

ACQUIRED SALES CORP
Form 8-K
May 01, 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)

April 30, 2019

ACQUIRED SALES CORP.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

87-0479286
(I.R.S. Employer
Identification No.)

31 N. Suffolk Lane, Lake Forest, Illinois
(Address of principal executive offices)

60045
(Zip Code)

847-915-2446
(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 (see General Instruction A.2. below):

Edgar Filing: ACQUIRED SALES CORP - Form 8-K

☐ 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))

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Stock Sale and Purchase Agreement - Ablis Holding Company

On April 30, 2019, Acquired Sales Corp. (the "Company"), Gerard M. Jacobs ("Gerry Jacobs") and William C. "Jake" Jacobs ("Jake Jacobs") entered into a Stock Sale and Purchase Agreement with Ablis Holding Company, an Oregon corporation ("Ablis HC"), Ablis, Inc., an Oregon corporation, and James A. Bendis ("Bendis") wherein the Company paid \$399,200 for a post transaction 4.99% ownership of Ablis HC's equity. Ablis HC is in the business of manufacturing and sale of CBD-infused beverages, and CBD-infused products. The Stock Sale and Purchase Agreement requires that Ablis HC use a portion of the purchase proceeds to pay off at least \$381,000 of its liabilities.

The Stock Sale and Purchase Agreement also sets out terms for an additional equity purchase of Ablis HC such that the Company may purchase up to an additional 15% of Ablis HC for \$1,200,000 so that the Company would then own 19.99% of the ownership equity of Ablis HC.

The terms of the Stock Sale and Purchase Agreement entitle Gerry Jacobs to be a member of the board of directors of Ablis HC and entitles Jake Jacobs to be provided with access to financial information and grants Jake Jacobs financial oversight functions over Ablis HC. It further allows Jake Jacobs the right to provide consulting/advisory services. Jake Jacobs' reasonable expenses will be covered by Ablis HC. The Stock Sale and Purchase Agreement also requires that Gerry Jacobs and Jake Jacobs be introduced to the owners of Ablis' CBD isolate suppliers, and any other companies in the hemp, CBD and cannabis industries with whom Ablis HC and/or Bendis have relationships, and whom may potentially be interested in entering into a stock sale or merger with the Company.

The Stock Sale and Purchase Agreement requires that Ablis HC evaluate and seriously consider a sale of Ablis HC or taking Ablis HC public within 60 months from April 30, 2019 and that it use commercially reasonable best efforts, to close a mutually acceptable alternative exit opportunity for the Company within 72 months from April 30, 2019.

The foregoing description of the Stock Sale and Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Stock Sale and Purchase Agreement, which is attached as Exhibit 10.49 to this Current Report on Form 8-K and incorporated in this Item 1.01 by reference.

Stock Purchase Agreement - Bendistillery Inc. and Bend Spirits

On April 30, 2019, the Company, Gerry Jacobs, and Jake Jacobs entered into a Stock Purchase Agreement with Bendistillery Inc., an Oregon corporation (“Bendistillery”), Bend Spirits, Inc., an Oregon corporation (“Bend Spirits”), Bendis Homes Pinehurst, LLC, an Oregon limited liability company (“Landowner”), Bendis, and Alan T. Dietrich (“Dietrich”) wherein the Company paid \$1,347,300 for a post transaction 4.99% ownership of Bendistillery’s equity and \$149,700 for a post transaction 4.99% ownership of Bend Spirits’ equity. Bendistillery and Bend Spirits are in the business of manufacturing and sale of alcoholic beverages, CBD-infused beverages, and CBD-infused products. The Stock Purchase Agreement requires that Bendistillery and Bend Spirits use a portion of the purchase proceeds to pay off at least \$835,000 of their collective liabilities.

The Stock Purchase Agreement also sets out terms for an additional equity purchase of Bendistillery such that the Company may purchase up to an additional 15% of Bendistillery for \$4,050,000 so that the Company would then own 19.99% of the ownership equity of Bendistillery. Per the terms of the Agreement, the Company may also purchase up to an additional 15% of Bend Spirits for \$450,000 such that the Company would then own 19.99% of the ownership equity of Bend Spirits.

Pursuant to the Stock Purchase Agreement, Landowner (as landlord) and Bendistillery (as tenant) have entered into a long-term lease of the 23 acres in Tumalo outside Bend, Oregon, where Bendistillery and Bend Spirits conduct their businesses (the “Real Estate”), which lease (the “Lease”) is consistent with the following terms: The initial term of the Lease is 20 years at a rent of \$17,500 per month; Tenant has the right, in its sole discretion, to exercise a series of options to extend the term of the Lease up to a maximum of 99 years; and Tenant has a 60-day right of first refusal if Landowner ever decides to sell all or any portion of the Real Estate. Bendis is the owner of Landowner.

The terms of the Stock Purchase Agreement entitle Gerry Jacobs to be a member of the board of directors of Bendistillery and Bend Spirits and entitle Jake Jacobs to be provided with access to financial information. The Stock Purchase Agreement also grants Jake Jacobs financial oversight functions over Bendistillery and Bend Spirits and allows Jake Jacobs the right to provide consulting/advisory services. Jake Jacobs’ reasonable expenses will be covered by Bendistillery and Bend Spirits as well as an advisory fee of not less than \$5,000 per quarter. The Stock Purchase Agreement also requires that Gerry Jacobs and Jake Jacobs be introduced to the owners of Deschutes Brewery, Silver Moon Brewing, LBD Beverage, and any other companies in the distilled spirits, beer, wine, hemp, CBD and cannabis industries with whom Bendistillery, Bend Spirits, Bendis and/or Dietrich have relationships, and whom may potentially be interested in entering into a stock sale or merger with the Company.

The Stock Purchase Agreement requires that Bendistillery and Bend Spirits evaluate and seriously consider a sale of Bendistillery and Bend Spirits or taking them public within 60 months from April 30, 2019 and that they use commercially reasonable best efforts to close a mutually acceptable alternative exit opportunity for the Company within 72 months from April 30, 2019.

The foregoing description of the SPA does not purport to be complete and is qualified in its entirety by reference to the full text of the SPA, which is attached as Exhibit 10.50 to this Current Report on Form 8-K and incorporated in this Item 1.01 by reference.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

Exhibit 10.49 Stock Sale and Purchase Agreement among Ablis Holding Company, Ablis, Inc., James A. Bendis, Acquired Sales Corp., Gerard M. Jacobs and William C. “Jake” Jacobs

Exhibit 10.50 Stock Purchase Agreement among Bendistillery Inc., Bend Spirits, Inc., Bendis Homes Pinehurst, LLC, James A. Bendis, Alan T. Dietrich, Acquired Sales Corp., Gerard M. Jacobs and William C. “Jake” Jacobs

Exhibit 99.1 Press Release Dated May 1, 2019

SIGNATURES

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

ACQUIRED SALES CORP.

/s/ Gerard M. Jacobs

Gerard M. Jacobs

Chief Executive Officer

Dated: May 1, 2019