

MamaMancini's Holdings, Inc.
Form 8-K
January 04, 2019

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): January 4, 2019

MamaMancini's Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Nevada	000-28629	27-067116
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

25 Branca Road, East Rutherford, NJ	07073
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (201) 532-1212

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):

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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))

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

Effective, January 4, 2019, the Company has arranged a new \$3.5 million working capital line of credit with M&T Bank at LIBOR plus four points with a two-year expiration. The Company has also arranged a \$2.5 million five-year note with M&T Bank at LIBOR plus four points with repayments in equal payments over 60 months. The new financing replaces the Company's existing Senior Note from Manatuck Hill Partners (which was due on May 1, 2019) in the amount of approximately \$1.2 million; working capital and term loans in the amount of approximately \$2.8 million payable to EGC and a \$250,000 term loan payable to Valley National Bank. Advances under the line of credit are limited to eighty percent (80%) of eligible accounts receivable (which is subject to an agreed limitation and is further subject to certain asset concentration provisions) and fifty percent (50%) of eligible inventory (which is subject to an agreed dollar limitation). The new facility is supported by a first priority security interest in all of the Company's business assets and is further subject to various affirmative and negative financial covenants and a limited Guaranty by the Company's Chief executive Officer, Carl Wolf.

The effect of the financing as well as an amendment to certain related party financing to notes maturing February 28, 2021 is to reclassify approximately \$3.4 million from short-term liabilities to long-term loans, improving the Company's working capital to a significant positive position.

The Company estimates it initially will be paying a 6.5% per annum interest rate on the new financing, versus an average of over 12.5% per annum on the prior financing it replaces. The Company estimates that it will initially reduce its monthly interest and related fees by approximately \$33,000, as well as initially improving its monthly cash flow by \$101,000 in interest and related expenses and monthly debt payments.

The Company will be record a one-time charge of \$121,500 for termination of its existing loans in the month of January and will also amortize origination fees of \$60,000 on the new facility over a 24-month period.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

None.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MamaMancini's Holdings,
Inc.**

By: */s/ Carl Wolf*
Name: Carl Wolf
Title: Chief Executive Officer

Dated: January 4, 2019

