

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): August 14, 2019

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.)

120 Wes Platt Street, Suite 100
Tampa, Florida 33606
(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))

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

Title of each class:	Trading symbol	Name of each exchange on which registered
Common Stock par value \$0.001 per share	LMFA	The NASDAQ Stock Market LLC
Common Stock Purchase Warrants	LMFAW	The NASDAQ Stock Market LLC

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.

Item 2.02 Results of Operations and Financial Condition.

On August 14, 2019, LM Funding America, Inc. (the “Company”) issued a press release announcing its financial results for the three and six months ended June 30, 2019 and 2018.

The information furnished in this Item 2.02, including Exhibit 99.1, is not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that Section. This information will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Earnings Release Dated August 14, 2019

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: August 14, 2019

LM Funding Reports Second Quarter 2019 Financial Results

TAMPA, FL, August 14, 2019 – LM Funding America, Inc. (NASDAQ: LMFA) (“LM Funding” or the “Company”), a technology-based specialty finance and travel insurance broker company, today announced its financial results for the second quarter ended June 30, 2019.

Bruce Rodgers, LM Funding’s Chief Executive Officer, commented, “In the second quarter, we benefited from IIU’s profitability and the stable operating performance of our specialty finance business which remains impaired by the continued strength of the Florida real estate market. Our legacy expenses such as rent, and some continued litigation, as well as expenditures related to identifying acquisition prospects contributed to our losses. We expect to realize substantial savings from downsizing our corporate headquarters lease and resolving litigation outcomes. We believe the additional expenses incurred methodically identifying and developing acquisition prospects will ultimately lead to improved shareholder value.”

Second Quarter Financial Results:

For the quarter ended June 30, 2019, total operating revenues were \$840,021, inclusive of \$181,391 generated by IIU, compared to \$877,986 in the second quarter of 2018, prior to the acquisition of IIU. The revenue decline also reflects a decrease in rental revenue from \$217,904 for the quarter ended June 30, 2018 to \$72,285 for the second quarter of 2019.

Operating expenses for the second quarter of 2019 were \$1.2 million, compared to \$733,170 the year prior. The prior year expenses were reduced by a one-time \$200,000 insurance reimbursement for professional fees. Operating expenses for the current quarter were increased by (i) IIU acquisition expenses of approximately \$46,000 which includes shareholder special meeting expenses; (ii) IIU operating expenses of about \$100,000, (iii) increased rent expense of \$25,000 arising from the loss of a sub tenant, and (iv) expenditures related to the pursuit of strategic business combinations of about \$68,000. In July, the Company downsized its corporate headquarters which we anticipate will reduce expenses by approximately \$200,000 annually.

Net losses for the quarter ended June 30, 2019 were \$450,503, compared to net income of \$455,240 for the second quarter of 2018. The profit-loss difference between the two periods is largely attributable to increased expenses and a one-time \$405,000 increase to income in the second quarter of 2018 resulting from settlement of the Solaris class action.

On June 30, 2019, the Company had cash and cash equivalents of \$3.1 million, compared with \$3.5 million on December 31, 2018.

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 by funding a certain portion of the associations’ rights to delinquent accounts that are selected by the Associations arising from unpaid Association assessments. The Company, through its IIU, Inc. subsidiary, also offers global medical insurance products for international travelers, specializing in policies covering high risk destination, emerging markets and foreign

travelers coming to the United States. All policies are fully underwritten with no claim risk remaining with the Company.

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. 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:

Bruce Rodgers, Chairman and CEO
LM Funding America, Inc.
Tel (813) 222-8996
investors@lmfunding.com

Investor Contacts:

Valter Pinto / Scott Eckstein
KCSA Strategic Communications
Tel (212) 896-1254 / (212) 896-1210
valter@kcsa.com / seckstein@kcsa.com

