
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K/A

Amendment No. 1

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 9, 2019**

FTE NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-38322
(Commission
File Number)

81-0438093
(I.R.S. Employer
Identification No.)

237 West 35th Street, Suite 806
New York, NY
(Address of principal executive offices)

10001
(Zip Code)

877-878-8136
(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock (\$0.001 par value)	FTNW	NYSE American

Indicate by check mark whether the registrant is an emerging growth company 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.

Explanatory Note

This Amendment No. 1 on Form 8-K/A (this "Amendment") amends the Current Report on Form 8-K of FTE Networks, Inc. (the "Company") filed with the Securities and Exchange Commission (the "SEC") on October 11, 2019 (the "Original Filing"). This Amendment is being filed to correct certain disclosures in Item 8.01 regarding a term sheet for a business combination and to refile Exhibit 99.1. Except as provided herein, all other disclosures made in the Original Filing remain unchanged.

Item 8.01. Other Events

Term Sheet for Business Combination

On October 6, 2019, the Company received a term sheet (the “Term Sheet”) concerning a proposed business combination transaction contemplating the contribution of a multi-billion dollar real estate asset portfolio in exchange for a combination of securities issued by the Company to be agreed upon by the asset contribution party. As part of the proposed transaction, the Company would also acquire a public non-traded REIT with a portfolio of commercial development assets. In addition to the contribution of assets, the proposing company intends to bring an experienced management team to the Company.

Based on the proposed assets to be contributed, the transaction could be accretive to the current shareholder base with the acquisition and on a going-forward basis.

The proposed transaction has been presented to the Board of the Company. The parties to the transaction have engaged various consultants and professionals who are actively conducting due diligence on the transaction. As described herein, the Company is negotiating with the proposing company concerning the terms and conditions of definitive agreements to carry out the proposed business combination. However, no definitive agreement has been reached concerning the proposed business combination transaction and there can be no assurance that any business combination will result from these negotiations.

A copy of the Term Sheet is filed as Exhibit 99.1 hereto and the terms of which are incorporated herein by reference.

Forward-Looking Statements

This communication includes “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company’s control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include: the inability to recognize the anticipated benefits of the proposed transactions; the Company’s ability to meet the listing standards of the NYSE American following the consummation of the proposed transactions; unexpected costs, liabilities or delays related to the proposed transactions; the effect of the announcement of the proposed transactions on the ability of the Company retain and hire key personnel and maintain relationships with customers, suppliers and others with whom it does business; potential litigation involving the Company; and general economic and market conditions impacting demand for the Company’s services. Additional risks and factors that may affect results are set forth in the Company’s filings with the SEC, including its Annual Report on Form 10-K filed with the SEC on April 18, 2018 and its subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the SEC, which are available on the SEC’s website at www.sec.gov. See in particular Item 1A of the Company’s Annual Report on Form 10-K under the headings “Risk Factors.” The risks and uncertainties described above and in the Company’s SEC filings are not exclusive and further information concerning each company and its business, including factors that potentially could materially affect its business, financial condition or operating results, may emerge from time to time. Readers are urged to consider these factors carefully in evaluating these forward-looking statements. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	<u>Summary of Proposed Terms and Provisions dated October 8, 2019, from the Acquiror and Contribution Vehicle.</u>

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.

FTE NETWORKS, INC.

By: /s/ Fred Sacramone
Fred Sacramone
Interim Chief Executive Officer

Date: October 15, 2019

SUMMARY OF PROPOSED TERMS AND PROVISIONS

FOR DISCUSSION PURPOSES ONLY - **NOT A COMMITMENT** - SUBJECT TO THE REVIEW AND APPROVAL OF THE PARTIES AND THEIR LEGAL COUNSEL
October 8, 2019

This Summary of Indicative Terms and Provisions sets forth the principal non-binding terms of the contemplated transaction currently being negotiated between the Proposed Acquiror and Contribution Vehicle (the "Acquiror"), Lateral Investment Management, LLC ("Lateral") FTE Networks Inc. ("FTE"), and Benchmark Builders, Inc. ("Benchmark"). This Summary is not intended to be and should not be construed as a commitment to invest, offer or agreement, nor should it be construed or interpreted as an attempt to establish all of the terms and conditions relating to the transactions described herein. In general, the contemplated transaction is a restructuring of ("FTE") involving, among other matters, the separation of certain obligations and litigation into two separate, private entities, and the contribution by the Acquiror of certain real estate related assets to FTE ("the Transaction").

FTE Networks, Inc. Restructuring:

Proposed Divestment of Benchmark	Lateral will strictly foreclose upon the Benchmark stock and certain litigation claims for the FTE debt. Following such foreclosure, the FTE debt to Lateral shall be reduced to zero.
Proposed Series H Transfer	Benchmark shall transfer the Series H shares to the Acquiror at the closing following satisfaction of all the terms and conditions of the Acquiror. The vote of the Series H shares by either Benchmark or the Company (upon redemption of such shares) in favor of the Transaction is a condition precedent for the benefit of all parties.
Proposed Acquiror Contribution of Assets	The Acquiror shall contribute a multi-billion-dollar real estate asset portfolio from the portfolio to FTE.
Transfer of Benchmark Seller Notes	The holders of the Benchmark Seller Notes will assign and transfer \$28M of the \$49M worth of Sellers Notes for no consideration to Acquiror and other parties, with the prior written consent and approval of the post-foreclosure, pre-closing Board of Directors. The post-foreclosure, pre-closing Board of Directors of FTE shall resolve that the Seller Notes be converted.

