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**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): December 30, 2019

**FTE NETWORKS, INC.**

(Exact name of registrant as specified in its charter)

<b>Nevada</b> (State or Other Jurisdiction of Incorporation)	<b>001-38322</b> (Commission File Number)	<b>81-0438093</b> (IRS Employer Identification No.)
<b>237 West 35th Street, Suite 806</b> <b>New York, NY</b> (Address of Principal Executive Offices)		<b>10001</b> (Zip Code)

Registrant's Telephone Number, Including Area Code: **877-878-8136**

(Former Name or Former Address, if Changed Since Last Report): Not Applicable

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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. ☐

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## **Item 1.01 Entry into a Material Definitive Agreement.**

### **Purchase Agreement Amendment and Closing**

As previously announced, on December 20, 2019, FTE Networks, Inc. (“FTE Networks”) and its wholly-owned subsidiary (US Home Rentals LLC, a Delaware limited liability company, referred to herein as “Acquisition Sub”) entered into a purchase agreement (the “Purchase Agreement”) to acquire a real estate asset portfolio consisting of 3,184 rental homes located across the United States (the “Properties”). The other parties to the Purchase Agreement are the holders (the “Equity Sellers”) of 100% of the equity interests in entities (the “Entities”), that hold the Properties and Vision Property Management, LLC, a South Carolina limited liability company (“Vision” and together with the Equity Sellers, the “Sellers”), and Alexander Szkaradek, in his capacity as the representative of the Sellers (the “Sellers’ Representative”). On December 30, 2019, the parties amended the Purchase Agreement (the “Amendment”) in order to address certain changes to the Purchase Agreement, including, among other things, to allow the \$9.75 million balance of the cash portion of the purchase price to be paid in cash or short-term promissory notes, and to reduce the Sellers’ indemnification deductible to \$100,000.

Effective as of December 30, 2019 (the “Closing Date”), a closing occurred pursuant to the Purchase Agreement, as amended by the Amendment (the “Amended Purchase Agreement”), as a result of which FTE Networks and Acquisition Sub acquired the Entities and certain assets of Vision related to the management of the Properties, including certain assumed contracts and assumed intellectual property (the “Transferred Assets”). As a result, the Entities are now wholly-owned subsidiaries of Acquisition Sub. In accordance with the Amended Purchase Agreement, subject to the terms and conditions stated therein, FTE Networks (i) has paid \$250,000 of cash and issued short-term promissory notes in the aggregate amount of \$9.75 million, (ii) will issue 4,222,474 shares of the Company’s common stock, par value \$0.001 (the “Common Stock Consideration”), and (iii) will issue shares of a newly designated non-convertible, non-redeemable, non-dividend bearing Series I Non-Convertible Preferred Stock having an aggregate stated value equal to \$228 million. The Entities are subject to outstanding indebtedness in the amount of approximately \$80 million (the “Entities’ Indebtedness”).

The foregoing description of the Amendment and the Amended Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, which was previously filed as Exhibit 2.1 to the Form 8-K filed on December 20, 2019 and is incorporated herein by reference and the full text of the Amendment a copy of which is filed as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

## **Item 2.01 Completion of Acquisition or Disposition of Assets.**

On the Closing Date, FTE, through its direct wholly-owned subsidiary, Acquisition Sub, completed the previously announced acquisition of 100% of the equity interests in Entities and all of Transferred Assets as set forth in Item 1.01 of this Current Report on Form 8-K and hereby incorporated by reference into this Item 2.01, pursuant to the Amended Purchase Agreement (the “Transaction”).

### **Forward-Looking Statements**

This Current Report on Form 8-K may contain “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “believe,” “will,” “intends,” “expects,” and may include statements regarding matters that involve known or unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to differ materially from results expressed or implied by this report. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and market trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. These uncertainties, risks and changes in circumstances are outlined from time to time in documents we file with the Securities and Exchange Commission, including but not limited to, our Form 10-Ks, Form 10-Qs and Form 8-Ks. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

## Risk Factors related to the Transaction

*Uncertainty of Common Stock Value.* Our common stock, par value \$0.001 (the “Common Stock”) was suspended from trading on the NYSE American exchange effective December 17, 2019. As a result, there is currently no public market for our Common Stock and investors in our Common Stock have limited liquidity. The aggregate value of the Common Stock Consideration issuable pursuant to the Amended Purchase Agreement was determined through negotiations between the Company and the Sellers based on a number of factors, including the estimated book value of the Company after giving effect to the Transaction. Due to its limited liquidity and lack of a current active trading market, the fair market value of our Common Stock is uncertain and may not be equal to the agreed-upon valuation of the Common Stock Consideration. Although the Company is appealing its suspension from trading on the NYSE American exchange, there can be no assurance that its appeal will be sustained.