LM Funding America, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

	June 30, 2019	December 31,
	(Unaudited)	2018
ASSETS		
Cash	\$ 3,093,733	\$ 3,520,753
Finance receivables:		
Original product - net (Note 3)	329,770	425,012
Special product - New Neighbor Guaranty program, net of allowance for credit losses of (Note 4)	157,169	237,043
Prepaid expenses and other assets		
	112,767	155,420
Due from related party (Note 5)	-	25,507
Fixed assets, net (Note 1)		33,818
	30,328	
Real estate assets owned (Note 1)		
	46,533	122,604
Operating lease - right of use assets (Note 8)		-
	21,833	
Other investments (Note 1)	-	1,507,375
Goodwill (Note 2)	5,689,586	-
Other Assets		32,036
	42,036	
Total assets	<u>\$ 9,523,755</u>	<u>\$ 6,059,568</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Note payable	\$ 660,793	\$ 42,875
Related party convertible note payable	3,461,782	
Due from related party (Note 5)	6,888	
Operating lease liability (Note 8)		-
	22,259	
Accounts payable and accrued expenses		
	359,160	188,354
Tax liability	14,226	-
Other liabilities and obligations		19,690
	68,268	
Total liabilities	<u>4,593,376</u>	<u>250,919</u>
Stockholders' equity:		
Common stock, par value \$.001; 30,000,000 shares authorized; 3,134,261 and 3,124,961 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	3,134	3,125
Additional paid-in capital	17,324,650	17,295,408
Accumulated deficit	(12,397,405)	(11,489,884)
Total stockholders' equity	<u>4,930,379</u>	<u>5,808,649</u>
Total liabilities and stockholders' equity	<u>\$ 9,523,755</u>	<u>\$ 6,059,568</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LM Funding America, Inc. and Subsidiaries Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended June		For the Six Months Ended June	
	30,	30,	30,	30,
	2019	2018	2019	2018
Revenues:				
Interest on delinquent association fees	\$ 463,738	\$ 564,593	\$ 878,013	\$1,115,455
Administrative and late fees	43,314	50,301	82,807	118,629
Recoveries in excess of cost - special product	4,502	(8,437)	26,272	59,100
Underwriting and other revenues	74,791	53,625	115,515	108,186
Net commission revenue	181,391	-	280,159	-
Rental revenue	72,285	217,904	219,954	440,349
	<u>840,021</u>	<u>877,986</u>	<u>1,602,720</u>	<u>1,841,719</u>
Total revenues				
Operating Expenses:				
Staff costs and payroll	375,677		664,075	
		298,651		700,934
Professional fees	547,823		1,150,535	
		121,577		456,684
Settlement costs with associations	38,286		40,178	
		11,403		27,115
Selling, general and administrative	126,362		237,633	
		79,667		152,215
Provision for credit losses	(7,375)	-	(7,375)	581
Real estate management and disposal	100,306	162,578	297,434	281,940
Depreciation and amortization	20,782	22,156	39,902	44,311
Collection costs	9,786	29,560	(13,301)	30,162
Other operating expenses	16,191	7,578	30,687	11,879
	<u>1,227,838</u>	<u>733,170</u>	<u>2,439,768</u>	<u>1,705,821</u>
Total operating expenses				
Operating income (loss)	(387,817)	144,816	(837,048)	135,898
Interest expense	62,686	94,576	70,473	94,576
Gain on litigation	-	(405,000)	-	(405,000)
	<u>(450,503)</u>	<u>455,240</u>	<u>(907,521)</u>	<u>446,322</u>
Income (loss) before income taxes				
Income tax benefit	-	-	-	-
Net income (loss)	<u>\$ (450,503)</u>	<u>\$ 455,240</u>	<u>\$ (907,521)</u>	<u>\$ 446,322</u>
Income (loss) per share:				
Basic	\$ (0.14)	\$ 0.73	\$ (0.29)	\$ 0.71
Diluted	(0.14)	0.73	(0.29)	0.71
Weighted average number of common shares outstanding:				
Basic	3,134,261	625,319	3,133,106	625,319
Diluted	3,134,261	625,319	3,133,106	625,319

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LM Funding America, Inc. and Subsidiaries Condensed Consolidated Statements of Cash Flows
(unaudited)**

	For the Six Months ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (907,521)	\$446,322
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation and amortization	32,550	44,311
Right to use asset depreciation	4,852	-
Stock compensation	6,931	7,769
Amortization of debt discount	-	75,638
Amortization of debt issuance costs	-	5,705
Gain on litigation	-	(405,000)
Change in assets and liabilities		
Prepaid expenses and other assets	52,389	(51,901)
Accounts payable and accrued expenses	89,329	(174,887)
Advances (repayments) to related party	32,395	71,289
Other liabilities	48,578	(22,277)
Lease liability payments	(4,426)	-
Deferred taxes	(14,200)	-
Net cash used in operating activities	(659,123)	(3,031)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net collections of finance receivables - original product	95,242	133,250
Net collections of finance receivables - special product	79,874	70,635
Net cash received from business acquisition	51,327	-
Proceeds for real estate assets owned	64,101	32,544
Net cash provided by investing activities	290,544	236,429
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowing	-	500,000
Principal repayments	(80,761)	(39,028)
Exercise of warrants	22,320	-
Debt issue costs	-	(82,382)
Net cash provided by (used in) financing activities	(58,441)	378,590
NET INCREASE (DECREASE) IN CASH	(427,020)	611,988
CASH - BEGINNING OF YEAR	3,520,753	590,394
CASH - END OF YEAR	\$ 3,093,733	\$ 1,202,382
SUPPLEMENTAL DISCLOSURES OF CASHFLOW INFORMATION		
Cash paid for interest	\$16,743	\$-
SUPPLEMENTAL DISCLOSURES OF NON-CASHFLOW INFORMATION		
Non Cash - insurance financing	-	87,012
Non Cash - debt discount - warrants	-	154,676
ROU asset obligation recognized	\$26,685	\$-

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

###