

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 18, 2017

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-27408
(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 2.02 . Results of Operations and Financial Condition.

On May 22, 2017, we, SPAR Group, Inc. ("SGRP" or the "Registrant"), and its subsidiaries (together with SGRP, "we", "our" or the "Company"), issued a press release (the "Release") dated May 22, 2017, reporting our financial results for our three month period ended on March 31, 2017 (our "2017 First Quarter").

A copy of the Release is attached to this Current Report on Form 8-K (this "Report") as Exhibit 99.1 and is hereby incorporated herein by reference.

In that Release, we also announced that, following its issuance, the Company will provide recorded comments respecting its 2017 First Quarter that can be accessed on the SPAR Group website under the "Investor Relations" section at: <http://investors.sparinc.com/releases.cfm>

Item 5.07. Submission of Matters to a Vote of Security Holders

SPAR Group, Inc. ("SGRP" or the "Registrant") held its Annual Meeting of Stockholders on May 18, 2017 (the "2017 Annual Meeting"), for those who were stockholders of SGRP at the close of business on March 31, 2017 (the "Record Date"), pursuant to notice and proxy materials duly mailed to them. As of the Record Date, there were 20,655,840 shares outstanding of SGRP's common stock, \$0.01 par value (the "SGRP Common Stock"). At the 2017 Annual Meeting, Record Date stockholders holding 17,433,888 shares (approximately 84.4%) of the SGRP Common Stock were present in person or by proxy. Each such stockholder was entitled to one vote for each share of the SGRP Common Stock held by such stockholder on the Record Date, and the holders of the SGRP Common Stock voted together, respecting the election of directors and the other proposals presented to them at the 2017 Annual Meeting.

At the 2017 Annual Meeting, the following matters were submitted to votes of SGRP's stockholders: (i) Election of directors; (ii) Advisory Vote respecting the ratification of the appointment of BDO USA, LLP ("BDO"), as the Corporation's principal independent public auditors for 2017; (iii) Advisory Vote on the Executive Compensation as described in the 2017 Proxy Statement; and (iv) Advisory Vote on the Frequency of the Executive Compensation Vote.

(i) The following votes were received at the 2017 Annual Meeting from the stockholders by proxy or ballot for the election of six directors (R. Scott Popaditch having withdrawn as the seventh candidate as of May 15, 2017, and the Board size reduced six members concurrently therewith) to serve until the 2018 Annual Meeting of Stockholders and until their respective successors are elected and qualified, and all such persons were reelected as directors of SGRP:

Name	For	Withheld
Robert G. Brown	11,978,542	54,843
William H. Bartels	12,004,593	38,342
Jack W. Partridge	12,004,693	37,692
Lorrence T. Kellar	12,004,593	37,792
Arthur B. Drogue	12,004,793	37,592
R. Eric McCarthey	12,004,793	37,592

(ii) The following votes were received at the 2017 Annual Meeting from the stockholders by ballot for the adoption of the proposal to approve (on an advisory basis) the appointment of BDO USA, LLP ("BDO"), as the Corporation's principal independent public accountants for the fiscal year ending December 31, 2017, and such appointment was approved:

For	Against	Abstain
17,396,982	25,844	11,062

(iii) The following votes were received at the 2017 Annual Meeting from the stockholders by ballot for the adoption of the proposal to approve (on an advisory basis) the compensation of the named executive officers, as disclosed in the Proxy Statement (*i.e.*, "say on pay"), and such compensation was approved:

For	Against	Abstain
<u>11,996,513</u>	<u>32,212</u>	<u>13,660</u>

The Corporation currently intends to request this same advisory vote from its stockholders next year.

(iv) The following votes were received at the 2017 Annual Meeting from the stockholders by ballot for the proposal to select (on an advisory basis) whether the Corporation should request an advisory vote from its stockholders respecting executive compensation every one, two or three years (*i.e.*, "say on frequency"):

"One Year"	"Two Years"	"Three Years"	Abstain
<u>12,019,280</u>	<u>6,000</u>	<u>16,805</u>	<u>300</u>

The Corporation currently intends to request this same advisory vote from its stockholders next year.

Although the stockholder notice and proxy materials permitted certain other matters to be considered by the stockholders at the 2017 Annual Meeting, no other matters were submitted to or voted on by the stockholders.

Item 8.01. Other Events.

In connection with the 2017 Annual Meeting, the Board of Directors of the Corporation (the "Board") filled the following leadership positions with the Board and its Committees based (in part) on the recommendations of its Governance Committee:

Robert G. Brown	Chairman of the Board
William H. Bartels	Vice Chairman of the Board
Arthur B. Drogue	Lead Director and Chairman of the Governance Committee
R. Eric McCarthy	Chairman of the Audit Committee
Jack W. Partridge	Chairman of the Compensation Committee

The Board also reappointed its independent directors, Arthur B. Drogue, Lorrence T. Kellar, Jack W. Partridge and R. Eric McCarthy, to continue to be the sole members of the Board's Audit Committee, Compensation Committee and Governance Committee.

Finally, the Board reappointed the following existing Executives to continue in their respective positions based (in part) on the recommendations of its Governance Committee:

Kori G. Belzer	Interim Chief Executive Officer, Interim President, and Chief Operating Officer
James R. Segreto	Chief Financial Officer, Secretary and Treasurer
[Vacant]	Chief Information Officer
[Vacant]	Controller

Forward Looking Statements

This Current Report on Form 8-K (this "Current Report") contains "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, SPAR Group, Inc. ("SGRP") and its subsidiaries (together with SGRP, the "SPAR Group" or the "Company"), and this Current Report has been filed 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 its fiscal year ended December 31, 2016 (as filed, the "Annual Report"), as filed with the SEC on April 17, 2017, in 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 this Current Report, 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, the "Securities Laws").

