

OBITX, INC.

FORM 8-K (Current report filing)

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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): **May 11, 2020**

Commission File Number: **000-56142**

OBITX, INC.

(Exact name of registrant as specified in charter)

DELAWARE

82-1091922

(State or other jurisdiction of incorporation)

(IRS Employer Identification No.)

3027 US HIGHWAY 17, FLEMING ISLAND, FL

32003

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number

321-802-2474

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))

As used in this report, the terms “Company,” “our company,” “us,” “OBITX,” “we” and “our” refer to OBITX, Inc. unless the context requires otherwise

Item 2.01 Completion of Acquisition or Disposition of Assets.

On May 11, 2020 OBITX entered into an Asset Purchase Agreement where by it sold its 420Cloud Integrated Social Media Platform to First Bitcoin Capital Corp for \$1,900,000. OBITX is to receive payment in the transfer of \$500,000 in BIT tokens and a \$1,400,000 convertible promissory note due in 24 months.

The Company believes this to be in line with its long term strategic goals moving from a social media advertising company to a blockchain development and consulting company.

Item 9.01 Financial Statements and Exhibits.

Exhibit	Description
10.1	Asset Purchase Agreement, dated May 10, 2020, by and between FIRST BITCOIN CAPITAL CORP and OBITX, INC.
10.2	Convertible Promissory Note.
10.3	Bill of Sale, Assignment and Assumption Agreement.

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: May 14, 2020

OBITX, INC.

By: /s/ Michael Hawkins
Michael Hawkins,
Chief Executive Officer

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”) is entered into as of the 10 day of May, 2020 (the “Effective Date”) by and between OBITX, INC., A Delaware corporation (the “Seller”) and FIRST BITCOIN CAPITAL CORP, a Canada company (the “Buyer”).

WHEREAS, the Seller owns assets known as the 420 Cloud social media software platform (the “Merchandise”).

WHEREAS, the parties intend that the Seller shall sell to the Buyer the Merchandise for the price, terms and conditions described below, and pursuant to the attachments and exhibits, if any, annexed to this main document.

NOW THEREFORE, for the reasons set forth, and in consideration of the mutual covenants and promises of the parties hereto, and intending to be legally bound, the Seller and the Buyer agree as follows:

1. Sale of Merchandise. On the terms and subject to the conditions set forth in this Agreement, the Seller agrees to sell, assign, transfer, convey and deliver to the Buyer, and the Buyer agrees to purchase and acquire from the Seller all rights, title and interests of the Seller in and to the Merchandise, adherent to Exhibit A attached hereto.

2. Merchandise Warranties. The Merchandise is sold “AS IS” with no warrants to merchantability.

3. Purchase Price. The purchase price shall be \$1,900,000.

- a) Payment shall be made with \$500,000 worth of BIT token cryptocurrencies delivered to an e-wallet determined by the Seller. The final payment of \$1,400,000 shall be a convertible promissory note (attached hereto as Exhibit A) with all the rights and privileges as identified in the note.

4. Closing Date. The sale and transfer of assets and the closing under this Agreement shall take place on May 11, 2020. At that time, Seller shall deliver possession of the tangible property and all assets included in the sale to the Buyer and all other instruments and documents necessary to transfer the Merchandise and assets to Buyer. Seller shall at that time execute and deliver all papers and instruments suitable for filing and/or which are necessary to transfer ownership of the Merchandise to Buyer, and Seller shall thereafter cease to use said merchandise in any manner or purpose. When that delivery is made to Buyer, Buyer shall have exclusive ownership and

possession of the Merchandise. Seller shall have a right to a lien on the Merchandise until the Merchandise has been fully paid for by the Buyer, or if there has been an agreement to modify the terms of this Agreement.

5. Representations and Warranties of Seller. Seller represents and warrants that:

- (a) Seller is duly qualified and organized, and is validly existing and in good standing, under the laws of its state of formation.
- (b) Seller has the requisite power and authority to enter into and perform under this Agreement.
- (c) Seller is the owner of and has good and marketable title to the property involved in this sale, free of all restrictions on transfer or assignment and all encumbrances except for those that are set forth in this Agreement.
- (d) Seller is not required to acquire any consents, approvals or authorizations by any governmental authority to execute, deliver and perform its obligations under this Agreement.
- (e) The execution and delivery of this Agreement by Seller will not conflict with or result in a violation of or default under any material agreements to which Seller is a party or create a lien upon the Merchandise.
- (f) There are no proceedings, judgments, or liens are now pending or threatened against Seller or against the Merchandise.
- (g) Seller has complied with all applicable federal, state, and local statutes, laws, and regulations affecting Seller's properties or the operation of Seller's Merchandise, and Seller has received no notice of a violation or citation same from any governmental agencies.
- (h) Seller has not otherwise contracted to sell, pledge, or mortgage all or part of the Merchandise.
- (i) Seller has presented to Buyer true, complete, and correct information and documents regarding the Merchandise, and none of the information contains an untrue statement of material fact or omits to state a material fact.

