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FORM 8-K

Precipio, Inc. - PRPO

Filed: March 21, 2018 (period: March 21, 2018)

Report of unscheduled material events or corporate changes.

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 21, 2018

PRECIPIO, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State of Incorporation)

001-36439
(Commission File Number)

91-1789357
(I.R.S. Employer Identification No.)

4 Science Park, New Haven, CT 06511
(Address of principal executive offices) (Zip Code)

(203) 787-7888
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report date)

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):

- 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))

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.

On March 21, 2018, Precipio, Inc. (the “Company”) entered into a Letter Agreement (the “Agreement”) with certain holders (the “Investors”) of shares of the Company’s Series B Convertible Preferred Stock, par value \$0.01 per share (“Series B Preferred Stock”), shares of the Company’s Series C Convertible Preferred Stock, par value \$0.01 per share (“Series C Preferred Stock” and, together with the Series B Preferred Stock, “Preferred Stock”), and warrants (the “Warrants”) to purchase shares of the Company’s common stock, par value \$0.01 per share (“Common Stock”), issued in the Company’s public offering in August 2017 and registered direct offering in November 2017.

Pursuant to the Agreement, Company and the Investors agreed that, as a result of the issuance of shares of Common Stock pursuant to that certain Equity Purchase Agreement, dated February 8, 2018, by and between the Company and the investor named therein, and effective as of the time of execution of the Agreement, the exercise price of the Warrants was reduced to \$0.75 per share (the “Exercise Price Reduction”) and the conversion price of the Preferred Stock was reduced to \$0.75 (the “Conversion Price Reduction”). As consideration for the Company’s agreement to the Exercise Price Reduction and the Conversion Price Reduction, (i) each Investor agreed to convert the shares of Preferred Stock held by such Investor into shares of Common Stock in increments of up to \$4.99% of the shares of Common Stock outstanding as of the date of the Agreement and (ii) one Investor agreed to exercise 666,666 Warrants and another Investor agreed to exercise 500,000 Warrants in increments of up to \$4.99% of the shares of Common Stock outstanding as of the date of the Agreement, in each case in accordance with the beneficial ownership limitations set forth in the Company’s Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock, the Company’s Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock and the Warrants.

The foregoing is only a brief description of the material terms of the Agreement and does not purport to be a complete description of the rights and obligations of the parties thereunder, and is qualified in its entirety by reference to the Agreement that is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 3.03 Material Modification to Rights of Security Holders.

The information disclosed in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Agreement, dated March 21, 2018, by and among Precipio, Inc., Sabby Volatility Warrant Master Fund, Ltd., Lincoln Park Capital Fund, LLC, Alpha Capital and Osher Capital Partners, LLC

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.

PRECIPIO, INC.

By: /s/ Ilan Danieli
Name: Ilan Danieli
Title: Chief Executive Officer

Date: March 21, 2018

PRECIPIO, INC.

March 21, 2018

Sabby Volatility Warrant Master Fund, Ltd.
Lincoln Park Capital Fund, LLC
Alpha Capital
Osher Capital Partners, LLC

Re: Letter Agreement with respect to Preferred Stock and Warrants

Dear Sirs:

Reference is hereby made to (i) that certain Underwriting Agreement, dated as of August 22, 2017, by and between Precipio, Inc., a Delaware corporation (the "**Company**"), and Aegis Capital Corp. ("**Aegis**"), and (ii) that certain Placement Agency Agreement, dated November 2, 2017 and amended on November 9, 2017, by and between the Company and Aegis, pursuant to which the investor signatories hereto ("**you**" or the "**Investors**") acquired shares of the Company's Series B Convertible Preferred Stock, par value \$0.01 per share ("**Series B Preferred Stock**"), shares of the Company's Series C Convertible Preferred Stock, par value \$0.01 per share ("**Series C Preferred Stock**" and, together with the Series B Preferred Stock, "**Preferred Stock**"), and warrants (the "**Warrants**") to purchase shares of the Company's common stock, par value \$0.01 per share ("**Common Stock**").

The Company and the undersigned Investors hereby agree that, as a result of the issuance of shares of Common Stock to Leviston Resources LLC ("**Leviston**") pursuant to that certain Equity Purchase Agreement, dated February 8, 2018, by and between the Company and Leviston, and effective as of the time of execution of this Letter Agreement, the exercise price of the Warrants shall be reduced to \$0.75 per share (the "**Exercise Price Reduction**") and the conversion price of the Preferred Stock shall be reduced to \$0.75 (the "**Conversion Price Reduction**"). As consideration for the Company's agreement to the Exercise Price Reduction and the Conversion Price Reduction, (i) each Investor agrees to convert the shares of Preferred Stock held by such Investor into shares of Common Stock in increments of up to 4.99% of the shares of Common Stock outstanding as of the date hereof (such that the Investor does not exceed the Beneficial Ownership Limitation (as defined in the Company's Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock and the Company's Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock)) and (ii) each Investor other than Lincoln Park Capital Fund, LLC agrees to exercise up to fifty percent (50%) of the Warrants held by such Investor in increments of up to \$4.99% of the shares of Common Stock outstanding as of the date hereof (such that the Investor does not exceed the Beneficial Ownership Limitation (as defined in the Warrants)), in each case on the date hereof.

Please execute this Letter Agreement in the signature block below if you agree to the terms herein, whereupon this Letter Agreement shall become a binding agreement between you and the Company.

This Letter Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to its conflicts of law doctrine. This Letter Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This letter agreement, together with the Company's Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock, the Company's Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock and the Warrants, constitutes the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between the parties hereto with respect to such subject matter.

[Signature Pages Follow]

Sincerely,

PRECIPIO, INC.

By: _____
Name:
Title:

As evidenced by the below signature, the Investor hereby agrees to the Letter Agreement as of this 21st day of March, 2018:

SABBY VOLATILITY WARRANT MASTER FUND, LTD.

By: _____
Name:
Title:

LINCOLN PARK CAPITAL FUND, LLC

By: _____
Name:
Title:

ALPHA CAPITAL

By: _____
Name:
Title:

OSHER CAPITAL PARTNERS, LLC

By: _____
Name:
Title:
