

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): May 14, 2021

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

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 May 14, 2021, LM Funding America, Inc. (the “Company”) issued a press release announcing its financial results for the three months ended March 31, 2021 and 2020.

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 May 14, 2021

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. These statements 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 the Company’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. Such risks and uncertainties include the risk that the conditions for the sale of all of the Notes may not be satisfied and/or that the Company may not be able to recover its full investment and anticipated return from the Notes. 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 risks and uncertainties. Investors should refer to the risks detailed from time to time in the reports the Company files with the SEC, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, 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. The Company disclaims 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.

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

Dated: May 14, 2021



LM Funding Reports Net Income of \$4.4 Million or \$0.87 Per Basic Common Share for the First Quarter of 2021

TAMPA, FL / ACCESSWIRE / May 14, 2021 / LM Funding America, Inc. (NASDAQ:LMFA) ("LM Funding" or "LMFA"), a technology-based specialty finance company, today announced its financial results for the three months ended March 31, 2021.

Financial Highlights for the Three Month Period Ended March 31, 2021:

- Revenues declined to \$177 thousand in 2021 from \$341 thousand in Q1 2020.
- Operating loss was \$1,728 thousand in 2021 compared to a loss of \$561 thousand in Q1 2020.
- Recognized a \$5.7 million realized gain from a transaction with BORQS Technologies Inc. ('Borqs') initially projected to net \$2 million.
- Sponsor interest in LMF Acquisition Opportunities, Inc. ('LMAO') resulted in recognition of a net unrealized gain on securities of \$0.6 million on the Company's \$5.7 million purchase of LMAO's warrants and Class B common shares.
- Net income during the quarter totaled \$4.4 million, or \$0.87 per basic common share.
- Cash increased to \$17.8 million on March 31, 2021 from \$11.5 million on December 31, 2020.

"Thus far in 2021 we continue to expand our 'We Buy Problems' mission. In addition to \$4.4 million in net income during the quarter, our cash position has increased to \$17.8 million or \$3.29 per basic common share as of March 31st." Said Bruce M. Rodgers, Chairman and CEO of LM Funding. "Revenues from our community association receivables business declined as we continue to develop a digital asset technology strategy to unlock the potential of this business. We expanded our core business of buying discounted debt and collecting it through court proceedings with the Borqs transaction. We entered the Borqs transaction projecting to net \$2 million and we were pleased to realize a \$5.7 million return. Going forward, we will continue to look for other technology enabled specialty finance business opportunities that can leverage our existing platform and expertise. We also expect our SPAC sponsorship and digital asset strategy to contribute to earnings in the foreseeable future as our core business navigates through the economy's re-emergence from Covid restrictions."

Operational Highlights for the First Quarter of 2021 to Date:

- LM Funding is developing a digital asset technology strategy to grow its community association receivables business both organically and through acquisitions.
 - LMFA announced plans to purchase up to \$2 million in digital assets including Bitcoin, Ether, and other digital assets.
 - LM Funding sponsored LMAO and its initial public offering, with LMAO closing a \$103.5 million upsized IPO (NASDAQ: LMAOU). Net investment in LMAO totals \$6.4 million or approximately \$1.17 per share.
 - LMAO is targeting a business combination in the financial services or financial technology sectors.
-

- LM Funding entered into a second transaction with Borqs with the purchase of a \$5 million convertible debt and equity instrument and has funded \$1.7 million as of March 31, 2021.

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.

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 guaranties 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 acquire new accounts in our specialty finance business 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 our business, financial condition, and results of operations.

Company Contact:

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

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

	March 31, 2021	December 31,
	(Unaudited)	2020
ASSETS		
Cash	\$ 17,803,015	\$ 11,552,943
Finance receivables:		
Original product - net (Note 2)	101,811	116,017
Special product - New Neighbor Guaranty program, net of allowance for credit losses of (Note 3)	53,777	52,757
Prepaid expenses and other assets	212,132	399,124
Current assets	18,170,735	12,120,841
Fixed assets, net	5,617	6,171
Real estate assets owned	80,057	18,767
Operating lease - right of use assets (Note 7)	134,859	160,667
Long-term investments - debt securities (Note 9)	1,679,284	-
Long-term investments - equity securities (Note 9)	1,789,338	-
Investments in unconsolidated affiliates (Note 9)	4,569,054	-
Other assets	10,984	10,984
Long-term assets	8,269,193	196,589
Total assets	\$ 26,439,928	\$ 12,317,430
LIABILITIES AND STOCKHOLDERS' EQUITY		
Note payable (Note 5)	38,053	96,257
Accounts payable and accrued expenses	271,515	237,033
Due to related party (Note 4)	232,734	158,399
Current portion of lease liability (Note 7)	78,675	-
Total current liabilities	620,977	491,689
Lease liability - long-term (Note 7)	68,002	171,648
Deferred taxes (Note 6)	3,484	-
Note payable - long-term (Note 5)	186,235	185,785
Long-term liabilities	257,721	357,433
Total liabilities	878,698	849,122
Stockholders' equity:		
Common stock, par value \$0.001; 30,000,000 shares authorized; 5,414,296 and 3,083,760 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	5,414	3,084
Additional paid-in capital	39,538,550	29,996,257
Accumulated deficit	(14,159,791)	(18,536,224)
Total stockholders' equity	25,384,173	11,463,117
Non-controlling interest	177,057	5,191
Total stockholders' equity	25,561,230	11,468,308
Total liabilities and stockholders' equity	\$ 26,439,928	\$ 12,317,430

