

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): March 23, 2020

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.)

1200 West Platt Street, Suite 1000
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
Warrants to Purchase Common Stock	LMFAW	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

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.

EXPLANATORY NOTE

Item 8.01. Other Events.

On March 23, 2020, LM Funding America, Inc. issued a press release announcing that it entered into a Share Exchange Agreement, dated March 23, 2020, with Hanfor (Cayman) Limited, a Cayman Islands exempted company, and BZ Industrial Limited, a British Virgin Islands business company. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
<u>99.1</u>	<u>Press Release dated March 23, 2020</u>

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, 2018, 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: March 23, 2020

LM Funding Announces Business Combination Agreement with Hanfor and Concurrent \$1.25 million Private Placement of Common Stock

TAMPA, FL, March 23, 2020 – LM Funding America, Inc. (NASDAQ: LMFA) (“LM Funding” or “LMFA”), a technology-based specialty finance company, today announced that it has entered into a Share Exchange Agreement to combine its business with the asset management businesses of Hanfor (Cayman) Limited (“Hanfor”), a Cayman company, which is owned by BZ Industrial Limited, a British Virgin Islands company (“BZI”).

After giving effect to the business combination, LMFA shareholders will own approximately 12 percent of the combined company’s outstanding shares. BZI has also agreed to pay LMFA \$1.25 million shortly after signing the Share Exchange Agreement for approximately 520,833 shares of LMFA common at \$2.40 per share in a private placement.

“After a thorough review of LMFA’s current operations and strategic alternatives, we selected the Hanfor business combination transaction as the best option for our shareholders,” commented Bruce Rodgers, Chairman and Chief Executive Officer of LMFA. “Combining with Hanfor will allow our shareholders to participate in ownership of an opportunistic global company with far greater potential.”

Mr. Hank Han, Chairman of Hanfor, will lead the combined company following the closing, which will have businesses in both China and the US. The transaction is expected to close during the second half of the year, pending approval by shareholders of each company and subject to other closing conditions, which include without limitation the delivery of final audited financial statements by Hanfor, the receipt of a fairness opinion by the LMFA board of directors, approval of the transaction by LMFA stockholders, and satisfaction of the combined company with the initial listing requirements of the Nasdaq Capital Market.

“I am excited about the transaction with LMFA since it provides unique growth opportunities both within China and the United States,” stated Mr. Han. “We have demonstrated steady growth within China over the past several years, given our strong international capabilities we believe we are well positioned to take advantage of cross-border opportunities during these historic economic times.”

Hanfor is a fund manager in China that manages multiple classes of alternative assets with a focus on private equity. Hanfor currently has approximately 5.4 billion RMB (approximately \$770 million USD) in assets under management (“AUM”). Hanfor aims to generate attractive investment returns for fund investors by following a patient and disciplined investment approach, employing talented people, and driving growth and value creation with our portfolio companies. Hanfor invests their own capital alongside the capital they manage for fund investors across many industries, including TMT (technology, media telecommunications), consumer & entertainment, health care and high-end manufacturing. Hanfor has been an active player in the private equity industry in China, having completed more than 50 private equity investments in portfolio companies as

of December 31, 2019. Hanfor is in the process of completing its audited financial statements for the year ended December 31, 2019 but is subject to issues arising from the COVID-19 virus.

The Maxim Group LLC served as exclusive advisor to LM Funding.

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.

About Hanfor and BZI:

BZ Industrial Limited, through its wholly owned operating subsidiary, Hanfor (Cayman) Limited, is a fund manager in China that manages multiple classes of alternative assets with a focus on private equity. Hanfor currently has approximately 5.4 billion RMB (approximately \$770 million USD) in AUM. Hanfor has been an active player in the private equity industry in China, having completed more than 50 private equity investments in portfolio companies as of December 31, 2019.

About Maxim Group LLC

Maxim Group LLC is a full-service investment banking, securities and wealth management firm headquartered in New York. The Firm provides a full array of financial services including investment banking; private wealth management; and global institutional equity, fixed-income and derivatives sales & trading, equity research and prime brokerage services to a diverse range of corporate clients, institutional investors and high net worth individuals. Maxim Group is a registered broker-dealer with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB), and is a member of the following: Financial Industry Regulatory Authority (FINRA); Securities Insurance Protection Corporation (SIPC); NASDAQ Stock Market and NYSE Arca, Inc. To learn more about Maxim Group, visit www.maximgrp.com.

Important Information About the Business Combination and Where to Find It

In connection with the business combination, LMFA intends to file a preliminary proxy statement and a definitive proxy statement with the SEC. LMFA's stockholders and other interested persons are advised to read, when available, the preliminary proxy statement and the amendments thereto and the definitive proxy statements and documents incorporated by reference therein filed in connection the business combination, as these materials will contain important information about the business combination. When available, the definitive proxy statement and other relevant materials for the business combination will be mailed to stockholders of LMFA as of a record date to be established for voting on the Business Combination. Stockholders will also be able to obtain copies of the preliminary proxy statement, the definitive proxy statement and other documents filed with the SEC that will be incorporated by reference therein, without charge, once available, at the SEC's web site at www.sec.gov, or by directing a request to: LM Funding America, Inc., 1200 W. Platt St., Suite 1000, Tampa, Florida 33606, Attention: Chief Financial Officer, (813) 362-6488.

Participants in the Solicitation

LMFA and its directors and executive officers may be deemed participants in the solicitation of proxies from LMFA's stockholders with respect to the business combination. A list of the names of those directors and executive officers and a description of their interests in LMFA is contained in LMFA's annual report on Form 10-K for the fiscal year ended December 31, 2018, which was filed with the SEC and is available free of charge at the SEC's web site at www.sec.gov, or by directing a request to LM Funding America, Inc., 1200 W. Platt St., Suite 1000, Tampa, Florida 33606, Attention: Chief Financial Officer, (813) 362-6488. Additional information regarding the interests of such participants will be contained in the proxy statement for the business combination when available.

Hanfor and BZI and their respective directors and executive officers may also be deemed to be participants in the solicitation of proxies from the stockholders of LMFA in connection with the business combination. A list of the names of such directors and executive officers and information regarding their interests in the proposed transaction will be included in the proxy statement for the proposed transaction when available.

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," "believe," "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. These risks and uncertainties include, without limitation, uncertainty created by the COVID-19 pandemic, our ability to obtain Nasdaq approval of the business combination with Hanfor, the risk of obtaining a fairness opinion and stockholder approval of the transaction, our ability to acquire new accounts at appropriate prices, the need for capital, our ability to hire and retain new employees, changes in governmental regulations that affect our ability to collect sufficient amounts on defaulted consumer receivables, changes in the credit or capital markets, changes in interest rates, and negative press regarding the debt collection industry. 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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