

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 28, 2023

UNRIVALED BRANDS, INC.

(Exact name of registrant as specified in its charter)

<u>Nevada</u> (State or other jurisdiction of incorporation)	<u>000-54258</u> (Commission File Number)	<u>26-3062661</u> (IRS Employer Identification No.)
<u>3242 S. Halladay St., Suite 202</u> <u>Santa Ana, California</u> (Address of principal executive offices)		<u>92705</u> (Zip Code)

Registrant's telephone number, including area code: (888) 909-5564

Not Applicable

(Former name or former address, if changed since last report)

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:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001	UNRV	OTCQB

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

Emerging growth company

If an emerging growth company, indicate by checkmark if the 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 1.01 Entry into a Material Definitive Agreement.

On March 23, 2023, Unrivaled Brands, Inc. (the “Company”) entered into a binding term sheet (the “Term Sheet”) with certain noteholders (collectively, the “Noteholders”) to restructure and reduce the Company’s liability regarding certain unsecured promissory notes dated October 1, 2021 (the “Original Notes”) issued in connection with the Stock Purchase Agreement dated June 9, 2021, which was amended by a First Amendment to Stock Purchase Agreement, dated July 13, 2021 (as amended, the “SPA”).

Pursuant to the binding Term Sheet and the anticipated definitive agreements, the Original Notes with an aggregate principal balance of \$4,500,000 will be extinguished and new notes will be issued in the form of unsecured promissory notes in the aggregate amount of \$1,250,000 (the “New Notes”). The New Notes consist of (i) a \$1,000,000 unsecured promissory note and (ii) a \$250,000 unsecured promissory note issued to the Noteholders, which shall bear interest at a rate of 10.0% per annum and mature on March 15, 2028. The parties also agreed that the Company shall be responsible for certain tax liabilities of approximately \$527,090.

The foregoing description of the Term Sheet does not purport to be complete and is qualified in its entirety by reference to the full text of the Term Sheet, a copy of which is filed as Exhibit 4.1 to this Current Report on Form 8-K and which is incorporated by reference herein in its entirety.

Item 7.01 Regulation FD Disclosure.

On March 28, 2023, the Company issued a press release announcing the Term Sheet described in Item 1.01 above. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Item 7.01, and in Exhibit 99.1, referenced herein is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any registration statement or other filing under the Securities Act of 1933, as amended, unless the Company expressly so incorporates such information by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
4.1	Binding Term Sheet, dated March 23, 2023
99.1	Press Release, dated March 28, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

SIGNATURES

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.

UNRIVALED BRANDS, INC.

Date: March 28, 2023

By: /s/ Sabas Carrillo
Sabas Carrillo
Chief Executive Officer

Unrivaled Brands, Inc. – Matthew Guild/Sterling Harlan

SILVERSTREAK BINDING TERM SHEET

This binding Term Sheet (the “Silverstreak Term Sheet”) constitutes a commitment by the parties hereto to negotiate in good faith and to enter into one or more definitive agreements as set forth herein. This Silverstreak Term Sheet is intended as a description of the material terms in connection with the settlement of those certain Unsecured Promissory Notes, dated on or about October 1, 2021 (the “Original Notes”), executed by the Borrower (as defined below), in favor of one or more Noteholders (as defined in the Original Notes) and does not purport to summarize all of the conditions, covenants, representations, warranties, and other provisions that would be contained in definitive documentation for the transaction contemplated hereby. The terms and conditions of the potential transactions described below are not limited to those set forth herein. Matters that are not covered by the provisions of this Silverstreak Term Sheet are subject to the approval and mutual agreement of the parties. This Silverstreak Term Sheet shall be exclusively governed in all respects by the laws of the State of California.