LM Funding America, Inc. and Subsidiaries Condensed Consolidated Income Statement

**For the Three Months
Ended March 31,**

	2021	2020
Revenues:		
Interest on delinquent association fees	\$ 77,444	\$ 219,514
Administrative and late fees	15,071	23,045
Recoveries in excess of cost - special product	29,473	22,628
Underwriting and other revenues	22,703	27,929
Rental revenue	31,917	48,080
Total revenues	<u>176,608</u>	<u>341,196</u>
Operating Expenses:		
Staff costs and payroll	1,301,981	316,059
Professional fees	482,943	506,995
Settlement costs with associations	-	11,920
Selling, general and administrative	99,769	80,223
Recovery of cost from related party receivable	(10,000)	(100,000)
Real estate management and disposal	18,290	85,342
Depreciation and amortization	1,696	5,812
Collection costs	2,048	(8,321)
Other operating expenses	7,545	3,794
Total operating expenses	<u>1,904,272</u>	<u>901,824</u>
Operating loss from continuing operations	(1,727,664)	(560,628)
Realized gain on securities	5,671,464	-
Unrealized gain on securities	595,392	-
Interest income	13,055	-
Interest expense	(464)	(6,894)
Income (loss) from continuing operations before income taxes	4,551,783	(567,522)
Income tax expense	(3,484)	-
Net income (loss) from continuing operations	4,548,299	(567,522)
Gain from operations of discontinued operations	-	16,428
Net gain from discontinued operations	-	16,428
Net income (loss)	<u>4,548,299</u>	<u>(551,094)</u>
Less: Net income attributable to non-controlling interest	(171,866)	-
Net income (loss) attributable to LM Funding America Inc.	<u>\$ 4,376,433</u>	<u>\$ (551,094)</u>
Earnings/(loss) per share:		
Basic income (loss) per common share - continuing operations	\$ 0.87	\$ (0.88)
Basic income/(loss) per common share - discontinued operations	\$ -	\$ 0.03
Basic income (loss) per common share - net income (loss) - attributable to LM Funding	\$ 0.87	\$ (0.85)
Diluted income (loss) per common share - continuing operations	\$ 0.80	\$ (0.88)
Diluted earnings/(loss) per common share - discontinued operations	\$ -	\$ 0.03
Diluted income (loss) per common share - net income (loss) - attributable to LM Funding	\$ 0.80	\$ (0.85)
Weighted average number of common shares outstanding:		
Basic	5,047,498	646,606
Diluted	5,439,398	646,606

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

	For the Three Months Ended March	
	31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 4,548,299	\$ (551,094)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation and amortization	1,696	5,812
Right to use asset depreciation	25,808	25,093
Stock compensation	-	128,847
Recovery of uncollectible related party receivables	-	(100,000)
Accrued investment income	(12,784)	-
Gain on disposal of discontinued operations	-	(16,428)
Deconsolidation of affiliate	(43,623)	-
Unrealized gain on securities	(595,392)	-
Realized gain on sale of securities	(5,671,464)	-
Change in assets and liabilities		
Prepaid expenses and other assets	710,163	20,436
Accounts payable and accrued expenses	157,514	(8,102)
Advances (repayments) from related party	200,749	197,024
Lease liability payments	(24,971)	(22,684)
Deferred taxes	3,484	-
Net cash provided (used in) operating activities	(700,521)	(321,096)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net collections of finance receivables - original product	14,206	28,035
Net collections of finance receivables - special product	(1,020)	29,839
(Payments)/proceeds for real estate assets owned	(62,432)	(3,026)
Net cash payment for IIIU disposal	-	(246,914)
Investment in convertible note receivable	(1,666,500)	-
Investment in unconsolidated affiliate	(5,738,000)	-
Investment in securities	(15,547,454)	-
Proceeds from securities, net	21,218,918	-
Loan to purchase securities	1,784,250	-
Repayment of loan to purchase securities	(1,784,250)	-
Net cash used by investing activities	(1,782,282)	(192,066)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments	(343,687)	(34,770)
Insurance financing repayments	(468,061)	-
Exercise of warrants	9,544,623	-
Proceeds from stock subscription	-	250,000
Net cash provided by financing activities	8,732,875	215,230
NET INCREASE (DECREASE) IN CASH	6,250,072	(297,932)
CASH - BEGINNING OF YEAR	11,552,943	1,069,823
CASH - END OF YEAR	\$ 17,803,015	\$ 771,891
SUPPLEMENTAL DISCLOSURES OF CASHFLOW INFORMATION		
Cash paid for taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ 6,894