

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): August 31, 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.**

***Amendment to Asset Purchase Agreement and Closing***

As previously disclosed in its Current Report on Form 8-K filed on July 19, 2022 (the “Prior Form 8-K”), on July 13, 2022, Stran & Company, Inc. (the “Company”) entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Trend Promotional Marketing Corporation (d/b/a Trend Brand Solutions), a Texas S-corporation (the “Seller”) and Michael Krauser (the “Stockholder”), pursuant to which the Company agreed to acquire substantially all of the assets of the Seller used in the Seller’s branding, marketing and promotional products and services business (the “Acquisition”), for an aggregate purchase price of (a) \$175,000; (b) an amount equal to the amount paid by the Seller (at cost) for all of the Seller’s Inventory (as defined in the Purchase Agreement) that is on hand as of the date and time (the “Closing Date”) of the consummation of the transactions contemplated by the Purchase Agreement (the “Closing”); (c) an amount equal to the depreciated value of the Seller’s Fixed Assets (as defined in the Purchase Agreement); (d) a certain amount of restricted shares equal to the quotient of \$100,000 divided by the daily volume-weighted average price of the Company’s common stock on the Nasdaq Capital Market for the five trading days prior to the Closing Date; (e) four annual installment payments consisting of (i) \$37,500 within 45 days of the first anniversary of the Closing Date, (ii) \$37,500 within 45 days of the second anniversary of the Closing Date, (iii) \$25,000 within 45 days of the third anniversary of the Closing Date, and (iv) \$25,000 within 45 days of the fourth anniversary of the Closing Date; and (f) the Earnout Payments, as defined in the Prior Form 8-K. The Company also agreed to certain other considerations as described further in the Prior Form 8-K.

On August 31, 2022, the Company, the Seller and the Stockholder entered into Amendment No. 1 to the Asset Purchase Agreement (the “Amendment”) to amend certain terms of the Purchase Agreement.

Pursuant to the Amendment, the Agreement was modified to add that fifty percent (50%) of the amount of revenues received from Affiliated Customers (as defined in the Amendment) would be added to the total for Gross Profit (as defined in the Prior Form 8-K). For purposes of Gross Profit with respect to Affiliated Customers only, expenses to be deducted from the calculation of Gross Profit will include all selling expenses in addition to those applicable to Qualifying Customers (as defined in the Prior Form 8-K). “Affiliated Customers” means certain customers to which the Company has a preexisting relationship or that meet one or more other certain specified conditions.

The definitive schedules to the Purchase Agreement provided that assets excluded from the Acquisition included the Seller’s SMART BUY technology (client facing buying sites) and a sales tax bond repayment of \$21,000. The Acquisition also included inventory valued at approximately \$123,870.82 at cost.

The foregoing summary of the terms and conditions of the Purchase Agreement and the Amendment does not purport to be complete and is qualified in its entirety by reference to the Prior Form 8-K, and to the full text of the agreements attached hereto as Exhibits 2.1 and 2.2, which are incorporated herein by reference.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

The information set forth under Item 1.01 is incorporated by reference into this Item 2.01. On August 31, 2022, the Closing was completed. Pursuant to the Purchase Agreement, prior to Closing, the Company made a short-term loan to the Seller of \$162,174.66 for the repayment of the Seller’s existing loan to the U.S. Small Business Administration in the amount of \$162,174.66 (the “SBA Note”). At the Closing, the SBA Note was repaid by deduction from the Purchase Price.

Pursuant to the Purchase Agreement, in connection with the Closing, on August 31, 2022, the Company entered into an employment agreement with the Stockholder for the position of Regional Vice President with an annual base salary of \$120,000, a four-year term subject to termination for cause only, renewable automatically for additional one-year terms unless terminated with 30 days’ notice, and subject to customary confidentiality, non-competition and non-solicitation provisions. If terminated for cause, the Stockholder will be entitled to severance consisting of the lesser of one year of base salary or the remaining amount of base salary due if the remaining term of employment is less than one year.

In addition, in connection with the Closing and pursuant to the Purchase Agreement, on August 31, 2022, the Company issued 54,642 shares of restricted stock to the Stockholder, subject to a two-year lock-up with certain exceptions under a separate lock-up agreement between the Company and the Stockholder. The restricted shares were issued and sold as “restricted securities” (as defined in Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”)) pursuant to the exemptions from registration provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D of the Securities Act and in reliance on similar exemptions under applicable state laws.

