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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 19, 2018

**LM FUNDING AMERICA, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-37605**  
(Commission File Number)

**47-3844457**  
(IRS Employer Identification  
No.)

**302 Knights Run Avenue, Suite 1000**  
**Tampa, Florida 33602**  
(Address of principal executive offices, including zip code)

**(813) 222-8996**  
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if 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**

On December 19, 2018, LM Funding America, Inc. ("**LMFA**") entered into a Non-Binding Letter of Intent (the "**LOI**") with IIU, Inc. ("**Company**") and Craven House Capital North America, LLC ("**Seller**").

The acquisition is in all respects contingent upon, and subject to, among other things, LMFA's completion of its legal and business due diligence investigation and satisfaction with the results thereof, the negotiation and execution of satisfactory documentation (containing, among other things, mutually agreeable closing conditions, covenants and representations and warranties), and the approval of LMFA's board and, if required, shareholders.

**Structure:** At Closing, LMFA will purchase from Seller 100% of the outstanding stock of the Company.

**Purchase Price:** The Purchase Price shall be approximately \$6,000,000 based on the Company's Pro-Forma EBITDA for fiscal year 2019 (approximately \$1,152,000 times a factor of 4) PLUS the fair market value of the Company's marketable securities as of December 31, 2018 estimated to be \$1,500,000. The Company will be required to keep \$100,000 of cash as of the Effective Date for working capital purposes.

**Purchase Price Payment:** The Purchase Price shall be paid at Closing as follows:

**Company's Note:** Cancellation by LMFA of all principal and accrued interest of Company's Promissory Note dated November 3, 2018 and issued to LMFA for principal indebtedness of \$1,500,000.

**LMFA Note:** LMFA shall issue to Seller a Convertible Promissory Note for the balance of the Purchase Price which shall be for principal amount of approximately \$4,500,000 plus the fair market value of the Company's marketable securities as of the Effective Date subject to adjustment ("**Convertible Note**"). At the option of Seller, the Convertible Note may be paid in restricted common shares of LMFA or cash. The Convertible Note shall bear simple interest at 3% per annum. The Convertible Note shall be due and payable upon demand at the earlier of (i) August 31, 2019 or (ii) thirty days after the first meeting of the shareholders of LMFA to occur in 2019. If repaid by LMFA in restricted common stock, the outstanding principal and interest of the Convertible Note shall be paid by LMFA by issuing to Seller a number of restricted common shares equal to the adjusted principal and accrued interest owing on the Convertible Note divided by \$2.41.

**Shareholder Approval:** LMFA shall seek shareholder approval for issuing restricted common shares in payment of the Convertible Note on or before its annual meeting of shareholders. As a condition to closing, LMFA's officer-directors shall agree to vote all of their shares in favor of approving the issuance of shares pursuant to the Convertible Note.

**Closing Date:** The closing date of the transaction described herein is proposed to be on or before January 1, 2019 or as reasonably practicable thereafter ("**Closing**"). The Effective Date of the transaction will be January 1, 2019 regardless of when the Closing shall occur (the "**Effective Date**").

**LMFA Covenants:** The definitive agreements shall require LMFA to provide customary covenants for a transaction requiring the issuance of its capital stock to the Seller including, but not be limited to, covenants restricting subsequent indebtedness, issuance of securities, payment of indebtedness, conduct of business, redemptions, cash or stock dividends, pledge of securities, foreign investments and other transactions affecting the amount of issued and outstanding shares of LMFA's common stock.

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**IIU, Inc Covenants:** Seller will cause the Company to, and the Company shall:

- (i) operate the Company and its business only in the ordinary course consistent with past practice and not engage in any extraordinary transaction without LMFA's prior written consent;
- (ii) not dispose of or agree to dispose of any of the Company's assets (except for the marketable securities) except in the ordinary course; and
- (iii) provide LMFA complete and free access to, and/or copies of, where applicable, all of the books, records, contracts, properties and personnel related to the Company, its business and its assets for purposes of conducting LMFA's due diligence investigation. The Company and Seller agree to use their reasonable best efforts to assist LMFA in its due diligence investigation of the Company and its business, including without limitation promptly responding to LMFA's reasonable due diligence requests and providing all information with respect thereto.

