

**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): October 19, 2022

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

<u>Nevada</u> (State or other jurisdiction of incorporation)	<u>000-55790</u> (Commission File Number)	<u>39-2079974</u> (IRS Employer Identification No.)
<u>1490 N.E. Pine Island Road, Suite 5D Cape Coral, Florida</u> (Address of principal executive offices)		<u>33909</u> (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))

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.

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

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

Item 1.01 Entry Into A Material Agreement.

The information set forth in Item 2.03 is incorporated by reference into this Item 1.01.

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

Between October 19, 2022 and October 25, 2022, Legacy Education Alliance, Inc. (the "Company") borrowed an aggregate of \$150,000 (collectively, the "Loan") from ABCImpact I, LLC, a Delaware limited liability company (the "Lender"), evidenced by one or more 10% Convertible Debentures (the "Debentures"). Pursuant to the Debentures, the Lender has the option to loan up to an additional \$4,000,000 to the Company.

The Lender is a recently-formed entity in which an affiliate of Barry Kostiner, the Company's Chief Executive Officer and sole director, has a non-controlling passive interest. The Lender previously loaned an aggregate of \$850,000 to the Company pursuant to convertible debentures substantially similar to the Debentures.

The maturity date of each Debenture is the earlier of 12 months from the issue date and the date of a Liquidity Event (as defined in the Debentures), and is the date upon which the principal and interest shall be due and payable. The Debentures bear interest at a fixed rate of 10% per annum. Any overdue accrued and unpaid interest shall entail a late fee at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law, which shall accrue daily from the date such interest is due through and including the date of actual payment in full.

The Company intends to use the net proceeds from the Loan for general corporate purposes and working capital.

The then outstanding and unpaid principal and interest under each Debenture shall be converted into shares of Company common stock and an equal number of common stock purchase warrants (the "Warrant") at the option of the Lender, at a conversion price per share of \$0.05, subject to adjustment (including pursuant to certain dilutive issuances)

pursuant to the terms of the Debenture. The Debentures are subject to a beneficial ownership limitation of 4.99% (or 9.99% in the Lender's discretion).

The Company may not prepay the Debentures without the prior written consent of the Lender.

The Debentures contain customary events of default for transactions such as the Loan. If any event of default occurs, the outstanding principal amount under the Debentures, plus accrued but unpaid interest, liquidated damages and other amounts owing through the date of acceleration, shall become, at the Lender's election, immediately due and payable in cash at the Mandatory Default Amount. "Mandatory Default Amount" means the sum of (a) the greater of (i) the outstanding principal amount of the Debenture, plus all accrued and unpaid interest, divided by the conversion price on the date the Mandatory Default Amount is either (A) demanded or otherwise due or (B) paid in full, whichever has a lower conversion price, multiplied by the VWAP (as defined in the Debenture) on the date the Mandatory Default Amount is either (x) demanded or otherwise due or (y) paid in full, whichever has a higher VWAP, or (ii) 130% of the outstanding principal amount of the Debenture, plus 100% of accrued and unpaid interest hereon, and (b) all other amounts, costs, expenses and liquidated damages due in respect of the Debenture.

The Warrant has an exercise price per share of \$0.05, subject to adjustment (including pursuant to certain dilutive issuances) pursuant to the terms of the Warrant. The exercise period of the Warrant is for five years from the issue date.

The exercise of the Warrant is subject to a beneficial ownership limitation of 4.99% (or 9.99%) of the number of shares of common stock outstanding immediately after giving effect to such exercise.

The shares underlying the Debenture and the Warrants have "piggy-back" registration rights afforded to them.

The foregoing is a brief description of the Debenture and the Warrant, and is qualified in its entirety by reference to the full text of the Debentures and the Warrant, forms of which are included as Exhibit 10.1 to this Company's Current Report on Form 8-K, each of which are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit	Description
10.1	Form of Convertible Debenture, with form of Common Stock Purchase Warrant (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on August 25, 2022)
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.

LEGACY EDUCATION ALLIANCE, INC.

Date: October 25, 2022

By: /s/ Barry Kostiner
Name: Barry Kostiner
Title: Interim Chief Executive Officer