Also in connection with the Closing and pursuant to the Purchase Agreement, on August 31, 2022, the Company executed at-will employment agreements with seven retained sales representatives or other employees of the Seller, which included certain amounts of cash compensation, stock options to purchase 1,000 shares, and customary employee benefits.

#### **Item 8.01 Other Events.**

On September 1, 2022, the Company issued a press release announcing the closing of the Acquisition. 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

| <b>Exhibit No.</b> | <b>Description of Exhibit</b>   |
|--------------------|---|
| 2.1                | <a href="#"><u>Asset Purchase Agreement, dated as of July 13, 2022, by and among Stran &amp; Company, Inc., Trend Promotional Marketing Corporation (d/b/a Trend Brand Solutions) and Michael Krauser (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed on July 19, 2022)</u></a> |
| 2.2                | <a href="#"><u>Amendment No. 1 to Asset Purchase Agreement, dated as of August 31, 2022, by and among Stran &amp; Company, Inc., Trend Promotional Marketing Corporation (d/b/a Trend Brand Solutions) and Michael Krauser</u></a>  |
| 99.1               | <a href="#"><u>Press Release dated September 1, 2022</u></a>  |
| 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.

Date: September 7, 2022

STRAN & COMPANY, INC.

/s/ Andrew Shape

\_\_\_\_\_  
Name: Andrew Shape

Title: Chief Executive Officer

**AMENDMENT NO. 1  
TO THE  
ASSET PURCHASE AGREEMENT**

This AMENDMENT NO. 1 TO THE ASSET PURCHASE AGREEMENT (this “**Amendment**”), dated as of August 31, 2022, is entered into by and among STRAN & COMPANY, INC., a Nevada corporation (“**Buyer**”), TREND PROMOTIONAL MARKETING CORPORATION, a Texas corporation (“**Seller**”), and MICHAEL KRAUSER (“**Stockholder**”).

**RECITALS**

- A. The Buyer, the Seller and the Stockholder have previously entered in that certain Asset Purchase Agreement, dated as of July 13, 2022 (the “**Asset Purchase Agreement**”).
- B. The parties hereto desire to amend the Asset Purchase Agreement as set forth herein.
- C. Pursuant to Section 7.2 of the Asset Purchase Agreement, the Asset Purchase Agreement may be amended by the Parties only by an instrument in writing signed on behalf of the Buyer, the Seller and the Stockholder.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Amendment.**

The existing Section 1.6(d) of the Asset Purchase Agreement is hereby amended and restated to read in its entirety as follows:

“(d) For purposes of this Agreement, “**Gross Profit**” shall mean (i) one hundred percent (100%) of the amount of revenues received from Qualifying Customers and (ii) fifty percent (50%) of the amount of revenues received from Affiliated Customers, less, in each case, expenses charged by any 3<sup>rd</sup> party (except Buyer and its affiliates) directly related to that job or account. Such expenses shall include but not be limited to cost of goods sold, decoration, setup fees, 3<sup>rd</sup> party warehousing and fulfillment charges, inbound and outbound shipping, duties/taxes, credit card fees and customer specific trade show and event costs. In addition, any in-house warehousing and fulfillment expenses will be included in the calculation of Gross Profit. For purposes of Gross Profit with respect to Affiliated Customers only, such expenses to be deducted from the calculation of Gross Profit shall also include all selling expenses. “**Qualifying Customers**” for purposes of this **Section 1.6** shall mean (1) those existing customers set forth on **Schedule 2.1(t)** and (2) such additional customers as shall be mutually agreed upon by Buyer and Stockholder and “**Affiliated Customers**” for purposes of this **Section 1.6** shall mean any customer that is referred to Seller by Buyer or which results solely from the efforts of Buyer, including without limitation any current customer of Buyer that Buyer has requested that the Stockholder manage; any customer that has a pre-existing relationship with Buyer because of Buyer’s previous dealings with an individual, a company or an organization; any customer which results from a referral from any current or past customer of Buyer or which results from any move by an individual from an existing customer to a new company; and any customer resulting from any qualified lead or opportunity developed solely by Buyer from any tradeshow, any lead generation tool such as Hubspot or any other direct marketing initiative where Buyer directly attracted such customer. Affiliated Customer for purposes of the **Section 1.6** shall not include a customer with which Buyer has had a prior contract, a prior relationship, or that Buyer has played any part in soliciting or closing.”

**2. Effect of Amendment.** Except as amended as set forth above, the Asset Purchase Agreement shall continue in full force and effect. In the event of a conflict between the provisions of this Amendment and the Asset Purchase Agreement, this Amendment shall prevail and govern.