*Risk of Default under Entities’ Indebtedness.* The Entities’ Indebtedness is subject to certain conditions and covenants, including the requirement that the Entities obtain the consent of the lender before taking certain actions. Any failure to comply with the conditions and covenants in the financing agreements governing the Entities’ Indebtedness that is not consented to or waived by the lender or otherwise cured could lead to a termination of such debt facilities, acceleration of all amounts due under such debt facilities, or other actions by the lender. The consent of the lender may have been required with respect to the Transaction, and although the Sellers have engaged in negotiations with the lender seeking to obtain such consent prior to the Closing, such consent has not been obtained as of the Closing Date. While the Company intends to continue to seek to obtain the consent from the lender regarding the Transaction, we cannot guarantee that such consent will be received.

*Near-Term Promissory Note Maturity.* We are actively pursuing multiple potential sources of additional debt and equity capital to fund repayment of the amounts due pursuant to the Notes and our ongoing operating expenses. We may not be successful in securing suitable financing in the time period required. If we do not succeed in raising additional capital in a timely fashion, our resources will not be sufficient to fund the repayment of the Notes upon their maturity (which, as extended by the forbearance period contained therein, could occur as soon as March 31, 2020).

### Item 9.01 Financial Statements and Exhibits

(a) *Financial Statements of Business Acquired.* We intend to file the financial statements of Vision required by Rule 8-04 of Regulation S-X in connection with the Transaction by amendment to this Current Report on Form 8-K.

(b) *Pro Forma Financial Information.* We intend to file the pro forma financial information required by Article 8-05 of Regulation S-X in connection with the Transaction by amendment to this Current Report on Form 8-K.

(d) *Exhibits*

Exhibit No.	Description
10.1	<a href="#"><u>Amendment No. 1 to Purchase Agreement, dated December 30, 2019 by and among FTE, Acquisition Sub, the Sellers and the Sellers’ Representative.</u></a>

## 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, thereunto duly authorized.

**FTE NETWORKS, INC.**

(Registrant)

Date: January 2, 2020

*/s/ Michael P. Beys*

Name: Michael P. Beys

Title: Interim Chief Executive Officer



## FIRST AMENDMENT TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AGREEMENT (this “Amendment”) is made and entered into as of December 30, 2019, by and among (i) FTE Networks Inc., a Delaware corporation (“Parent”), (ii) US Home Rentals LLC, a Delaware limited liability company and direct wholly owned subsidiary of Parent (the “Acquisition Sub”) (iii) Alexander Szkaradek, an individual (“Alex”), (iv) Antoni Szkaradek, an individual (“Antoni”), (v) VPM Holdings, LLC, a South Carolina limited liability company (“VPM Holdings”), (vi) Kaja 3, LLC, a South Carolina limited liability company (“Kaja3”), (vii) Kaja 2, LLC, a South Carolina limited liability company (“Kaja2”), (viii) Kaja, LLC, a South Carolina limited liability company (“Kaja”), (ix) Dobry Holdings Master LLC, a Delaware limited liability company (“Dobry” and together with Alex, Antoni, VPM Holdings, Kaja3, Kaja2, and Kaja, the “Equity Sellers”), (x) Vision Property Management, LLC, a South Carolina limited liability company (the “Asset Seller” and together with the Equity Sellers, the “Sellers”), and (xi) Alexander Szkaradek, in his capacity as the representative of the Sellers (the “Sellers’ Representative”). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Purchase Agreement (as defined below).

### RECITALS

WHEREAS, the Parties have entered into that certain Purchase Agreement dated as of December 20, 2019 (the “Purchase Agreement”); and

WHEREAS, pursuant to Section 11.6 of the Purchase Agreement, the Parties desire to amend the Purchase Agreement as per the terms of this Amendment.

### AGREEMENT

NOW, THEREFORE, the Parties, in consideration of their mutual covenants and agreements herein set forth, and intending to be legally bound hereby, do hereby covenant and agree as follows:

#### 1. *Amendments.*

1.1 Section 2.2(b) of the Purchase Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

“At least two (2) Business Days prior to any issuance of Common Stock or Closing Preferred Stock pursuant to this Agreement, the Sellers shall deliver to Parent a schedule, in a form approved by Parent showing the aggregate number of shares of Common Stock and Preferred Stock to be issued to each Seller (the “Payment Allocation Schedule”). The Payment Allocation Schedule shall also include the following information for each Seller (as of the Closing Date): (a) the Seller’s address and (b) the Seller’s taxpayer identification number.”

1.2 Section 2.6(b) of the Purchase Agreement is hereby amended by inserting “and Section 6.17” after “4.7(b)”.

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1.3 Section 6.12 of the Purchase Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

“Provided that the Closing has occurred or is occurring contemporaneously, the Acquisition Sub shall pay to the Sellers, in accordance with the Payment Allocation Schedule, Nine Million Seven Hundred Fifty Thousand Dollars (\$9,750,000) no later than January 31, 2020; provided that Acquisition Sub may satisfy its obligation under this Section 6.12 by delivery of one or more promissory notes to Sellers for such amounts.”

