

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 26, 2020**

NEXGEL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-56066

(Commission File Number)

26-4042544

(IRS Employer
Identification No.)

**2150 Cabot Boulevard West, Suite B
Langhorne, Pennsylvania**

(Address of principal executive offices)

19067

(Zip Code)

Registrant's telephone number, including area code: **(215) 702-8550**

(Former name or former address, if changed since last report)

Not Applicable

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: None

Title of each class

**Trading
Symbol(s)**

Name of each exchange on which registered

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 May 29, 2020 (the “Closing Date”), NexGel, Inc., a Delaware corporation (the “Company”), entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) whereby the Company purchased all of the outstanding equity securities of Sport Defense LLC, a Delaware limited liability company (“Sports Defense”), from the members of Sport Defense (the “Sellers”). Subsequent to the Closing Date, Sport Defense is a wholly-owned subsidiary of the Company.

Sport Defense is a marketing and distribution company that leverages the unique benefits of ultra-gentle, high-water content hydrogels, manufactured by the Company, to build brands that treat various ailments of the skin caused by athletic training, such as blisters, turf burns, scrapes and skin irritations.

Under the terms of the Purchase Agreement, the purchase price paid to the Sellers was an aggregate of \$375,000 (the “Purchase Price”) which was paid by the Company through the issuance of an aggregate of 9,375,00 shares of the Company’s common stock, par value \$0.001 (the “Shares”), which equates to a per share purchase price of \$0.04. The Shares are “restricted securities” as such term is defined by Rule 144 promulgated under the Securities Act of 1933, as amended. The Shares were allocated to the Sellers as set forth on Exhibit A to the Purchase Agreement.

Adam Levy, the Company’s Chief Executive Officer and Chief Financial Officer, and Nachum Stein, a member of the Company’s Board of Directors (the “Board”), were each members of Sport Defense and part of the Sellers. Mr. Levy received 1,546,875 of the Shares and Mr. Stein received 3,187,500 of the Shares. Due to the potential conflict of interest that existed because of Messrs. Levy and Stein’s partial ownership of Sport Defense, the Board obtained an independent investment bank to prepare a valuation report with respect to Sport Defense. This valuation report supported the Purchase Price. Also, Mr. Stein recused himself from the vote of the Board regarding the approval to purchase Sport Defense.

The Purchase Agreement and the Sport Defense acquisition are not subject to approval by the shareholders of the Company. The Purchase Agreement contained minimal representations and warranties regarding Sport Defense and certain limited representations and warranties regarding the Company the Sellers.

This summary of certain terms of the Purchase Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Purchase Agreement, which is attached hereto as Exhibit 10.1 and is hereby incorporated into this Current Report on Form 8-K (this “Form 8-K”) by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information set forth in Item 1.01 of this Form 8-K is incorporated herein by reference in its entirety.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Form 8-K is incorporated herein by reference in its entirety.

The issuance and sale of the Shares is exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof and/or Rule 506 of Regulation D thereunder.

Item 5.03. Amendments to Articles of Incorporation or Bylaws.

On May 26, 2020, the Company filed an amendment to the certificate of incorporation to increase the number of the Company’s authorized shares of common stock from 100,000,000 shares of common stock to 3,000,000,000 shares of common stock. For more information on this amendment, please see the Company’s Definitive Information Statement on Schedule 14C filed with the Securities and Exchange Commission on March 16, 2020.

Item 8.01 Other Events.

On June May 29, 2020, the Company issued a press release regarding the Sport Defense acquisition. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference in its entirety.

Effective as of May 26, 2020, the Board approved an increase of the number of authorized shares of common stock reserved under the Company's 2019 Long-Term Incentive Plan from 2,000,000 shares of common stock to 17,000,000 shares of common stock.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of business acquired.

(b) Pro forma financial information.

The Sport Defense acquisition shall not be deemed a significant acquisition under the requirements of Regulation S-X. As such, no financial statements and pro forma financial information relating to Sport Defense are required by this Item 9.01.

(d) Exhibits.

