

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): September 6, 2017

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-27824
(Commission
File No.)

33-0684451
(IRS Employer
Identification No.)

333 Westchester Avenue, South Building, Suite 204, White Plains, NY
(Address of Principal Executive Offices)

10604
(Zip Code)

Registrant's telephone number, including area code: (914) 332-4100

(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:

- 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.

Item 1.01 **Entry into a Material Definitive Agreement.** *Amendment to Sterling Domestic Credit Facility:*

SGRP and certain of its US and Canadian subsidiaries, (namely SPAR Marketing Force, Inc., SPAR Assembly & Installation, Inc. (f/k/a SPAR National Assembly Services, Inc.), SPAR Group International, Inc., SPAR Trademarks, Inc., SPAR Acquisition, Inc., SPAR Canada, Inc. and SPAR Canada Company) (together with SGRP, the "Borrowers"), are parties to a Revolving Loan and Security Agreement dated as of July 6, 2010, as amended (as amended, the "Sterling Loan Agreement"), with Sterling National Bank (the "Lender"), and their Amended and Restated Secured Revolving Loan Note in the amended maximum principal amounts of \$9.0 million to Sterling National Bank (as amended, the "Restated Sterling Note"), to document and govern their credit facility with the Lender (including such agreement and note, the "Sterling Credit Facility"). The Sterling Credit Facility as amended was scheduled to expire and the Borrowers' loans thereunder would have become due on September 6, 2017 (with no early termination fee).

The amendment to the Sterling Credit Facility effective as of September 6, 2017 (the "Twelfth Sterling Amendment"), extends the expiration date to January 15, 2018.

The Twelfth Sterling Amendment is attached hereto and filed herewith as Exhibit 99.1, respectively, and is hereby incorporated herein by reference.

Forward Looking Statements

This Current Report contains "forward-looking statements" made by SPAR Group, Inc. ("SGRP", and together with its subsidiaries, the "SPAR Group" or the "Company"), will be filed shortly in a Current Report on Form 8-K by SGRP with the Securities and Exchange Commission (the "SEC"). There also are "forward looking statements" contained in SGRP's Annual Report on Form 10-K for the year ended December 31, 2016 (the "Annual Report"), which was filed by SGRP with the SEC on April 17, 2017, and SGRP's definitive Proxy Statement respecting its Annual Meeting of Stockholders held on May 18, 2017 (the "Proxy Statement"), which SGRP filed with the SEC on April 28, 2017, and SGRP's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports and statements as and when filed with the SEC (including the Annual Report and the Proxy Statement, each a "SEC Report"). "Forward-looking statements" are defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable federal and state securities laws, rules and regulations, as amended (together with the Securities Act and Exchange Act, collectively, "Securities Laws").

The forward-looking statements made by the Company in this Current Report may include (without limitation) any expectations, guidance or other information respecting the pursuit or achievement of the Company's corporate strategic objectives (growth, customer value, employee development, greater productivity & efficiency, and earnings per share), building upon the Company's strong foundation, leveraging compatible global opportunities, growing the Company's client base and contacts, continuing to strengthen the Company's balance sheet, growing revenues and improving profitability through organic growth, new business developments and strategic acquisitions, and continuing to control costs. The Company's forward-looking statements also include, in particular and without limitation, those made in "Business", "Risk Factors", "Legal Proceedings", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report. You can identify forward-looking statements in such information by the Company's use of terms such as "may", "will", "expect", "intend", "believe", "estimate", "anticipate", "continue", "plan", "project" or similar words or variations or negatives of those words. You should carefully consider (and not place undue reliance on) the Company's forward-looking statements, risk factors and the other risks, cautions and information made, contained or noted in or incorporated by reference into this Current Report, the Annual Report, the Proxy Statement and the other applicable SEC Reports that could cause the Company's actual performance or condition (including its assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, risks, trends or condition) to differ materially from the performance or condition planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "expectations") and described in the information in the Company's forward-looking and other statements, whether express or implied. Although the Company believes them to be reasonable, those expectations involve known and unknown risks, uncertainties and other unpredictable factors (many of which are beyond the Company's control) that could cause those expectations to fail to occur or be realized or such actual performance or condition to be materially and adversely different from the Company's expectations. In addition, new risks and uncertainties arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its expectations will be achieved in whole or in part, that the Company has identified all potential risks, or that the Company can successfully avoid or mitigate such risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in SGRP's Common Stock.

You should carefully review the risk factors described in the Annual Report (See Item 1A – Risk Factors) and any other risks, cautions or information made, contained or noted in or incorporated by reference into the Annual Report, the Proxy Statement or other applicable SEC Report. All forward-looking and other statements or information attributable to the Company or persons acting on its behalf are expressly subject to and qualified by all such risk factors and other risks, cautions and information.