1.4 Section 6.13 of the Purchase Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

“Within twenty (20) Business Days of the Closing Date, but in no event prior to January 1, 2020 and provided that Sellers have delivered the final Payment Allocation Statement and Closing Statement in accordance with Section 2.2(b) and Section 2.4(a), respectively (each satisfactory to Parent in Parent’s sole discretion), Parent shall issue to Sellers, in accordance with the Payment Allocation Schedule, (i) Four Million Two Hundred Twenty Two Thousand Four Hundred Seventy Four (4,222,474) shares of Common Stock (the “Common Stock Consideration”) and (ii) the Closing Preferred Stock minus the Holdback Amount.”

1.5 A new section 6.17 shall be added to the Purchase Agreement after Section 6.16 of the Purchase Agreement, which shall read as follows:

“Section 6.17. Common Stock Transfer. If Parent believes a proposed transfer of any of the Common Stock Consideration (a “Proposed Common Transfer”) without shareholder approval could jeopardize the restoration or retention of Parent’s NYSE American listing of Parent’s Common Stock, Parent may suspend such Proposed Common Transfer pending the approval of such Proposed Common Transfer by Parent’s shareholders at the next annual meeting of shareholders.”

1.6 Section 7.5(a) of the Purchase Agreement is hereby amended by replacing “\$500,000” therein with “\$100,000”.

2. *Post-Closing Cash Consideration*. The Sellers hereby direct Acquisition Sub to make the payments (or deliver promissory notes in lieu of such payments (any promissory notes so delivered shall be collectively referred to herein as the “Notes”)) set forth in Sections 6.12 of the Purchase Agreement, as amended, to the parties and in the respective amounts set forth on Exhibit A to this Amendment. Each Seller hereby agrees that payments made (or the delivery of Notes) in accordance with Exhibit A to this Amendment shall satisfy Parent’s and Acquisition Sub’s obligations with respect to Section 6.12 of the Purchase Agreement. To the extent Notes are delivered to the Sellers, Parent and Acquisition Sub shall use commercially reasonable efforts to obtain financing sufficient to pay such Notes in accordance with the terms thereof.

3. *Transaction Expenses.* For purposes of Sections 1.4 and 2.4 of the Purchase Agreement, “Transaction Expenses” shall not include any advisory or other fees, commissions or other payments owed or paid by the Sellers to any Singal Party.

4. *Adequate Protection.* The Common Stock Consideration and the Closing Preferred Stock shall remain subject to the Sellers’ indemnification obligations under the Purchase Agreement until such shares are transferred in a Qualified Disposition.

5. *Miscellaneous.*

5.1 *No Further Amendment.* Except as expressly modified by this Amendment, all of the terms, covenants and provisions of the Purchase Agreement shall continue in full force and effect. In the event of any conflict or ambiguity between the terms, covenants and provisions of this Amendment and those of the Purchase Agreement as existing prior to this Amendment, the terms, covenants and provisions of this Amendment shall control.

5.2 *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of laws rules of such state.

5.3 *Successors and Assigns.* The provisions of this Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

5.4 *Binding Agreement.* This Amendment shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

5.5 *Counterparts; Delivery.* This Amendment may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Any signed counterpart may be delivered by facsimile or other form of electronic transmission (*e.g.*, .pdf) with the same legal force and effect for all purposes as delivery of an originally signed agreement.

*[Signature Page Follows]*

\* \* \* \* \*



IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**SELLERS:**

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

By: /s/ Antoni Szkaradek

Name: Antoni Szkaradek

VPM HOLDINGS, LLC

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

Title: Manager

VISION PROPERTY MANAGEMENT, LLC

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

Title: Managing Member

[Signature Page to First Amendment to Stock Purchase Agreement]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**SELLERS:**

KAJA, LLC

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

Title: Managing Member

KAJA 2, LLC

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

Title: Managing Member

KAJA 3, LLC

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

Title: Managing Member

DOBRY HOLDINGS MASTER LLC,

By: VPM Holdings, LLC, its Manager

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

Title: Manager

[Signature Page to First Amendment to Stock Purchase Agreement]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**SELLERS' REPRESENTATIVE:**

By: /s/ Alexander Szkaradek

Name: Alexander Szkaradek

[Signature Page to First Amendment to Stock Purchase Agreement]

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**PARENT:**

FTE NETWORKS INC.

By: /s/ Michael P. Beys

Name: Michael P. Beys

Title: Interim Chief Executive Officer

**ACQUISITION SUB:**

US HOME RENTALS LLC

By: /s/ Michael P. Beys

Name: Michael P. Beys

Title: President

[Signature Page to First Amendment to Stock Purchase Agreement]

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**Exhibit A**

**Post-Closing Cash Consideration Payments**

The Sellers hereby direct that the payment to be made by Acquisition Sub to Sellers pursuant to Section 6.12(i) of the Purchase Agreement (as amended by this Amendment) shall be made in cash or by the delivery of Notes to the following persons in the amounts set forth opposite each such person's name:

<u>Payment Recipient</u>	<u>Amount</u>
Alexander Szkaradek	\$ 4,875,000
Antoni Szkaradek	\$ 4,875,000

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