Exhibit

No.	Description
<u>3.1</u>	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of NexGel, Inc.</u>
<u>10.1</u>	<u>Membership Interest Purchase Agreement dated May 29, 2020 by and among NexGel, Inc. and the Sellers.</u>
<u>99.1</u>	<u>Press release of NexGel, Inc. issued on May 29, 2020.</u>

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 29, 2020

NEXGEL, INC.

By: /s/ Adam Levy
Adam Levy
Chief Executive Officer

**CERTIFICATE OF AMENDMENT TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
NEXGEL, INC.**

NEXGEL, Inc. (the "**Corporation**"), a corporation duly organized and existing under the laws of the State of Delaware, by its duly authorized officer, does hereby certify that:

1. The Board of Directors of the Corporation has duly adopted resolutions (i) authorizing the Corporation to execute and file with the Secretary of State of the State of Delaware an amendment of the Corporation's Amended and Restated Certificate of Incorporation to increase the number of authorized shares as set forth below and (ii) declaring such amendment to be advisable and in the best interest of the Corporation.

2. Upon this Certificate of Amendment becoming effective, paragraph A of Article IV is deleted in its entirety and replaced with the following:

"The total number of shares of all classes of stock which the Corporation shall have authority to issue is 3,005,000,000, consisting of 3,000,000,000 shares of Common Stock, \$0.001 par value per share (the "**Common Stock**"), and 5,000,000 shares of Preferred Stock, \$0.001 par value per share (the "**Preferred Stock**").

3. This Certificate of Amendment has been duly approved by the Board of Directors of the Corporation in accordance with Sections 141(f) and 242 of the General Corporation Law of the State of Delaware.

4. This Certificate of Amendment shall become effective upon the filing of this Certificate of Amendment with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by its duly authorized officer this 28th day of May, 2020.

NEXGEL, INC.,
a Delaware corporation

By: /s/ Adam Levy
Name: Adam Levy
Title: Chief Executive Officer

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Agreement**”) is made and entered into as of May 29, 2020 (the “**Effective Date**”), by and among individuals set forth on the signature page hereto (each a “**Seller**” and collectively the “**Sellers**”) and **NEXGEL, INC.**, a Delaware corporation with a principal address of 2150 Cabot Blvd. West, Suite B, Langhorne, Pennsylvania 19047 (“**NexGel**”).

BACKGROUND

A. The Sellers in the aggregate own all of the outstanding Membership Interests of Sport Defense LLC, a Delaware limited liability company (the “**Target**”). All terms not otherwise defined herein shall have the meanings set forth in the Target’s Limited Liability Company Agreement.

B. This Agreement contemplates a transaction in which NexGel will purchase from the Sellers, and the Sellers will sell to NexGel, all of the outstanding Membership Interests of the Target for the consideration set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL AND PURCHASE

1.1 Sale and Purchase of Membership Interests. Subject to the terms and conditions hereof, each Seller hereby agrees to issue and sell to NexGel, and NexGel agrees to purchase from each Seller, all of the Membership Interests of Target for an aggregate purchase price of \$375,000 payable through the issuance of an aggregate of 9,375,000 shares of NexGel’s Common Stock, par value \$0.001 (the “**Purchase Price Shares**”).

1.2 Purchase Price Shares. The Purchase Price Shares shall be allocated to the Sellers on an individual basis as set forth on Exhibit A attached hereto and incorporated herein by reference. All of Purchase Price Shares shall be “restricted securities” as such term is defined by Rule 144 promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”).

2. REPRESENTATIONS AND WARRANTIES OF NEXGEL.

NexGel hereby represents and warrants to each of the Sellers as of the Effective Date as follows:

2.1 Organization, Good Standing and Qualification. NexGel is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. NexGel has all requisite power and authority to own and operate its properties and assets, to execute and deliver this Agreement, to issue and sell the Purchase Price Shares and to carry out the provisions of this Agreement and to carry on its business as presently conducted. NexGel is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on NexGel or its business.

2.2 Authorization; Binding Obligations. All action on the part of NexGel, its officers and directors necessary for the authorization of this Agreement, the performance of all obligations of NexGel hereunder and the authorization, sale, issuance and delivery of the Purchase Price Shares pursuant hereto have been taken. The Agreement, when executed and delivered, will be a valid and binding obligation of NexGel enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) general principles of equity that restrict the availability of equitable remedies.