6. Representations and Warranties of Buyer. Buyer represents and warrants that:

- (a) Buyer is duly qualified and organized, and is validly existing and in good standing, under the laws of the country of Canada.
- (b) Buyer has the requisite power and authority to enter into and perform under this Agreement.

7. Notices. All notices given under this Agreement must be in writing. A notice is effective upon receipt and shall be sent via one of the following methods: delivery in person, overnight courier service, certified or registered mail, postage prepaid, return receipt requested, addressed to the party to be notified at the address stated in this Agreement, or as designated by either party upon reasonable notice to the other party.

8. Amendment. This Agreement may be amended or modified only by a written agreement signed by both of the parties.

9. Survival of Terms. All covenants, warranties, and representations herein shall survive this Agreement and the closing date.

10. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and assigns. Neither party may assign its rights or delegate its duties under this Agreement without the other party's prior written consent.

11. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Florida, without regard to the principles of conflict of laws.

12. Disputes. Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

13. Attorneys' Fees. If either Party brings legal action to enforce its rights under this Agreement, the prevailing party will be entitled to recover from the other Party its expenses (including reasonable attorneys' fees) incurred in connection with the action and any appeal.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document.

15. Headings. The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

16. No Waiver. No Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing.

17. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable part had not been included in this Agreement.

18. Entire Agreement. This Agreement and the attachments and any associated documents represent the entire agreement between the parties, and there are no representations, warranties, covenants or conditions, except those specified herein or in accompanying instruments or documents.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

FIRST BITCOIN CAPITAL CORP
CONVERTIBLE PROMISSORY NOTE

\$1,400,000.00

Fleming Island, Florida
May 12, 2020

FOR VALUE RECEIVED, First Bitcoin Capital Corp, a Canada corporation (the "Company") hereby absolutely and unconditionally promises to pay to OBITX, Inc., (the "Lender"), on order, the principal amount of one million four hundred thousand dollars (\$1,400,000), together with simple interest on such principal amount at the rate of nine percent (9%) per annum.

1. Term and Prepayments.

All principal and accrued interest under this Note shall be paid in twenty-four months. At Company's sole option and determination, this note may be converted into equity of First Bitcoin Capital Corp at a 10% discount to rate of the public price as quoted on the date of election, or into BIT cryptocurrency at the published rate on the date of election, in whole, or in part, and with a combination of the two conversion mechanisms.

(1) The Company may prepay this Note at any time, either in whole or in part, without premium or penalty and without the prior consent of the Lender.

(2) All payments received under this Note shall be applied first to accrued interest on the date of payment and then to the outstanding principal balance of this Note.

2. Events of Default; Acceleration.

a. The principal amount of this Note is subject to prepayment in whole or in part upon the occurrence and during the continuance of any of the following events (each, an "Event of Default"): the initiation of any bankruptcy, insolvency, moratorium, receivership or reorganization by or against the Company, or a general assignment of assets by the Company for the benefit of creditors. Upon the occurrence of any Event of Default, the entire unpaid principal balance of this Note and all of the unpaid interest accrued thereon shall be immediately due and payable.

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b. No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and in addition to every other remedy hereunder, and under the Purchase Agreement, now or hereafter existing at law or in equity or otherwise.

3. Notices.

a. All notices, reports and other communications required or permitted hereunder shall be in writing and may be delivered in person, by telecopy with written confirmation, overnight delivery service or U.S. mail, in which event it may be mailed by first-class, certified or registered, postage prepaid, to the registered address of the recipient.

b. Each such notice, report or other communication shall for all purposes under this Note be treated as effective or having been given when delivered if delivered personally or, if sent by mail, at the earlier of its receipt or

72 hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or, if sent by telecopier with written confirmation, at the earlier of (i) 24 hours after confirmation of transmission by the sending telecopier machine or (ii) delivery of written confirmation.

4. Miscellaneous.

a. No failure or delay by the Lender to exercise any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other right, power or privilege. The provisions of this Note are severable and if any one provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, such invalidity or unenforceability shall affect only such provision in such jurisdiction. This Note expresses the entire understanding of the parties with respect to the transactions contemplated hereby. The Company and every endorser and guarantor of this Note regardless of the time, order or place of signing hereby waives presentment, demand, protest and notice of every kind, and assents to any extension or postponement of the time for payment or any other indulgence, to any substitution, exchange or release of collateral, and to the addition or release of any other party or person primarily or secondarily liable.

b. If Lender retains an attorney for collection of this Note, or if any suit or proceeding is brought for the recovery of all, or any part of, or for protection of the indebtedness respected by this Note, then the Company agrees to pay all costs and expenses of the suit or proceeding, or any appeal thereof, incurred by the Lender, including without limitation, reasonable attorneys' fees.

c. This Note shall for all purposes be governed by and construed in accordance with the laws of the State of Florida (without reference to conflict of laws).

d. This Note shall be binding upon the Company's successors and assigns and shall inure to the benefit of the Lender's successors and assigns.

