

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 20, 2021

LEGACY EDUCATION ALLIANCE, INC.  
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation)	000-55790 (Commission File Number)	39-2079974 (IRS Employer Identification No.)
1490 NE Pine Island Rd, Suite 5D, Cape Coral, Florida (Address of principal executive offices)		33909 (Zip Code)

Registrant's telephone number, including area code: (239) 542-0643

N/A

(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 (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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined 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 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 April 20, 2021, Elite Legacy Education, Inc (ELE), a wholly-owned subsidiary of the Company, closed on an unsecured Paycheck Protection Program Note agreement (the "Promissory Note") to borrow \$1,899,832 from Cross River Bank, the lender, pursuant to the Paycheck Protection Program ("PPP"), originally created under the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, and extended to "second draw" PPP loans as described below. The PPP is intended to provide loans to qualified businesses to cover payroll and certain other identified costs. Funds from the loan may only be used for certain purposes, including payroll, benefits, rent, utilities, and certain covered operating expenses. All or a portion of the loan may be forgivable, as provided by the terms of the PPP. The loan has an interest rate of 1.0% per annum and a term of 60 months. Payments will be deferred in accordance with the CARES Act, as modified by the Paycheck Protection Program Flexibility Act of 2020; however, interest will accrue during the deferral period. If all or any portion of the loan is not forgiven in accordance with the terms of the program, ELE will be obligated to make monthly payments of principal and interest in amounts to be calculated after the amount of loan forgiveness, if any, is determined to repay the balance of the loan in full prior to maturity. The Promissory Note contains customary events of default relating to, among other things, payment defaults and breaches of representations. ELE may prepay the loan at any time prior to maturity with no prepayment penalties.

As previously disclosed, in April 2020, ELE received a first draw PPP loan in the amount of \$1,899,832. In March 2021, ELE applied for forgiveness of the first draw PPP loan, which is currently under review by the lender, Biz2Credit.

The foregoing description of the second draw loan obtained pursuant to the PPP does not purport to be complete and is qualified in its entirety by reference to the full text of the Promissory Note attached to this Current Report on Form 8-K as Exhibits 10.1, respectively, and incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

Information contained in Item 1.01 of this Report is incorporated by reference under this Item 2.03.

**Item 9.01. Financial Statements and Exhibits.**

<b>Exhibit No.</b>	<b>Exhibit</b>
10.1	<a href="#">Paycheck Protection Program Note, dated April 19, 2021, by and between Cross River Bank and Elite Legacy Education, Inc.</a>

**Cautionary Note Regarding Forward-Looking Statements**

This Current Report on Form 8-K contains statements as to the Company's beliefs and expectations of the outcome of future events that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Examples of these statements include, but are not limited to, statements regarding the anticipated impact of the COVID-19 outbreak on travel and physical locations, the anticipated impact of such outbreak on our results of operations, and possible effect of the postponement and cancellation of sales and fulfillment events on our overall revenues. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These risks and uncertainties include, but are not limited to, the effects of the COVID-19 outbreak, including levels of consumer, business and economic confidence generally. The duration of the COVID-19 outbreak and severity of such outbreak, the pace of recovery following the COVID-19 outbreak, our ability to implement cost containment and business recovery strategies; and the adverse effects of the COVID-19 outbreak on our business or the market price of our common stock and the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequent filings with the U.S. Securities and Exchange Commission, including subsequent quarterly reports on Forms 10-Q and current reports on Form 8-K are uncertain. Except as required by law, the Company does not undertake any obligation to release publicly any revisions to forward-looking statements made by it to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events.