**3. Counterparts.** This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

**4. Governing Law; Venue.** This Agreement shall be governed in all respects, including validity, interpretation and effect, by the internal laws of the Commonwealth of Massachusetts without regard to conflict of law principles thereof. Any dispute shall be resolved in the state or federal courts located in the Commonwealth of Massachusetts. The provisions of this Section 4 shall survive the entry of any judgment, and will not merge, or be deemed to have merged, into any judgment.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**BUYER:**

**STRAN & COMPANY, INC.**

By: /s/ Andy Shape  
Name: Andy Shape  
Title: Chief Executive Officer

Address: 2 Heritage Drive, Suite 600  
Quincy, MA 02171  
Attn: Andy Shape  
Email: andyshape@stran.com

with a copy, which shall not constitute notice to Buyer, to:

BEVILACQUA PLLC  
1050 Connecticut Avenue, NW  
Suite 500  
Washington, DC 20036  
Attention: Louis A. Bevilacqua, Esq.  
Email: lou@bevilacquaplhc.com

**SELLER:**

**TREND PROMOTIONAL MARKETING CORPORATION  
d/b/a Trend Brand Solutions**

By: /s/ Michael Krauser  
Name: Michael Krauser  
Title: President

Address: Trend Brand Solutions, 23402 Snook Lane, Building D,  
Tomball, TX 77375  
Attention: Michael Krauser  
Email: mike@trendpromo.com

with a copy, which shall not constitute notice to Seller, to:

The Greenwood Law Firm, PLLC  
Attn: Sean Greenwood  
1415 North Loop West, Ste. 1250  
Houston, TX 77008  
Email: sean@gwoodlaw.com

**STOCKHOLDER:**

/s/ Michael Krauser  
**Michael Krauser**

Address: 2424 E TC Jester Boulevard, 5205  
Houston, TX 77008  
Email: mike@trendpromo.com

with a copy, which shall not constitute notice to the Stockholder, to:

The Greenwood Law Firm, PLLC  
Attn: Sean Greenwood  
1415 North Loop West, Ste. 1250  
Houston, TX 77008  
Email: sean@gwoodlaw.com

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## Stran & Company Completes Acquisition of Trend Brand Solutions

*Builds Stran's Presence in the South*

*Trend Brand Solutions' CEO Appointed Regional Vice President of Stran*

**Quincy, MA / September 1, 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 the completion of its acquisition of the assets and business of Trend Brand Solutions under its previously-announced asset purchase agreement. As contemplated under the agreement, the Company also announced that Mr. Michael Krauser, Chief Executive Officer of Trend, has become Regional Vice President of Stran, where he will lead the Company's Texas region operations. As further contemplated by the asset purchase agreement, the Company entered into employment agreements with all retained Trend sales representatives.

"We remain committed to our M&A growth strategy, targeting acquisitions that are highly synergistic with our existing operations and support the expansion of our products and services into new geographies. With this acquisition, we are broadening our presence in the South and entering the Houston market, which ranks third among metro areas in Fortune 500 headquarter locations and is home to two dozen Fortune 500 companies,<sup>1</sup>" commented Andy Shape, President and CEO of Stran. "Additionally, we are thrilled to have Michael join the team as our regional Vice President given his success with Trend as well as delighted to welcome the entire Trend team to the Stran family. We are excited to have executed this agreement and look forward to benefiting from the tremendous talent within their organization."

Trend is a leading global brand solutions company strategically headquartered in Tomball, Texas. Trend has a demonstrated record of delivering on customers' brand marketing needs and developing solutions that are creative, original, dependable, cost-effective, and that meet or exceed product safety standards.

Formed in 2010, Trend has evolved with the changing needs of customers within the promotional products industry by eliminating common barriers and obstacles through utilization of its proprietary technologies solution, SMART BUY custom buying sites. Trend is vertically integrated to deliver efficiency and convenience to each client relationship. Annually, Trend builds over 100 SMART BUY sites, while managing over 35,000 website transactions and shipping over 8,000 orders from inventory. Trend ships globally from its Houston, Texas area distribution center and has international factory partnerships to source as close to the end user as possible.

Additional details of the transaction will be included in the Company's Form 8-K to be filed with the Securities and Exchange Commission, and will be available at [www.sec.gov](http://www.sec.gov).

<sup>1</sup>Source: <https://www.houston.org/houston-data/fortune-500-companies#:~:text=Twenty-four>

### About Stran

Over the past 27 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:**

Crescendo Communications, LLC  
Tel: (212) 671-1021  
STRN@crescendo-ir.com

### **Press Contact:**

Howie Turkenkopf  
press@stran.com

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