**Conditions to Closing:** The Closing will be conditioned on the following:

1. No material adverse change in the business, assets, financial conditions or prospects of the Company shall have occurred.
2. Satisfactory completion by LMFA in its sole discretion of its legal and business due diligence investigation of Company, including, without limitation its review of customer contracts, professional and customer reference checks, and accounting review.
3. Completion of definitive documentation of the transaction, including a Stock Purchase Agreement containing, among other things, reasonable and customary representations, warranties, and covenants of (i) the Company and Seller with indemnities in favor of LMFA for pre-Closing liabilities and breaches of the representations, warranties, and covenants made in the Stock Purchase Agreement and (ii) LMFA with indemnities in favor of Company and Seller for pre-Closing liabilities and breaches of the representation, warranties and covenants made in the Stock Purchase Agreement.
4. Continued compliance by LMFA of all Nasdaq listing requirements.
5. LMFA shall have obtained any and all necessary consents required pursuant to material agreements including the Underwriting Agreement with Maxim Group, LLC and holders of LMFA warrants.

LMFA shall have received a fairness opinion from an investment banking firm in form acceptable to LMFA's board of directors.

The foregoing descriptions of the LOI, are subject to, and qualified in their entirety by such documents attached herewith as Exhibits 1.1, to this Current Report on Form 8-K and are incorporated by reference herein.

#### **Item 8.01. Other Events.**

On December 20, 2018, the Company issued a press release regarding the LOI. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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## Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
1.1	<a href="#"><u>Non-Binding Letter of Intent dated as of December 19, 2018, by and between LM Funding America, Inc. and IIU, Inc.</u></a>
99.1	<a href="#"><u>Press release issued December 20, 2018</u></a>

### Forward-Looking Statements

*This Current Report on Form 8-K may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Words such as “anticipate,” “estimate,” “expect,” “intend,” “plan,” and “project” and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Such statements are based on management’s current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Investors are cautioned that there can be no assurance actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Please refer to the risks detailed from time to time in the reports we file with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2017, as well as other filings on Form 10-Q and periodic filings on Form 8-K, for additional factors that could cause actual results to differ materially from those stated or implied by such forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.*

### SIGNATURE

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.

**LM Funding America, Inc.**

/s/ Richard Russell  
By: Richard Russell  
Chief Financial Officer

Date: December 20, 2018



**NON-BINDING LETTER OF INTENT**

*This document is intended solely as a basis for further discussion between LM Funding America, Inc., a Delaware corporation (“LMFA”), IIU, Inc., a Virginia corporation (“Company”), and Craven House Capital North America, LLC (“Seller”). With the exception of the headings “Covenants,” “Expenses”, and “Confidentiality”, the terms included herein do not constitute any form of binding contract and create no obligations or the basis of any claims against any party but rather are solely for the purpose of outlining the terms pursuant to which a definitive agreement may ultimately be entered into. The acquisition is in all respects contingent upon, and subject to, among other things, LMFA’s completion of its legal and business due diligence investigation and satisfaction with the results thereof, the negotiation and execution of satisfactory documentation (containing, among other things, mutually agreeable closing conditions, covenants and representations and warranties), and the approval of LMFA’s board and, if required, shareholders.*

- Company** IIU, Inc., a Florida corporation (“Company”), with a principal address of 107 West Federal St., Middleburg, VA 20117.
  
- Company Ownership** Craven House Capital North America, LLC (“Seller”), owns 100% of the outstanding shares of the Company.
  
- LMFA** LM Funding America, Inc., A Delaware corporation (“LMFA”), with a principal address of 302 Knights Run Ave. Suite #1000, Tampa, Florida 33602
  
- Structure** At Closing, LMFA will purchase from Seller 100% of the outstanding stock of the Company.
  
- Purchase Price** The Purchase Price shall be approximately \$6,000,000 based on the Company’s Pro-Forma EBITDA for fiscal year 2019 (approximately \$1,152,000 times a factor of 4) PLUS the fair market value of the Company’s marketable securities as of December 31, 2018 estimated to be \$1,500,000. The Company will be required to keep \$100,000 of cash as of the Effective Date for working capital purposes.



**Purchase Price Payment**

The Purchase Price shall be paid at Closing as follows:

Company’s Note. Cancellation by LMFA of all principal and accrued interest of Company’s Promissory Note dated November 3, 2018 and issued to LMFA for principal indebtedness of \$1,500,000.

LMFA Note. LMFA shall issue to Seller a Convertible Promissory Note for the balance of the Purchase Price which shall be for principal amount of approximately \$4,500,000 plus the fair market value of the Company’s marketable securities as of the Effective Date subject to adjustment (“Convertible Note”).

