

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 11, 2022

**STRAN & COMPANY, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction  
of incorporation)

**001-41038**

(Commission File Number)

**04-3297200**

(IRS Employer  
Identification No.)

**2 Heritage Drive, Suite 600, Quincy, MA**

(Address of principal executive offices)

**02171**

(Zip Code)

**800-833-3309**

(Registrant's telephone number, including area code)

(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	STRN	The NASDAQ Stock Market LLC
Warrants, each warrant exercisable for one share of Common Stock at an exercise price of \$4.81375	STRNW	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 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging Growth Company

If an emerging growth company, indicate by check mark 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.**

The information set forth under Item 5.02 regarding the employment letter agreement referenced therein is incorporated by reference into this Item 1.01.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Effective as of March 11, 2022, the Board of Directors (the "Board") of Stran & Company, Inc. (the "Company") appointed Sheila Johnshoy to serve as the Company's Chief Operating Officer. Effective the same date, the Compensation Committee of the Board (the "Compensation Committee") approved the terms of Ms. Johnshoy's compensation under the employment letter agreement dated as of the same date between the Company and Ms. Johnshoy, as described in further detail below.

Prior to her appointment as Chief Operating Officer, Ms. Johnshoy, age 49, was Vice President of Sourcing & Merchandising at SwagUp, LLC, a promotional products service from June 2021 to March 2022. From June 2020 to June 2021, Ms. Johnshoy was the owner and consultant at Sheila Johnshoy Consulting LLC. From May 2018 to June 2020, Ms. Johnshoy was Chief Revenue Officer at promotional products distributor ePromos Promotional Products, LLC ("ePromos"), one of ASI's "Top 40 Distributors 2021". From February 2017 to April 2018, Ms. Johnshoy was Vice President, Merchandising of Vericast's Harland Clarke business. From February 2017 to April 2018, Ms. Johnshoy was Vice President of Marketing at ePromos. Ms. Johnshoy received a Bachelor of Science in Management and Marketing from St. Cloud State University – Herberger Business School, in 1995. Ms. Johnshoy is a 2009 graduate of the Mini MBA Program of the University of St. Thomas – Opus School of Business.

In connection with Ms. Johnshoy's appointment, the Company entered into an employment letter agreement with Ms. Johnshoy that governs the current terms of Ms. Johnshoy's employment with the Company. The employment offer letter provides that Ms. Johnshoy will receive an annual base salary of \$250,000 and potential salary and annual bonus increases in future years based on the successful achievement of personal and business-related goals. Ms. Johnshoy is eligible to receive annual performance cash bonuses with a target bonus percentage ranging from 25% to 100% of base salary based on the occurrence of specified business revenue amounts or the discretionary approval of the Company's Chief Executive Officer, subject in each case to final approval by the Compensation Committee. Pursuant to the employment letter agreement, the Company agreed

to grant Ms. Johnshoy a signing bonus of 5,000 restricted shares and an option to purchase 5,000 shares of the Company's common stock, which will be subject to a six-month lockup provision. In addition, Ms. Johnshoy is eligible to receive up to 35,000 additional shares of common stock and an option to purchase up to an aggregate of 35,000 additional shares of common stock upon the occurrence of specified business revenue amounts or at the discretionary approval of the Company's Chief Executive Officer, subject in each case to final approval by the Compensation Committee. Consistent with such obligations, the Compensation Committee approved the grant of an option to purchase a total of 40,000 shares of common stock to Ms. Johnshoy at an exercise price per share of \$1.60, which was the closing price of the Company's common stock on March 11, 2022, the date that the employment letter agreement was countersigned by Ms. Johnshoy, and 5,000 shares of restricted common stock, with the transfer restrictions and performance-based vesting terms described above. Additionally, under the employment letter agreement, if specified trailing twelve-month revenues occur within 3.5 years of Ms. Johnshoy's start of employment, she will earn an additional bonus of 100,000 shares of common stock. After the first year of employment, all bonus compensation terms will be subject to review. In addition, Ms. Johnshoy is entitled to severance benefits equal to four months' salary if terminated without Cause (as defined in the employment letter agreement) during the first year of employment and four months' salary if terminated during the second year of employment. Ms. Johnshoy will be eligible to receive certain health care, dental, life insurance, disability, and retirement benefits after three months' employment. Ms. Johnshoy will receive unlimited vacation days encompassing vacation, personal and sick days, subject to two weeks' notice and approval whenever possible. Under the employment letter agreement, Ms. Johnshoy is required to sign a standard nondisclosure and non-solicitation agreement that will not restrict Ms. Johnshoy from working within the promotional industry, but will require Ms. Johnshoy to maintain confidentiality and refrain from soliciting current clients or employees that were existing or obtained during Ms. Johnshoy's employment with the Company.