The Company does not intend or promise, and the Company expressly disclaims any obligation, to publicly update or revise any forward-looking statements, risk factors or other risks, cautions or information (in whole or in part), whether as a result of new information, risks or uncertainties, future events or recognition or otherwise, except as and to the extent required by applicable law.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Twelfth Agreement of Amendment to Revolving Loan and Security Agreement And Other Documents, dated and effective as of September 6, 2017, by and among Sterling National Bank, as "Lender" and "Agent", and SPAR Group, Inc., SPAR Installation & Assembly, Inc., SPAR Group International, Inc., SPAR Acquisition, Inc., SPAR Trademarks, Inc., SPAR Marketing Force, Inc., SPAR Canada, Inc., and SPAR Canada Company, each as a "Borrower" under such loan agreement as of such amendment date (and such amendment is attached hereto and filed herewith).</u>

TWELFTH AGREEMENT OF AMENDMENT TO REVOLVING LOAN AND SECURITY AGREEMENT

This Twelfth Agreement of Amendment to Revolving Loan and Security Agreement and Other Documents (this "Amendment") shall be dated and effective as of September 6, 2017 and is by and between STERLING NATIONAL BANK, having an office at 489 Fifth Avenue, New York, New York 10017 ("Sterling"), and any other entity becoming a lender pursuant to the Loan Agreement (as hereinafter defined) are individually referred to as a "Lender" and collectively referred to as the "Lenders", and Sterling as the agent for the Lenders as well as acting for the benefit of the Lenders (the "Agent"), and SPAR GROUP, INC., a Delaware corporation, SPAR ASSEMBLY & INSTALLATION, INC. (F/K/A SPAR NATIONAL ASSEMBLY SERVICES, INC.), a Nevada corporation, SPAR GROUP INTERNATIONAL, INC., a Nevada corporation, SPAR ACQUISITION, INC., a Nevada corporation, SPAR TRADEMARKS, INC., a Nevada corporation, SPAR MARKETING FORCE, INC., a Nevada corporation, SPAR CANADA, INC., a Nevada corporation and SPAR CANADA COMPANY, an unlimited liability company incorporated in the Province of Nova Scotia, Canada (either separately, jointly, or jointly and severally, collectively, the "Borrowers"), each having an address at 333 Westchester Avenue, South Building, Suite 204, White Plains, New York 10604.

WHEREAS, the Borrowers have executed and delivered or have become parties to, as applicable, a certain Secured Revolving Loan Note dated July 6, 2010 in the original principal amount of Five Million and 00/100 Dollars (\$5,000,000.00), payable to the order of the Agent, as same was subsequently increased to Six Million Five Hundred Thousand Dollars (\$6,500,000.00) and as same was subsequently further increased to Seven Million Five Hundred Thousand and 00/100 Dollars (\$7,500,000.000) as evidenced by a certain Amended and Restated Secured Revolving Loan Note dated July 1, 2014, as same was subsequently modified as evidenced by a certain Amended and Restated Secured Revolving Loan Note dated as of September 28, 2015 and as same was subsequently temporarily increased to Nine Million and 00/100 Dollars (9,000,000.00) as evidenced by a certain Amended and Restated Secured Revolving Loan Note dated as of December 22, 2016 and as same (and Sterling's Commitment to make revolving loan advances) was permanently increased to Nine Million and 00/100 Dollars (\$9,000,000.00) pursuant to an Amended and Restated Secured Revolving Loan Note dated as of March 3, 2017 in the original principal amount of Nine Million and 00/100 Dollars (\$9,000,000.00) issued by the Borrowers to Sterling (collectively, the "Note");

WHEREAS, in connection with the execution and delivery of the Note and to secure payment and performance of the Note and other obligations of the Borrowers to the Agent, the Agent and the Borrowers have executed or become parties to, as applicable, a certain Revolving Loan and Security Agreement effective July 6, 2010, as same has been amended from time to time and as same is hereby further amended pursuant to the terms of this Amendment (collectively, the "Loan Agreement");

WHEREAS, in addition to the Note and the Loan Agreement, the Borrowers and the Agent have executed and/or delivered certain other collateral agreements, certificates and instruments perfecting or otherwise relating to the security interests created, which together with the Note and the Loan Agreement are hereinafter individually referred to as a "Loan Document" and collectively referred to as the "Loan Documents";

WHEREAS, the Borrowers have requested that the Agent extend the maturity of the Note and Loan Agreement to which the Agent has agreed provided the Borrowers enter into this Amendment;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which being hereby acknowledged, the Agent and the Borrowers hereby agree as follows:

1. Capitalized terms not defined herein shall have the meaning set forth in the Loan Agreement.
2. The last sentence of Section 1.1(a) of the Loan Agreement is hereby amended to read in its entirety as follows:

"The full amount of outstanding principal and interest on account of the Revolving Loan is to be payable on January 15, 2018."