At the option of Seller, the Convertible Note may be paid in restricted common shares of LMFA or cash. The Convertible Note shall bear simple interest at 3% per annum. The Convertible Note shall be due and payable upon demand at the earlier of (i) August 31, 2019 or (ii) thirty days after the first meeting of the shareholders of LMFA to occur in 2019. If repaid by LMFA in restricted common stock, the outstanding principal and interest of the Convertible Note shall be paid by LMFA by issuing to Seller a number of restricted common shares equal to the adjusted principal and accrued interest owing on the Convertible Note divided by \$2.41.

**Shareholder Approval**

LMFA shall seek shareholder approval for issuing restricted common shares in payment of the Convertible Note on or before its annual meeting of shareholders. As a condition to closing, LMFA’s officer-directors shall agree to vote all of their shares in favor of approving the issuance of shares pursuant to the Convertible Note.

**Closing Date**

The closing date of the transaction described herein is proposed to be on or before January 1, 2019 or as reasonably practicable thereafter (“Closing”). The Effective Date of the transaction will be January 1, 2019 regardless of when the Closing shall occur (the “Effective Date”).

**LMFA Covenants**

The definitive agreements shall require LMFA to provide customary covenants for a transaction requiring the issuance of its capital stock to the Seller including, but not be limited to, covenants restricting subsequent indebtedness, issuance of securities, payment of indebtedness, conduct of business, redemptions, cash or stock dividends, pledge of securities, foreign investments and other transactions affecting the amount of issued and outstanding shares of LMFA’s common stock.



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## Company Covenants

Seller will cause the Company to, and the Company shall:

- (i) operate the Company and its business only in the ordinary course consistent with past practice and not engage in any extraordinary transaction without LMFA's prior written consent;
- (ii) not dispose of or agree to dispose of any of the Company's assets (except for the marketable securities) except in the ordinary course; and
- (iii) provide LMFA complete and free access to, and/or copies of, where applicable, all of the books, records, contracts, properties and personnel related to the Company, its business and its assets for purposes of conducting LMFA's due diligence investigation. The Company and Seller agree to use their reasonable best efforts to assist LMFA in its due diligence investigation of the Company and its business, including without limitation promptly responding to LMFA's reasonable due diligence requests and providing all information with respect thereto.

## Conditions to Closing

The Closing will be conditioned on the following:

- 1.No material adverse change in the business, assets, financial conditions or prospects of the Company shall have occurred.
- 2.Satisfactory completion by LMFA in its sole discretion of its legal and business due diligence investigation of Company, including, without limitation its review of customer contracts, professional and customer reference checks, and accounting review.
- 3.Completion of definitive documentation of the transaction, including a Stock Purchase Agreement containing, among other things, reasonable and customary representations, warranties, and covenants of (i) the Company and Seller with indemnities in favor of LMFA for pre-Closing liabilities and breaches of the representations, warranties, and covenants made in the Stock Purchase Agreement and (ii) LMFA with indemnities in favor of Company and Seller for pre-Closing liabilities and breaches of the representation, warranties and covenants made in the Stock Purchase Agreement.
4. Continued compliance by LMFA of all Nasdaq listing requirements.
- 5.LMFA shall have obtained any and all necessary consents required pursuant to material agreements including the Underwriting Agreement with Maxim Group, LLC and holders of LMFA warrants.
6. LMFA shall have received a fairness opinion from an investment banking firm in form acceptable to LMFA's board of directors.

## Expenses

Each of the Sellers and LMFA will pay their own legal fees and

expenses for preparation of closing documents and due diligence.





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**Confidentiality**

All public announcements or other disclosure with regard to the proposed sale of the acquired assets, including the proposed terms and conditions of the transaction or the status of the negotiations between the parties, that any party proposes to make will be first submitted to the other parties hereto for their approval, which approval may not be unreasonably withheld if LMFA deems such disclosure is required by securities laws or the rules of the NASDAQ Stock exchange.

With the exception of the parties' obligations under the headings "Covenants," "Expenses", and "Confidentiality", this Proposed Summary of Terms is not intended to be and does not constitute a legally binding obligation of any party. Except for the obligations of the parties under the headings "Covenants," "Expenses", "Confidentiality" and "Exclusivity (No-Shop)", no legally binding obligations will be created, implied or inferred by this Proposed Summary of Terms, unless and until all parties to the transaction execute and deliver definitive agreements. This Proposed Summary of Terms may be executed in several counterparts, all of which together shall constitute the same instrument, and shall be governed by the laws of the State of Florida. The delivery by facsimile of an executed counterpart hereof will have the same force and effect as the delivery of an originally executed counterpart hereof.