Equity Terms:

Existing Shares	All existing FTE shareholders will keep their shares
New Equity to CV	As consideration for the Acquiror's Contribution of Assets, the new share issuances will be undertaken as detailed in Exhibit A.
Shareholder Vote	Following the approval of all terms and conditions of the Transaction by the post-foreclosure, pre-closing Board of Directors of FTE and the pre-closing holders of Series H shares, FTE will submit the terms and conditions of the Transaction for shareholder vote.

Proposed new capital raise

FTE shall raise \$30MM of funds according to the following schedule and for the following purposes:

Within 30 calendar days from the Board's approval of the acquisition, \$10.00MM to the Acquiror to effectuate a closing

Using commercially reasonable best efforts, within 45 calendar days from the Board's approval of the acquisition and as part of a primary offering launched by FTE, \$6.00MM to extinguish existing convertible note holders

Subject to a closing, using commercially reasonable best efforts, by December 15, 2019 and as part of a primary offering

- i. \$4.45MM as cash on the FTE balance sheet for working capital purposes
- ii. \$3.90MM to repay the working capital left on the balance sheet by Benchmark
- iii. Additional cash as needed to meet obligations and operate the business

All common shareholders shall have the cash redemption rights to sell their common stock in any secondary offerings launched by FTE. Such rights shall be pari pasu to the number shares owned by the shareholders as a percentage of the total common shares issued and outstanding.

For any shares sold, to fulfill the conditions of Sections 17(b), 17(c) and/or 17(d) of this Term Sheet, that are issued to or Acquiror at closing, FTE shall issue new shares of an equal value to the selling party (Acquiror) assuming a minimum share price equal to the minimum of \$10.00 and the post-closing 20 Day VWAP of FTE Common Stock.

Any shares sold to raise the capital required as part of sub-section (a) of Opening Liquidity shall be provided for sale by Acquiror.

General Terms:

Proposed Transition plan for Board Members

At closing and upon satisfaction or unanimous waiver, by all parties to the definitive agreements, of all of the conditions and covenants, of the transaction, as to be more particularly described in a definitive agreements, the Board of Directors and Management of FTE shall be restructured pursuant to the conditions below:

- i. two Board Members shall be named by Acquiror and appointed by the post-foreclosure, pre-closing Board of Directors of FTE
 - ii. all current Board of Directors of FTE shall resign
 - iii. the Board of Directors of FTE nominated and appointed pursuant to (i) and (ii) above, shall also select at least two (2) independent members of the Board of FTE
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Proposed Opening Liquidity:

FTE shall contribute \$3MM of operating cash to the balance sheet at the time of the Benchmark divestiture plus additional working capital of \$300K per month. The \$3.9MM shall then be repaid to Benchmark no later than December 15, 2019. The proceeds are to be used for general working capital purposes and take the following into consideration:

- i. Filings and registration costs including all consolidation roll up financial filings
- ii. Salaries for employees and the FTE management team
- iii. Board Fees
- iv. Legal Fees
- v. D&O Payments
- vi. New York Office Lease
- vii. Filings and registration costs
- viii. Consulting Costs as necessary during the transition period

Conditions to effectuate a Closing to the proposed transaction:

Closing and funding of the transaction will be subject to the satisfaction of all terms and conditions as agreed to and accepted by the parties to and as stated in the definitive agreements. Such terms and conditions shall include and not be limited to:

- i. Satisfactory review of contracts, collateral, and intellectual property;
- ii. Business due diligence;
- iii. Background checks for the public company's new management team and board members;
- iv. Satisfactory completion of all documentation and all legal and other due diligence;
- v. Delivery, receipt and satisfactory completion of the review of diligence requests as detailed in Exhibit C-1 and Exhibit C-2;
- vi. \$10M payment to the Acquiror pursuant to sub-section (a) of Opening Liquidity.
- vii. \$3M Contribution to Balance Sheet of FTE by Benchmark pursuant to Bridge Capital for Post-Closing Expenses
- viii. Successful completion of transfer of Benchmark Seller Notes pursuant to Transfer of Benchmark Seller Notes

Proposed plan for completion of Filings:

Current FTE executives with support from Lateral and the incoming management team will complete all corporate, legal and exchange filings. [***] will also serve as transition support along with the current CFO, who will remain with FTE until the consolidated filings are complete, which are anticipated to be filed on or about 11/30/2019.

Required Approvals:

This Transaction remains subject to the FTE board, regulatory and exchange approval.

Governing Law:

The documents prepared by Lateral for the contemplated transactions shall be governed by the internal laws of the State of New York.

Disclaimers:

Please note the following items are subject to change:

- a. Structure of all Warrants issued as part of the transaction
- b. Structure of all Preferred Stock issued as part of the transaction
- c. Allocation of consideration across Preferred Stock, Common Stock and Warrants
- d. The final distribution of Preferred Stock, Common Stock and Warrants to the various parties, as detailed in Exhibit D of this Term Sheet. The final distributions schedule will be provided in a Payment Direction Letter incorporated in the definitive agreements.

In addition, please note that all the Terms and Conditions discussed herein and all those as contemplated to be part of the proposed transactions and/or those to be more particularly described, defined or amended in the definitive agreements, shall be more particularly defined in the definitive agreements and are subject to the review and approval of the post-foreclosure, pre-closing Board of Directors of the respective parties.