**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: April 27, 2021

**LEGACY EDUCATION ALLIANCE, INC.**

By: /s/ Vanessa Guzmán-Clark  
Name: Vanessa Guzmán-Clark  
Title: VP & Chief Financial Officer

**Cross River Bank (“Lender”)**  
**400 Kelby St., Fort Lee NJ 07024**

U.S. Small Business Administration  
**PAYCHECK PROTECTION PROGRAM**  
**NOTE**

SBA Loan Number	8699808701
Loan Date	04/08/2021
Loan Amount	\$1,899,833.00
Interest Rate	<b>1.00%</b>
<b>Borrower’s Tax ID #</b> (EIN/SSN/TIN)	65-0372770
<b>Borrower</b> (Name/Address/City/ST/ZIP)	Elite Legacy Education, Inc. 1490 NE Pine Island Rd, Suite 5D Cape Coral, FL 33909
<b>Business Name</b>	Elite Legacy Education, Inc.

**1. PROMISE TO PAY:**

In return for the Loan, Borrower promises to pay to the order of Lender the amount of \$1,899,833.00, interest on the unpaid principal balance, and all other amounts required by this Note.

**2. DEFINITIONS:**

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to the Loan signed by Borrower.

“SBA” means the Small Business Administration, an Agency of the United States of America.

“CARES Act” means the federal Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136).

“Economic Aid Act” means the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Public Law 116-260)

**3. PAYMENT TERMS:**

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

- A. The term of the Loan shall be five (5) years from the date the Loan is disbursed to Borrower (the “Loan Date”). The Loan shall mature on
- B. The Loan shall be payable monthly. The monthly payments are deferred until the date on which the SBA remits the amount of forgiveness, as determined under Section 1106 of the CARES Act, to Lender or 10 months after the last day of the covered period (as defined below) if Borrower fails to apply for forgiveness.
- C. Interest will accrue from the date of Loan (including during the deferral period) at the Interest Rate set forth above.
- D. Monthly payments. Your monthly payments will be an amount equal to the amount necessary to fully amortize the then-outstanding principal balance of the Loan (i.e., any portion of the Loan Amount that has not been forgiven as described in Section 10) by the Maturity Date at the Interest Rate specified above, with the entire outstanding principal balance and all accrued but unpaid interest due and payable on the Maturity Date.
- E. There are no prepayment penalties for the Loan. Borrower may repay all or a portion of the Loan at any time without penalty.
- F. The proceeds of the Loan shall be used for the following purposes only:
  - (i) payroll costs (as defined in the CARES Act, the Economic Aid Act, and in Section 2.f of the SBA *Interim Final Rule* dated April 2, 2020 as modified by the *Interim Final Rules* dated January 6, 2021);
  - (ii) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
  - (iii) mortgage interest payments (but not mortgage prepayments or principal payments);
  - (iv) rent payments;

- (v) utility payments;
- (vi) interest payments on any other debt obligations that were incurred before February 15, 2020;
- (vii) covered operations expenditures, property damage, supplier costs, and/or worker protection expenditures (as defined in the Economic Aid Act and the *Interim Final Rule* dated January 6, 2021)(collectively “Other Covered Expenditures”); and/or
- (viii) refinancing an SBA Economic Injury Disaster Loan made between January 31, 2020 and April 3, 2020 (this use only permitted if borrower has not previously received a Paycheck Protection Program loan).

**4. DEFAULT:**

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- D. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- E. Fails to pay any taxes when due;
- F. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- G. Has a receiver or liquidator appointed for any part of their business or property;
- H. Makes an assignment for the benefit of creditors;
- I. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower’s ability to pay this Note;
- J. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender’s prior written consent; or
- K. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower’s ability to pay this Note.

**5. LENDER’S RIGHTS IF THERE IS A DEFAULT:**

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower; or
- C. File suit and obtain judgment.

**6. LENDER’S GENERAL POWERS:**

Without notice and without Borrower’s consent, Lender may:

- A. Incur expenses to collect amounts due under this Note or enforce the terms of this Note or any other Loan Document, including reasonable attorneys’ fees and costs. If Lender incurs such expenses, it may demand immediate payment from Borrower or add the expenses to the principal balance; and
- B. Release anyone obligated to pay this Note.

