "Amendment") with the Secretary of State of Delaware to effect the Reverse Stock Split at a time and date to be determined by the officers of the Company.

At the effective time of the Reverse Stock Split, every twenty shares of the Company's pre-split common stock will be automatically combined into one share of common stock. No fractional shares will be issued as a result of the Reverse Stock Split, and holders of common stock who otherwise would be entitled to a fractional share will receive, in lieu thereof, a cash payment based on the most recent closing price per share of the common stock on the Over-the-Counter Bulletin Board prior to the effective time of the Reverse Stock Split (as adjusted for the Reverse Stock Split).

The Reverse Stock Split will not change the number of authorized shares of the Company's common stock or alter the par value thereof.

The Company's press release announcing the Private Placement, the Debt Repayment, the Acquisition, the Employment Agreements and the Reverse Stock Split, issued on May 19, 2014, is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

No.	Description
2.1*	Acquisition Agreement, dated May 19, 2014, by and among Great American Group, Inc., Darwin Merger Sub I, Inc., B. Riley Capital Markets, LLC, B. Riley and Co. Inc., B. Riley & Co. Holding, LLC, Riley Investment Management LLC, and Bryant Riley.
10.1	Securities Purchase Agreement, dated May 19, 2014, by and among Great American Group, Inc. and each purchaser identified on Annex A thereto.
10.2	Form of Registration Rights Agreement.
10.3	Letter Agreement, dated May 19, 2014, by and between Great American Group, Inc. and Andrew Gumaer.
10.4	Letter Agreement, dated May 19, 2014, by and between Great American Group, Inc. and Harvey Yellen.
10.5#	Employment Agreement, dated May 19, 2014, by and between Great American Group, Inc. and Bryant Riley.
10.6#	Amended and Restated Employment Agreement, dated May 19, 2014, by and between Great American Group, Inc. and Andrew Gumaer.
10.7#	Amended and Restated Employment Agreement, dated May 19, 2014, by and between Great American Group, Inc. and Harvey Yellen.
99.1	Press Release dated May 19, 2014.

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that the Company may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any schedule or exhibit so furnished.

Management contract or compensatory plan or arrangement.

Cautionary Note Regarding Forward-Looking Statements

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This Current Report on Form 8-K, including certain of the exhibits filed herewith, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 that involve risks, uncertainties and assumptions, including statements regarding the proposed Private Placement, Debt Repayment, Reverse Stock Split, Employment Agreements, and Acquisition transactions. Actual events or results could differ materially from those anticipated by these forward-looking statements. Among the important factors that could cause future events or results to vary from those anticipated in the forward-looking statements include, without limitation, the possibility that the closings of one or more of the transactions may be delayed or may not occur; difficulties with the integration process or the realization of the expected benefits of the Acquisition of the B. Riley Entities; and the future availability of equity or debt financing needed to fund the growth of the Company's business. The documents the Company files with the SEC on Forms 10-K, 10-Q and 8-K contain additional risk factors that may cause actual results to differ materially from the forward-looking statements contained in this report. The forward-looking statements made in this report speak only as of the date hereof and the Company undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law.

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.

May 19, 2014 GREAT AMERICAN GROUP,
INC.

By: /s/ Phillip J. Ahn
Name: Phillip J. Ahn
Title: Chief Financial Officer