2.3 NexGel Bears Economic Risk. NexGel and its management has substantial experience in evaluating and investing in transactions of securities in companies similar to the Target so that it is capable of evaluating the merits and risks of its investment in the Target and has the capacity to protect its own interests. NexGel must bear the economic risk of this investment indefinitely unless the Membership Interests are registered pursuant to the Securities Act, or an exemption from registration is available.

2.4 Acquisition for Own Account. NexGel is acquiring the Membership Interests for its own account for investment only, and not with a view towards their distribution.

2.5 NexGel Can Protect Its Interest. NexGel represents that by reason of its, or of its management's, business or financial experience, NexGel has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement

3. REPRESENTATIONS AND WARRANTIES OF NEXGEL.

Each of the Sellers hereby represents and warrants to NexGel as of the Effective Date as set forth below as follows:

3.1 Organization, Good Standing and Qualification. The Target is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Target has all requisite power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Target is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Target or its business

3.2 Capitalization. The Membership Interests held by the Sellers constitute all of the outstanding equity of the Target. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require the Target to issue, sell, or otherwise cause to become outstanding any of its equity. There are no outstanding or authorized equity appreciation, phantom equity, profit participation, or similar rights with respect to the Target. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the equity of the Target

3.3 Seller Bears Economic Risk. Each Seller has substantial experience in evaluating and investing in transactions of securities in companies similar to NexGel so that it is capable of evaluating the merits and risks of its investment in NexGel and has the capacity to protect its own interests. Each Seller must bear the economic risk of this investment indefinitely unless the Purchase Price Shares are registered pursuant to the Securities Act, or an exemption from registration is available. Each Seller understands that NexGel has no present intention of registering the Purchase Price Shares under the Securities Act.

3.4 Acquisition for Own Account. Each Seller is acquiring the Purchase Price Shares for her or his own account for investment only, and not with a view towards their distribution.

3.5 NexGel Can Protect Its Interest. Each Seller represents that by reason of its, or of its management's, business or financial experience, he or she has the capacity to protect her or his own interests in connection with the transactions contemplated in this Agreement

3.6 Accredited Investor. Each Seller represents that he or she is an "accredited investor" within the meaning of Regulation D under the Securities Act.

4. MISCELLANEOUS.

4.1 Governing Law. This Agreement shall for all purposes be construed and interpreted in accordance with the laws of the State of Delaware, without regard to any conflict of law rule or principle that would give effect to the laws of another jurisdiction. All parties hereto (i) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted only in a federal or state court located in the City of New York in the State of New York; (ii) waive any objection which they may now or hereafter have to the laying of the venue of any such suit, action or proceeding, including, without limitation, any objection based on the assertion that such venue is an inconvenient forum; and (iii) irrevocably submit to the jurisdiction of such federal or state courts in the City of New York in the State of New York in any such suit, action or proceeding. All parties hereto agree that the mailing of any processing any suit, action or proceeding in accordance with the notice provisions of this Agreement shall constitute personal service thereof.

4.2 Survival. The representations, warranties, covenants and agreements made herein shall survive the closing of the transactions contemplated. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the parties pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the parties hereunder solely as of the date of such certificate or instrument.

4.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors, assigns, heirs, executors and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Membership Interests from time to time.

4.4 Entire Agreement. This Agreement, the exhibits and schedules hereto, the Operating Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof.

4.5 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

4.6 Amendment and Waiver. This Agreement may be amended or modified, and the obligations of the Sellers and the rights of the NexGel under the Agreement may be waived, only upon the written consent of the Sellers and NexGel.

4.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) by personal delivery to the party to be notified, (b) by registered or certified mail, return receipt requested, postage prepaid, or (c) by nationally recognized overnight courier, specifying next day delivery. All notices shall be effective upon receipt or refusal. All communications shall be sent to the Sellers and to NexGel at the address set forth on the signature page or in the preamble of this Agreement or at such other address or electronic mail address as the Sellers or NexGel may designate by ten (10) days advance written notice to the other parties hereto.