**7. WHEN FEDERAL LAW APPLIES:**

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law or deny any obligation, defeat any claim of SBA, or preempt federal law.

**8. SUCCESSORS AND ASSIGNS:**

Under this Note, Borrower includes its successors, and Lender includes its successors and assigns.

**9. GENERAL PROVISIONS:**

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor.

**10. LOAN FORGIVENESS:**

Pursuant to Section 1106 of the CARES Act, the following provisions shall apply to the Loan:

- H. The Loan is subject to the limited loan forgiveness provisions of Section 1106 of the CARES Act, the SBA *Interim Final Rules* dated April 2, 2020 (as modified by the *Interim Final Rule* dated June 10, 2020) and May 22, 2020, the Paycheck Protection Program Flexibility Act, the Economic Aid Act, and the *Interim Final Rules* dated January 6, 2021, as well as any subsequent interim final rules that may be released by the SBA.
- I. The amount of loan forgiveness is ultimately determined by, and is subject to the ultimate approval of, the SBA.
- J. Limited loan forgiveness is provided for amounts spent on payroll costs, rent and utilities payments, and interest payments on mortgages if Borrower applies. No more than 40.00% of the amount forgiven may be for costs other than payroll costs.
- K. The amount of loan forgiveness will be reduced if Borrower reduces the number of its employees (layoffs) or reduces employee compensation.
- L. Borrower is eligible for loan forgiveness on a covered loan in an amount equal to the following payments made during the period beginning on the date of the origination of a covered loan and ending at least 8 weeks and up to 24 weeks after such date of origination (the "covered period"):
  - (i) payroll costs;
  - (ii) interest payments on mortgage obligations (excluding principal and prepaid principal);
  - (iii) rent;
  - (iv) utility payments; and
  - (v) Other Covered Expenditures.
- M. The amount of loan forgiveness cannot exceed the principal balance of the Loan.
- N. Cancelled indebtedness will not be included in the Borrower's taxable income.
- O. To receive loan forgiveness, Borrower must apply for loan forgiveness through Lender. The Borrower must submit to the Lender servicing the Loan forgiveness application, which must include documents verifying the number of full-time employees and the pay rates for the period described, including payroll tax filings to the IRS and State, income, payroll, and unemployment insurance filings, cancelled checks, payment receipts, transcript of accounts, or other documents verifying payments on covered mortgage loan obligations, lease obligations and utility payments, reduction in revenue (if applicable), plus any other documentation the SBA deems necessary.
- P. ***There will be no loan forgiveness without Borrower's submission of the proper application and documentation to Lender.***

**11. STATE LAW PROVISIONS:**

**EXCEPT AS PROVIDED IN SECTION 7, THIS NOTE AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT, EQUITY, TORT, OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THE NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY.**

**12. AGREEMENT TO MAKE CHANGES TO THIS NOTE:**

Borrower acknowledges that in order to disburse the Loan proceeds to Borrower at the earliest possible time, Lender has prepared this Note based on its current understanding of the Paycheck Protection Program (the "Program") administered by the SBA and the terms thereof. Borrower agrees that, if Lender deems it necessary or appropriate to amend this Note in any respect in order for this Note to comply with the requirements of the Program or for the SBA to guarantee all or any portion of the amounts outstanding under this Note, Borrower will sign and deliver to Lender any amendment to this Note or a new note in replacement of this Note, with the terms of any amendment or new note retroactive to the date of this Note. Borrower will also execute any additional documentation the Lender requests that Lender believes is consistent with the purposes of the Program.

**13. BORROWER'S NAME(S) AND SIGNATURE(S):**

By signing below, each individual or entity becomes obligated under this Note as Borrower.

Borrower: Elite Legacy Education, Inc.

By  \_\_\_\_\_ By \_\_\_\_\_  
98A507701E8547A...

Title CFO \_\_\_\_\_ Title \_\_\_\_\_