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e. In no event shall the interest rate and other charges under this Note exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Lender has received interest and other charges under this Note in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce, the outstanding principal amount hereunder and the provisions thereof shall be deemed amended to provide for the highest permissible rate. If there is no outstanding principal amount under this Note, Lender shall refund such excess to the Company.

IN WITNESS WHEREOF, the Company has caused this Note to be executed by its duly authorized officer to take effect as of the date first hereinabove written.

FIRST BITCOIN CAPITAL CORP.

By: /s/ Gregory Rubin
Gregory Rubin,
Chief Executive Officer

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BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Bill of Sale**”) is made and executed as of this 12th day of May, 2020, by and between First Bitcoin Capital Corp., a Canada corporation (“**Buyer**”), and OBITX, Inc., a Delaware corporation (“**Seller**”).

WITNESSETH:

WHEREAS, Buyer and Seller have entered into an Asset Purchase Agreement (the “**Purchase Agreement**”), dated as of the date hereof, pursuant to which Seller agrees to transfer and assign to Buyer, and the Buyer agrees to receive and accept ownership from Seller, the Assets (as defined in the Purchase Agreement) on the conditions and subject to the terms set forth in the Purchase Agreement, for consideration in the amount and on the terms and conditions provided therein;

WHEREAS, all the terms and conditions precedent provided in the Purchase Agreement have been met and performed or waived by the parties thereto, and the parties desire to consummate the transactions contemplated by the Purchase Agreement; and

WHEREAS, Seller now desires to transfer the Assets to Buyer;

NOW THEREFORE, in consideration of the premises and of the mutual promises, covenants and agreements contained herein and in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Defined Terms. All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

2. Purchased Assets. Seller hereby grants, sells, assigns, transfers, conveys and delivers to Buyer and Buyer purchases and accepts from Seller all of Seller’s right, title and interest in and to the Assets.

3. No Assumption of Liabilities. Buyer does not and will not by acceptance hereof assume any liabilities or obligations whatsoever of Seller except the Assumed Liabilities as expressly provided for in the Purchase Agreement. Buyer hereby assumes and agrees to pay or perform in accordance with their terms, each of the Assumed Liabilities.

4. Agency. Seller agrees to execute, as soon as is reasonably practical, such further grants, instruments, and assignments as Buyer may request from time to time (a) to collect, assert or enforce any claim, right, interest or title of any kind in and to the Assets, and to institute and prosecute all actions, suits and proceedings which Buyer may deem proper in order to collect, assert or enforce any such claim, right, interest or title, (b) to do all such acts and things and take all such actions in respect thereof as Buyer shall deem advisable or proper in order to provide to Buyer the benefits under any such Assets and (c) to defend, settle or compromise any and all actions, suits or proceedings in respect of any such Assets in accordance with the provisions of the Purchase Agreement.

5. Binding Effect. Subject to the terms and conditions set forth in the Purchase Agreement, this Bill of Sale and the covenants and agreements contained herein shall be binding upon and inure to the benefit of Seller, its successors and assigns and shall inure to the benefit of Buyer and its successors and assigns.

6. Further Assurances. Seller shall from time to time after the date hereof at the request of Buyer and without further consideration execute and deliver to Buyer such additional instruments of conveyance in addition to this Bill of Sale as Buyer shall reasonably request to evidence more fully the transfer by Seller to Buyer of the Assets. Buyer shall, from time to time after the date hereof at the request of Seller and without further consideration, execute and deliver to Seller such additional instruments as Seller shall reasonably request to evidence more fully the assumption by Buyer of the Assumed Liabilities.

7. No Conflict. This Bill of Sale does not amend or otherwise modify or limit any of the provisions of the Purchase Agreement, provided, however, that this sentence does not limit the scope of the Assets conveyed hereunder. The parties hereto recognize that Seller is executing and delivering to Buyer certain other instruments of conveyance with respect to the Assets. Nothing herein shall limit the scope thereof, and nothing therein shall limit the scope hereof.

8. Governing Law. This Bill of Sale shall be governed by and construed and enforced in accordance with the internal laws of Florida without reference to Florida's choice of law rules. This Bill of Sale may be modified or supplemented only by written agreement of the parties hereto.

IN WITNESS WHEREOF, each of the parties hereto have caused this Bill of Sale and Assignment Agreement to be signed by their duly authorized officers on the date first above written.

FIRST BITCOIN CAPITAL CORP.

By: /s/ Gregory Rubin
Name: Gregory Rubin,
Title: CEO

OBITX INC.

By: /s/ Michael Hawkins
Name: Michael Hawkins,
Title: CEO/CFO