4.8 Expenses. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of the Agreement.

4.9 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement (including without limitation to enforce any provision or right of a party in this Agreement), the prevailing party with respect to each claim in such dispute shall be entitled to recover from the losing party with respect to such claim all reasonable fees, costs and expenses with respect to each claim for which a party is the prevailing party (including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all reasonable fees, costs and expenses of appeals), but only to the extent such prevailing party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

4.10 Titles and Subtitles. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

4.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed the **MEMBERSHIP INTEREST PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

NEXGEL, INC.

By: /s/ Adam Levy
Name: Adam Levy
Its: Chief Executive Officer

SPORT DEFENSE LLC MEMBERS:

/s/ Richard Myers
Signature of Richard Myers
1991 Wellspring Lane
Malvern, Pennsylvania 19355

/s/ Erin Langan
Signature of Erin Langan
1991 Wellspring Lane
Malvern, Pennsylvania 19355

/s/ William Odenthal
Signature of William Odenthal
1760 Deer Run Road
Bethlehem, Pennsylvania 18015

/s/ Adam Levy
Signature of Adam Levy
2 Avenue of Two Rivers South
Rumson, New Jersey 07760

/s/ Nachum Stein
Signature of Nachum Stein
605 Third Avenue, 9th Floor
New York, New York 10158

EXHIBIT A

PURCHASE PRICE SHARE ALLOCATION

<u>Name</u>	<u>Number of NexGel's Shares of Common Stock</u>
Nachum Stein	3,187,500
Richard Myers	1,546,875
Erin Langan	1,546,875
William Odenthal	1,546,875
Adam Levy	<u>1,546,875</u>
Total	9,375,000



For Immediate Release
May 29, 2020

Contact:
Kelly Knobeck
E-mail: investors@nexgel.com

NEXGEL, Inc. Announces the Acquisition of the Sport Defense LLC Product Line

LANGHORNE, PA - **NEXGEL, Inc.** (“NEXGEL”) announces the acquisition of Sport Defense LLC’s (“Sport Defense”) line of products. This strategic acquisition allows NEXGEL to vertically integrate and build out its portfolio of branded consumer products.

Sport Defense is a marketing and distribution company that leverages the unique benefits of ultra-gentle, high-water content hydrogels, manufactured by NEXGEL, to build brands that treat various ailments of the skin caused by athletic training, such as blisters, turf burns, scrapes and skin irritations. Sport Defense has been successful in building niche brands to serve a myriad of challenges, their brands include:

- Dancer Dots/Dancer Dot Minis, developed for point ballet dancers
- Turfguard, addresses turf burn, made w/silver lined hydrogel
- Foot Defense, to reduce blistered feet (Q2 2020 launch)
- Nip Guard, to eliminate irritation for male distance runners

Sport Defense works to address under-served opportunities in the market with FDA approved therapeutic products, previously reserved for the professional wound care market and applies them to the consumer sport market.

Sport Defense first achieved success with Dancer Dots, a brand designed for point ballet dancers around the world. The company partnered with Gaynor Minden, a world-renowned leader in ballet shoes, to deliver relief and protection to dancer’s who often have major issues with foot sores and blisters from their rigorous training and performances.

“Sport Defense’s proven model of applying medical technology to the sports market fits perfectly with NEXGEL’s vision of using many of the same medical technologies for beauty and cosmetics, podiatry and OTC remedies,” stated NEXGEL CEO, Adam Levy. This transaction has been approved by NEXGEL’s Board of Directors and is scheduled to close on Friday, May 29th 2020. The terms of the transaction were not disclosed.



About NEXGEL, INC.

NEXGEL has been a leading provider of ultra-gentle, high-water content hydrogels to leading medical companies around the world. Based in Langhorne, Pennsylvania, we've been developing and manufacturing electron-beam cross-linked hydrogels for over 23 years. In that time, our team has formulated over 200 different combinations to bring some of the best OTC, cosmetic, and natural ingredients to the skin in a gentle patch that can be worn for long periods of time with little to no irritation. NEXGEL, Your Skin Friendly Patch Co.

Forward Looking Statements

This press release contains certain forward-looking statements, including those relating to the Company's product development, market opportunity, competitive position, possible or assumed future results of operations, business strategies, potential growth opportunities and other statements that are predictive in nature. Additional written and oral forward-looking statements may be made by the Company from time to time in filings with the Securities and Exchange