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There are no arrangements or understandings between Ms. Johnshoy and any other persons pursuant to which Ms. Johnshoy was selected as Chief Operating Officer other than as described above. There are no family relationships between Ms. Johnshoy and any of the Company's directors or executive officers. Ms. Johnshoy is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K.

The foregoing summary of the employment letter agreement with Ms. Johnshoy is qualified in its entirety by reference to the full text of the employment letter agreement, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.1.

#### Item 8.01 Other Events.

On March 16, 2022, the Company issued a press release announcing the appointment of Sheila Johnshoy as its Chief Operating Officer. A copy of the press release is attached to this report as Exhibit 99.1. The press release furnished in this report as Exhibit 99.1 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section.

#### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1†	<a href="#">Employment Letter Agreement, dated March 11, 2022, by and between Stran &amp; Company, Inc. and Sheila Johnshoy</a>
99.1	<a href="#">Press Release dated March 16, 2022</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Executive compensation plan or arrangement

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#### 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.

Date: March 16, 2022

STRAN & COMPANY, INC.

/s/ Andrew Shape

Name: Andrew Shape

Title: Chief Executive Officer

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March 11, 2022

Sheila Johnshoy  
 Email: sheilajconsulting@gmail.com  
 Phone: 612-479-3091

Dear Sheila,

Stran and Company, Inc. ("Stran") is pleased to extend you an offer for the position of **Chief Operating Officer (COO)** to begin employment at a mutually agreeable time.

**Position:** The COO will provide leadership and strategic vision in order to proactively improve corporate structure and company operations. You will be expected to implement operational, managerial, and administrative procedures; establish reporting structures and develop controls within the client service department and other related sales support roles; and develop a vendor relations and merchandising team to deliver creative products at preferred and competitive rates. You will effectively communicate and foster growth among the executive team and amongst all employees. This is a vital leadership role that will drive results, spur growth, and increase the overall efficiency of Stran.

**Reporting:** This position will directly report to the CEO and President of the company with guidance from other top executive leadership positions where applicable.

**Mission:**

- Help set the strategic direction to surpass \$100mm in annual sales within the next 3 years, while leading and managing the day-to-day operations of the business to accomplish this vision.
- Work collaboratively with senior management teams to develop, create, and/or improve operational processes, internal infrastructures, reporting systems and company policies all designed improve the overall efficiency of the company, drive profitability, foster growth, allow for scale, and ensure excellent service internally and externally.
- Drive tangible company results from both an operational efficiency and financial perspective by working closely with other key executive team members.
- Partner with the executive team to achieve favorable financial results with respect to sales, profitability, reporting and controls.
- Provide timely, accurate, and complete reports outlining the operational condition of the company, while creating and implementing standards and KPIs that ensure best in class partnership support to our customers (internal and external), while maximizing team performance.
- Create effective measurement tools to gauge the efficiency and effectiveness of internal and external processes.
- Establish and implement a vendor relations and merchandising strategy that will help differentiate Stran through creative products, preferred pricing, and a superior supply chain management solution. Work with Sales and Marketing to promote this "product" message and capitalize on that value proposition.
- Serve as the primary liaison and effectively manage the relationship with key supplier partners. This includes technology enablement, staffing, and organizational decisions.
- Work with other executives on budgeting, forecasting and resource allocation programs.

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**Day-to Day Tasks:**

- Analysis and implementation of company processes, structure, financials, and profitability
- Monitor and enforce adoption and consistency of processes across the organization
- Strategy and planning
- Recruiting and hiring
- Training and onboarding
- Implementation of new initiatives
- M&A – including identifying targets, analyzing synergies, and helping to close acquisitions

**Major activities and the % of time:**

Activity	% of Time
Executing continuous improvement of company structure, processes, and operations to maximize efficiency and effectiveness	35%
Collecting and analyzing data in order to implement positive change that drives results	35%
Management, coaching, and training	20%
M&A activities	10%

**Performance Criteria:**

- Develop and manage plans to success.
- Grow Stran’s overall revenue to surpass \$100mm while maintaining relative profitability figures.
- Limit employee and customer attrition while maximizing revenue growth and attracting new business.
- Deliver proactive and innovative solutions surrounding structural, operational, sales, marketing, and overall business strategy.

**Compensation:** Stran will provide you with an annual base salary of **\$250,000.00** with the potential for increases in salary and annual bonus based on the successful achievement of both personal and business-related goals as outlined below/attached.

**Bonus Structure:**

Stran would like to offer you a bonus structure that encompasses both personal goals and overall business goals. After the first year of employment, and each subsequent year, these goals and bonus figures will be reviewed to ensure that proper benchmarks and goals are a benefit to the organization, realistic, attainable, and fair for everyone.