- Transaction Overview:** The settlement of the Original Notes (collectively, the “New Notes” and each, a “New Note”).
- Note Documents:** The New Notes will be governed by definitive note documentation (collectively, the “New Note Documents” and the principles set forth in this paragraph, the “Documentation Principles”), based substantially on the Original Notes and the other documents executed in connection therewith, with modifications as necessary to reflect the terms specifically set forth in this Silverstreak Term Sheet. The New Note Documents will (i) be negotiated in good faith, and (ii) contain such other terms as the Borrower and the noteholders shall mutually agree.
- Terms of the New Notes**
- Borrower:** Unrivaled Brands, Inc., a Nevada corporation (the “Borrower”).
- Closing Date:** The date that the definitive documentation is executed, targeted to be on or before April 15, 2023 (the “Closing Date”).
- Maturity:** The final maturity will occur on March 15, 2028 (the “Maturity Date”).
- Repayment:** The Parties agree the aggregate original principal amount of the New Notes is \$1,250,000.00 (the “New Outstanding Settlement Amount”). The New Outstanding Settlement Amount consists of (i) \$1,000,000 due to Sterling Harlan (“S. Harlan”) and \$250,000 due to Matthew Guild (“M. Guild”). The Parties agree that upon signing of this Term Sheet, Borrower will make an initial payment on the New Outstanding Settlement Amount in cash of \$24,000 to S. Harlan and \$6,000 to M. Guild. The parties also agree that the Borrower will be responsible for the liability of \$527,089.99 of incurred payroll tax plus penalties and interest (the “Tax Liability”) to be remitted to the IRS. The outstanding principal will be paid in monthly payments (other than for the final payment due and payable on the Maturity Date) as outlined in Schedule A (each payment date, a “Payment Due Date”).

Security: The New Notes will be unsecured.

Form of Payment: On every Payment Due Date, 80% of each payment shall be allocated to S. Harlan and 20% to M. Guild pro rata. Payments shall be wired per the wire instructions provided by the Lenders.

Voluntary Prepayments: The Borrower may prepay, in whole or in part, at any time without premium or penalty.

Interest Rate: Interest will accrue at a rate of 10.0% per annum. In the event of a material Event of Default (as defined below), interest will accrue at a rate of 15.0% per annum until such Event of Default (as defined below) is cured.

Covenants: Substantially similar to those in the Original Notes, with modifications to be mutually agreed upon.

Default: The occurrence of any one or more of the following events will constitute a default by Borrower hereunder (each, an "Event of Default"):

Borrower fails to pay any payment in accordance with the terms of any New Note and such payment remains uncured for a period of fifteen (15) days or more following written notice from Lender to Borrower;

Borrower fails to pay on the Maturity Date the full amount of interest then accrued on this Note or the full amount of any principal on any New Note and such failure remains uncured for a period of fifteen (15) days or more following written notice from Lender to Borrower;

Terms from the Original Notes will be reinstated if the Borrower defaults on any aspect of any New Note and which default remains uncured for thirty (30) days.

General Terms

Binding Agreement: This Silverstreak Term Sheet constitutes a binding obligations of the parties hereto, enforceable according to the terms of this Silverstreak Term Sheet. The parties hereto acknowledge the binding nature of this Silverstreak Term Sheet and agree to be bound by the terms, conditions, covenants, and obligations set forth herein. This Silverstreak Term Sheet shall remain in effect until April 30, 2023 (the "Drop Dead Date"). If the New Note Documents and any additional definitive documents contemplated by this Silverstreak Term Sheet have not been executed by the Drop Dead Date, then this Silverstreak Term Sheet shall be considered void and the parties shall each be released of their obligations set forth herein. Notwithstanding the foregoing, the parties hereto may extend the Drop Date at any time by mutual agreement in writing.

Additional Provisions:

The Note Documents will contain conditions precedent, affirmative covenants, negative covenants, representations and warranties, indemnities, events of default and remedies, assignment, and other provisions generally customary for transactions of this type (in each case, substantially similar to those in the Original Notes, subject to certain baskets, exceptions, knowledge and materiality qualifiers, and limitations, as appropriate, to be negotiated in such Note Documents, subject to the Documentation Principles). The transactions contemplated herein shall be subject to approval by the Borrower's board of directors and, as applicable, stockholder approval.