3. The Borrowers hereby represent and warrant to the Agent that:

(a) Each and every of the representations and warranties set forth in the Loan Agreement and the other Loan Documents are true in all material respects as of the date hereof and with the same effect as though made on the date hereof (except as and to the extent limited to reference dates), and are hereby incorporated herein in full by reference as if fully restated herein in its entirety;

(b) No Default or event of Default and no event or condition which, with the giving of notice or lapse of time or both, would constitute such a default or event of Default, now exists or would exist under any Loan Document after giving effect hereto;

(c) There are no defenses or offsets to its outstanding obligations under the Loan Agreement or any of the other Loan Documents executed in connection therewith, and if any such defenses or offsets exist without the knowledge of the Borrowers, the same are hereby waived;

(d) The Borrowers are not subject to any legal or contractual restrictions on their ability to enter into this Amendment;

(e) The individual(s) executing this Amendment on behalf of the Borrowers has the requisite power and authority to execute and deliver this Amendment and that all action necessary to authorize the execution, delivery and performance of this Amendment has been duly taken, and this Amendment is being duly executed and delivered by the officer or other representative authorized to execute and deliver this Amendment; and

(f) As of the date hereof, the Borrowers are each duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation and each is duly qualified as a foreign corporation or unlimited liability company, as applicable, and in good standing under the laws of each other jurisdiction in which such qualification is required.

4. It is expressly understood and agreed that all collateral security for the extensions of credit set forth in the Loan Agreement is and shall continue to be collateral security for all extensions of credit provided under the Loan Agreement as herein amended. Without limiting the generality of the foregoing, the Borrowers hereby absolutely and unconditionally confirm that each document and instrument executed by the Borrowers pursuant to the Loan Agreement continues in full force and effect, is hereby ratified and confirmed and is and shall continue to be applicable to the Loan Agreement (as herein amended).

5. The amendments and waiver set forth herein is limited precisely as written and shall not be deemed to (a) be a consent to or a waiver of any other term or condition of the Loan Agreement, the Loan Documents or any of the documents referred to therein, or (b) prejudice any right or rights which the Agent may now have or may have in the future under or in connection with the Loan Agreement, the Loan Documents or any documents referred to therein, as amended. Whenever the Loan Agreement is referred to in the Loan Agreement, the Loan Documents or any of the instruments, agreements or other documents or papers executed and delivered in connection therewith, it shall be deemed to mean the Loan Agreement and other Loan Documents as amended hereby.

6. The Borrowers agree to sign, deliver and file any additional documents and take any other actions that may reasonably be required by the Agent including, but not limited to, affidavits, resolutions, or certificates for the full and complete consummation of the matters covered by this Amendment.

7. This Amendment is binding upon, inures to the benefit of, and is enforceable by, the heirs, personal representatives, successors and assigns of the parties hereto. This Amendment is not assignable by the Borrowers without the prior written consent of the Agent, provided, however, that this Amendment shall be deemed to be assigned with any assignment of the Loan Agreement consented to by the Agent.

8. To the extent that any provision of this Amendment is determined by any court or legislature to be invalid or unenforceable in whole or in part either in a particular case or in all cases, such provision or part thereof is to be deemed surplusage. If that occurs, it shall not have the effect of rendering any other provision of this Amendment invalid or unenforceable and this Amendment is to be construed and enforced as if such invalid or unenforceable provision or part thereof were omitted.

9. This Amendment may only be changed or amended by a written agreement signed by all of the parties. By execution of this Amendment, the Agent is not to be deemed to consent to any future renewal, extension or amendment of the Revolving Loan or the Loan Documents.

10. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon each of the undersigned individually as fully and completely as if all had signed but one instrument.

11. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to New York's conflict of laws principles that would defer to the substantive laws of any other jurisdiction.

12. The parties to this Amendment acknowledge that each has had the opportunity to consult independent counsel of their own choice, and that each has relied upon such counsel's advice concerning this Amendment, the enforceability and interpretation of the terms contained in this Amendment and the consummation of the transaction and matters covered by this Amendment. The parties to this Amendment agree that, when interpreting this Amendment, there shall be no presumption against the Agent on account of the fact that the Agent is the party causing the drafting of this Amendment.

13. The obligation of the Agent to enter into this Amendment is subject to the following:

- (a) Receipt by the Agent of a fully executed counterpart of this Amendment from the Borrowers; and
- (b) The Agent shall have received such other documents or information as it may reasonably request.

In addition to the foregoing, the Borrowers agree that they shall be obligated for the payment of the Agent's reasonable legal fees incurred in connection with the preparation of this Amendment.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

The undersigned have caused this Amendment to be executed as of the day and year first above written.

STERLING NATIONAL BANK

By: /s/ Joanne L. Wong
Name: Joanne L. Wong
Title: Vice President

SPAR GROUP, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

SPAR ASSEMBLY & INSTALLATION, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

SPAR GROUP INTERNATIONAL, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

SPAR ACQUISITION, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

SPAR TRADEMARKS, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

-Signatures Continued on Following Page-

SPAR MARKETING FORCE, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

SPAR CANADA, INC.

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary

SPAR CANADA COMPANY

By: /s/ James R. Segreto
Name: James R. Segreto
Title: Chief Financial Officer,
Treasurer and Secretary