**Performance Bonus Structure:** Stran has developed a bonus plan that ties directly to the overall sales, profitability, and growth of Stran. Stran expects significant year-over-year growth as our main success benchmark. Should the company achieve the goals as outlined below, you can expect a bonus based on these criteria. These benchmarks and bonus % are based on the current landscape and may be adjusted after the first year based on changing business factors.

**Cash Bonuses:** Achieve the following goals OR at the discretion of the CEO and approval by compensation committee – reviewed and paid annually, no later than March 15, based on fiscal year. *\*Note: In order to qualify for more than the 25% cash bonus benchmark, company must have a normalized annual operating profit.*

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**Annual Revenue Benchmarks for Cash Bonus:**

- Annual revenue of \$10mm achieved = 25% of base salary
- Annual revenue of \$53mm achieved = 50% of base salary
- Annual revenue of \$60mm achieved = 75% of base salary
- Annual revenue of \$70mm achieved = 100% of base salary

**Stock/Option Bonuses:** Achieve the following goals OR at the discretion of the CEO and approval by compensation committee – reviewed and paid annually, no later than March 15, based on fiscal year.

**Stock and Option Awards:** Condition of hitting incentive goals: Issue options with a strike price of the date signed that will be “earned” once each of the benchmarks outlined below are achieved. Earn shares that are issued once each of the benchmarks outlined below are achieved.

**Annual Revenue Benchmarks for Stock Bonus:**

- Issued as sign on bonus = 5,000 shares + 5,000 options (locked up for 6 months)
- Annual revenue of \$50mm achieved = 5,000 shares + 5,000 options
- Annual revenue of \$60mm achieved = 10,000 shares + 10,000 options
- Annual revenue of \$70mm achieved = 10,000 shares + 10,000 options
- Annual revenue of \$80mm achieved = 10,000 shares + 10,000 options

**Stretch goal:** Achieve TTM (trailing 12 months) revenue of \$250mm within 3.5 years of your start date while still employed, earn another 100,000 shares in addition to anything listed above.

Any stock options or shares of the Company’s common stock will follow all regulatory and compliance rules including filing a registration statement or restricting the sale or exercise of shares due to SEC, FINRA, Nasdaq or other regulatory requirements.

**Non-solicitation:**

Stran will execute a standard non-disclosure and non-solicitation agreement with you that will not restrict you from working within the promotional industry, but will require you to maintain confidentiality and refrain from soliciting current clients or employees that were existing or obtained during your employment with Stran.

**Severance:**

Should Stran terminate your employment within the first 2 years of your start date, you will be eligible for the following compensation benefits:

- (i) Year1. You will receive 4 months of your salary, paid per the company’s current pay schedule during that time.
- (ii) Year2. You will receive 2 months of your salary, paid per the company’s current pay schedule during that time.

Severance will not be applicable if you are terminated for “Cause”. As used herein, “Cause” shall mean: (a) conviction of or plea of guilty or nolo contendere to a felony (b) commission of fraud or embezzlement on the Company or any of its subsidiaries; (c) willful act or omission which results in an assessment of a civil or criminal penalty against the Company or any of its subsidiaries that causes material financial or reputational harm to the Company or any of its subsidiaries; (d) any intentional act of dishonesty resulting or intending to result in personal gain or enrichment at the expense of the Company or any of its subsidiaries; (e) a violation by Executive of law (whether statutory, regulatory or common law), causing a material financial harm or material reputational harm to the Company or any of its subsidiaries; (f) a material violation by Executive of the Company’s (or any of its subsidiaries’) bona fide, written equal employment opportunity, antidiscrimination, anti-harassment, or anti- retaliation policies; (g) the Executive’s consistent abuse of alcohol, prescription drugs or controlled substances, which interferes with the performance of her duties to the Company; or (i) excessive absenteeism of the Executive other than for reasons of illness.

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**Benefits:** Stran offers Medical Care Coverage under an HMO or PPO plan whereby the company contributes 65% of the monthly premium if you choose to participate. Stran provides life insurance and short-term disability as outlined in our benefits package. Stran also offers a Section 125 Flexible Spending Account and elective participation in dental insurance and long-term disability programs. Additionally, you are eligible to participate in the Simple IRA savings plan with a company match of 3% of your annual salary – up to the legal maximum. You will be eligible for these benefits after 3 months of employment and based on the providers requirements.

In addition, Stran has adopted an unlimited vacation policy that encompasses vacation, personal, and sick days. You must receive approval and give at least two weeks’ notice prior to taking time off whenever possible. Stran also offers a generous holiday schedule each year. For calendar year 2022 STRAN has 10 paid holidays.