**IJU, Inc.**

**LM Funding America, Inc.**

By: /s/ Mark Pajak  
 Mark J. Pajak

By:/s/ Bruce M. Rodgers  
 Bruce M. Rodgers, Esq.

Its:President

Its: Chief Executive Officer

Date: December 18, 2018

Date: December 19, 2018

**Craven House Capital North America, LLC**

By: /s/ Mark Pajak  
 Mark J. Pajak

Its:Manager

Date: December 18, 2018

## LM Funding Signs Letter of Intent to Acquire Global Medical Insurance Product Company, IIU, Inc.

**TAMPA, FL, December 20, 2018**– LM Funding America, Inc. (NASDAQ: LMFA) (“LM Funding” or the “Company”), a technology-based specialty finance company, today announced that it has signed a Letter of Intent (“LOI”) to acquire all of the outstanding stock of IIU, Inc. (“IIU”) for a total purchase price of approximately \$6 million. The purchase price is payable through cancellation of IIU’s \$1.5 million promissory note held by the Company with the balance of the purchase price paid through issuance of the Company’s Convertible Promissory Note payable in common stock of LM Funding, at a conversion price of \$2.41 per share, subject to shareholder approval, or cash. Legal and business due diligence review (including a fairness opinion) is underway and the acquisition is expected to close effective January 1, 2019.

Based in the metropolitan Washington DC area, IIU, through its U.S. subsidiaries, sells global medical insurance products for international travelers, specializing in policies covering high-risk destinations and emerging markets. All policies are fully underwritten with no claim risk remaining with IIU. For the year ended December 31, 2017, IIU reported an adjusted pre-tax income of approximately \$500,000. Craven House Capital North America, LLC owns 100% of the outstanding shares of IIU.

“We are very pleased to sign this LOI marking yet another key step forward in LM Funding’s growth strategy,” said Bruce Rodgers, LM Funding’s Chief Executive Officer. “As part of this strategy, we have been actively exploring opportunities to acquire complementary revenue streams with profitable business models in the financial services sector such as IIU. The addition of IIU enables LM Funding to diversify its revenue base while creating a platform for IIU to scale its niche insurance brokerage market. Going forward, we intend to identify other synergistic opportunities in the financial services sector to compliment the business cycle dependent returns provided by our core business of providing solutions to condominium and homeowner associations.”

Mark Pajak, Chairman of Craven House North America, LLC, commented, “We believe this transaction recognizes the combined value of the platform and allows the combined companies to leverage future growth opportunities. We look forward to working with the LM Funding team to identify and exploit further growth opportunities.”

Under the terms of the LOI, LM Funding will acquire 100% of the outstanding stock of IIU from Craven for a total purchase price (“Purchase Price”) of approximately \$6 million. The Purchase Price will consist of the cancellation by LM Funding of all principal and accrued interest of Craven’s Promissory Note dated November 3, 2018 and issued to the Company for principal indebtedness of \$1.5 million. In addition, LM Funding will issue to Craven a Convertible Promissory Note (“Convertible Note”) for the balance of the Purchase Price of approximately \$4.5 million, plus the fair market value of IIU’s marketable securities as of the effective date of the transaction. The Convertible Note shall bear simple interest at 3% per annum. The Convertible Note shall be due and payable upon demand at the earlier of (i) August 31, 2019 or (ii) thirty days after the first meeting of the shareholders of LMFA to occur in 2019. The note is payable at Craven’s option in cash or, subject to shareholder approval, common stock of LM Funding at a conversion price of \$2.41 per share.

### **About LM Funding America:**

LM Funding America, Inc., together with its subsidiaries, is a technology-based specialty finance company that provides funding to nonprofit community associations (Associations) primarily located in the state of Florida, as well as in the states of Washington, Colorado and Illinois. The company offers funding to Associations by purchasing a certain portion of the associations' rights to delinquent accounts that are selected by the Associations arising from unpaid Association

assessments. The company is also involved in the business of purchasing delinquent accounts on various terms tailored to suit each Association's financial needs, including under the company's New Neighbor Guaranty™ program.

**Forward-Looking Statements:**

*This press release may contain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "estimate," "expect," "intend," "plan," and "project" and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are identified in the company's most recent Annual Report on Form 10-K and its other filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov). The occurrence of any of these risks and uncertainties could have a material adverse effect on the company's business, financial condition, and results of operations.*

**Company Contact:**

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LM Funding America, Inc.  
Tel (813) 222-8996  
[investors@lmfunding.com](mailto:investors@lmfunding.com)

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