The Borrower will agree to waive and release S. Harlan and M. Guild from and liability for, and assume responsibility for: (1) the Tax Liability, as defined above; and (2) the tax liabilities referenced in the letter ("the Indemnification Notice Letter"), attached as Exhibit 2 hereto, regarding "Indemnification claim pursuant to Stock Purchase Agreement, dated as of June 9, 2021." The tax liabilities are (a) Taxes owed to the California Department of Tax and Fee Administration in the amount of \$145,367.80, (b) Taxes owed to the Internal Revenue Service in the amount of \$1,718,842.00, (c) Taxes owed to the California Franchise Tax Board in the amount of \$165,676.51, and (e) Taxes owed to the California Employee Development Department in the amount of \$252,833.26, all relating to periods prior to the Closing Date of the Stock Purchase Agreement, dated as of June 9, 2021.

In exchange for S. Harlan and M. Guild's agreement to the New Note Documents and related definitive agreements, Borrower, on behalf of it itself and its subsidiaries, affiliates, successors, assigns, and related parties, shall provide a general release of all known and unknown claims against S. Harlan and M. Guild based on or related to: liabilities, costs or damages arising out of, incurred or sustained by, or imposed upon the releasing parties, including those relating to the Stock Purchase Agreement, dated as of June 9, 2021, up through the effective date of New Note Documents.

[Signatures on Following Page]

Signed and Agreed on March 23, 2023:

Sterling Harlan

Matthew Guild

UNRIVALED BRANDS, INC.

By: _____

Name: _____

Title: _____

Unrivaled Brands Enters Into Binding Debt Settlement Term Sheet Reducing Debt by \$3.25M

SANTA ANA, Calif., March 28, 2023 (GLOBE NEWSWIRE) – Unrivaled Brands, Inc. (OTCQB: UNRV) (“Unrivaled,” “Unrivaled Brands,” or the “Company”), a cannabis company with operations throughout California, is pleased to announce it has entered into a binding settlement term sheet to settle an aggregate of \$3,250,000 of indebtedness to certain noteholders of the Company.

In June 2021, the Company issued four promissory notes in the amount of \$4,500,000. The Company and the Noteholders have now agreed to reduce the total amount of principal and interest owed to \$1,250,000, payable over 60 months and bearing interest at a rate of 10.0% per annum.

Sabas Carrillo, Unrivaled’s Chief Executive Officer commented, “ We want to sincerely thank our partners and creditors for continuing to work with us in restructuring our debt.”

Additional details on the agreement may be found in a Form 8-K filed today with the Securities and Exchange Commission and available on the Company’s website.

About Unrivaled Brands

Unrivaled Brands is a company focused on the cannabis sector with operations in California. Unrivaled Brands operates four dispensaries and direct-to-consumer delivery, a cultivation facility, and several leading company-owned brands. Unrivaled Brands is home to Korova, known for its high potency products across multiple product categories, currently available in California, Oregon, Arizona, and Oklahoma.

For more info, please visit: <https://unrivaledbrands.com>.

Cautionary Language Concerning Forward-Looking Statements

Certain statements contained in this communication regarding matters that are not historical facts, are forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These include statements regarding management’s intentions, plans, beliefs, expectations, or forecasts for the future, and, therefore, you are cautioned not to place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by law. The Company uses words such as “anticipates,” “believes,” “plans,” “expects,” “projects,” “future,” “intends,” “may,” “will,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “guidance,” and similar expressions to identify these forward-looking statements that are intended to be covered by the safe-harbor provisions of the PSLRA. Such forward-looking statements are based on the Company’s expectations and involve risks and uncertainties; consequently, actual results may differ materially from those expressed or implied in the statements due to a number of factors.

New factors emerge from time-to-time and it is not possible for the Company to predict all such factors, nor can the Company assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Risks include the risk that the Company and the sellers may not ever enter into definitive documents contemplated by the term sheet discussed above and, therefore, the Company may not settle the amounts owed to the sellers on the terms described above or at all. These risks, as well as other risks associated with the combination, will be more fully discussed in the Company's reports with the SEC. Additional risks and uncertainties are identified and discussed in the "Risk Factors" section of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the SEC. Forward-looking statements included in this release are based on information available to the Company as of the date of this release. The Company undertakes no obligation to update such forward-looking statements to reflect events or circumstances after the date of this release.

Contact:

Jason Assad
LR Advisors LLC.
jassad@unrivaledbrands.com
678-570-6791