**Certain Conditions of Employment:**

A performance review of stated goals will take place at 3, 6 and 12 months following your start date.

Working hours will be from 8:30am-5:30pm. Please note that due to the increasing level of growth that our business has been experiencing over the past few years, and as the newest member of our senior management team, it would be expected that additional hours be put in to ensure that all areas under your responsibility are properly tended to. Upon acceptance of this role, you will need to complete the I-9, W-4 and other employee information forms by the first day of work. Also, you will need to read and sign the Stran employee Handbook before the end of you first week of employment.

This offer shall be subject to and contingent upon approval and/or ratification by the Board of Directors, and, as to all compensation terms, including but not limited to salary, cash or equity awards or bonuses, benefits, and severance, hereunder, by the Compensation Committee of the Company.

Please let us know of your decision to accept this offer in writing. Congratulations, we think you will be a great addition to our team and look forward to working with you in your new role and position!

Sincerely,

/s/ Andy Shape

Andy Shape, President and CEO  
Stran and Company, Inc.

**I accept this offer:**

/s/ Sheila Johnshoy

March 11, 2022

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

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## **Stran & Company Announces the Appointment of Industry Veteran Sheila Johnshoy as Chief Operating Officer**

**Quincy, MA / March 16, 2022** / Stran & Company, Inc. (“Stran” or the “Company”) (NASDAQ: STRN) (NASDAQ: STRNW), a leading outsourced marketing solutions provider that leverages its promotional products and loyalty incentive expertise, today announced that promotional products industry veteran Sheila Johnshoy has been appointed Chief Operating Officer to support the Company’s continued growth.

Ms. Johnshoy brings over 20 years of leadership in the B2B promotional products industry. Prior to joining Stran, she served as Vice President of Sourcing and Merchandising at SwagUp LLC, where she designed the merchandising and sourcing structure, as well as the supply chain functions. Prior to SwagUp, she served as Chief Revenue Officer for ePromos Promotional Products, Inc. where she developed strategic plans that helped grow revenue from \$18 million to over \$70 million, while increasing gross profit and net profitability. While at ePromos, Ms. Johnshoy worked with its Chief Executive Officer to prepare the company for acquisition and complete a successful sale in November, 2019. Ms. Johnshoy also created and led the promotional products division within Harland Clark as Vice President of Merchandising. She previously served on the advisory board for the Herberger School of Business at St. Cloud State. She received her mini MBA from the University of St. Thomas and a Bachelor of Business Management from St. Cloud State University.

Andy Shape, President and CEO of Stran, commented, “We are honored to welcome Sheila to the senior management team. She is a highly regarded professional in our industry with an impressive track record developing and executing growth strategies, managing multi-channel businesses/brands, as well as developing sales and marketing teams. Among her many accomplishments, she led two industry start-ups, one of which was a public company which was successfully acquired during her tenure. She also brought two of the world’s largest retailers into the promotional products industry. While at Harland Clarke, she helped grow revenues from start-up to \$8 million within the first 12 months alone. This appointment comes at a key inflection point as we focus on accelerating our growth, both organically and through acquisitions. We look forward to Sheila’s contributions as we continue to expand our market position as a leading provider of outsourced marketing solutions.”

### **About Stran**

Over the past 25 years, Stran has grown to become a leader in the promotional products industry, specializing in complex marketing programs to help recognize the value of promotional products, branded merchandise and loyalty incentive programs as a tool to drive awareness, build brands and impact sales. Stran is the chosen partner of many Fortune 500 companies, across a variety of industries, to execute their promotional marketing, loyalty and incentive, sponsorship activation, recruitment, retention, and wellness campaigns. Stran provides world-class customer service and utilizes cutting-edge technology, including efficient ordering and logistics technology to provide order processing, warehousing and fulfillment functions. The Company’s mission is to develop long-term relationships with its clients, enabling them to connect with both their customers and employees in order to build lasting brand loyalty. Additional information about the Company is available at: [www.stran.com](http://www.stran.com).

### **Forward Looking Statements**

This press release contains “forward-looking statements” that are subject to substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this press release are forward-looking statements. Forward-looking statements contained in this press release may be identified by the use of words such as “anticipate,” “believe,” “contemplate,” “could,” “estimate,” “expect,” “intend,” “seek,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “target,” “aim,” “should,” “will” “would,” or the negative of these words or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements are based on the Company’s current expectations and are subject to inherent uncertainties, risks and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. These and other risks and uncertainties are described more fully in the section titled “Risk Factors” in the final prospectus related to the public offering filed with the SEC and other reports filed with the SEC thereafter. Forward-looking statements contained in this announcement are made as of this date, and the Company undertakes no duty to update such information except as required under applicable law.

### **Contacts:**

#### **Investor Relations Contact:**

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