All statements (other than those that are purely historical) are forward-looking statements. Words such as "may," "will," "expect," "intend," "believe," "estimate," "anticipate," "continue," "plan," "project," or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Company in this Current Report or the Annual Report may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks"); and plans, intentions, expectations, guidance or other information respecting the pursuit or achievement of the Company's five corporate objectives (growth, customer value, employee development, greater productivity & efficiency, and increased earnings per share), building upon the Company's strong foundation, leveraging compatible global opportunities, growing the Company's client base and contracts, continuing to strengthen its balance sheet, growing revenues and improving profitability through organic growth, new business development and strategic acquisitions, and continuing to control costs. The Company's forward-looking statements also include (without limitation) those made in the Annual Report in "Business", "Risk Factors", "Legal Proceedings", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Directors, Executive Officers and Corporate Governance", "Executive Compensation", "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters", and "Certain Relationships and Related Transactions, and Director Independence".

You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other 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, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, 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) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks 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 it has identified all potential Risks, or that it 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 the Company's Common Stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Current Report, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

EXHIBIT INDEX

Exhibit
Number

Description

99.1

Press Release of the Registrant dated May 22, 2017.

SPAR Group Announces Financial Results for the First Quarter Ended March 31, 2017
May 22, 2017

WHITE PLAINS, N.Y., May 22, 2017 (GLOBE NEWSWIRE) -- SPAR Group, Inc. (Nasdaq:SGRP), a leading supplier of retail merchandising and other marketing services throughout the United States and internationally, today announced financial results for the first quarter ended March 31, 2017.

Highlights for the three-month period ended March 31, 2017, as compared to the same period in the prior year include:

Revenue for the first quarter of 2017 increased \$13.3 million or 50 percent to \$39.9 million. The late 2016 acquisition of its Brazilian operations contributed \$9.9 million and domestic operations contributed \$1.6 million to the year-over-year revenue growth.

Income before tax increased \$429,000, or 262%, to \$593,000, from \$164,000 during the same period a year ago. The increase was primarily from domestic operations.

Income taxes increased to \$419,000, from \$5,000 during the prior year period, which was primarily attributable to a tax provision of \$365,000 for repatriating an earnings distribution from the Company's South African subsidiary.

Net loss attributable to SPAR Group for the first quarter of 2017 was (\$244,000), or \$(0.01) per diluted share, compared to a net loss of (\$139,000) or \$(0.01) per diluted share, during the first quarter of 2016.

Financial Results by Geography (in 000's)

Revenue:	Three Months Ended March 31,		%
	2017	2016	Change
International	\$ 28,565	\$ 16,859	69.4%
Domestic	11,321	9,752	16.1%
Total	\$ 39,886	\$ 26,611	49.9%

Net Income attributable to SPAR Group, Inc.

	Three Months Ended March 31,	
	2017	2016
International	\$ 18	\$ 10
Domestic	(262)	(149)
Total	\$ (244)	\$ (139)

Earnings Per Share:

Basic & Diluted	\$ (0.01)	\$ (0.01)
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"During the first quarter, our domestic business delivered a strong top-line performance and an increasing profit contribution with a 14% increase in gross profit dollars and a \$361,000 improvement in operating income. While we still have a way to go, strategic initiatives are clearly beginning to result in improved financial performance in our domestic business. Internationally, continued investment in Brazil is putting pressure on profitability, but is resulting in strong top-line comparisons and establishing a foundation for profitable growth in South America," commented Interim Chief Executive Officer and President, Kori Belzer. "I am encouraged by the improvement in first quarter's financial performance and believe we have put in place the right strategic initiatives that will allow us to continue to drive strong revenue growth and improved profitability going forward."

Margin Profile by Geography
Gross Margin:

	Three Months Ended March 31,		Basis Point
	2017	2016	Change
International	17.1%	20.1%	(298)
Domestic	27.9%	28.5%	(62)
Total	20.2%	23.2%	(300)

Operating Expenses as a % of Sales:

	Three Months Ended March 31,		Basis Point
	2017	2016	Change
International	15.6%	17.3%	(169)
Domestic	27.4%	31.6%	(423)
Total	19.0%	22.6%	(359)

International gross profit margin for the first quarter of 2017 was 17.1%, compared to 20.1% for the same period last year. The decline in gross profit margin compared to the prior period was primarily due to a mix of higher cost margin business in Brazil, South Africa and China.

Domestic gross profit margin for the three months ended March 31, 2017 was 27.9% compared to 28.5% for the same period in 2016. The 62-basis point decline in gross profit margin was primarily due to an unfavorable mix of project work compared to the same period last year.

International operating income for first quarter of 2017 was \$421,000, compared to \$465,000 during the same period in 2016. The decline in international operating profit in the first quarter was due primarily to declining gross profit margin.

Domestic operating income for the first quarter of 2017 was \$64,000, compared to an operating loss of \$(297,000) during the same period last year. The improvement in domestic operating income in 2017 was a direct result of revenue growth and spending reductions compared to the same period last year.

Balance Sheet as of March 31, 2017

As of March 31, 2017, cash and cash equivalents totaled \$8.3 million. Working capital was \$10.3 million and current ratio was 1.4 to 1. Total current assets and total assets were \$38.9 million and \$52.1 million, respectively. Current liabilities and total liabilities were \$28.6 million and \$28.7 million, respectively and total equity was \$23.4 million as of March 31, 2017.

Recorded Comments Available

Following the issuance of this release, the Company will provide recorded comments that can be accessed on the SPAR Group website under the "Investor Relations" section. <http://investors.sparinc.com/releases.cfm>

About SPAR Group

SPAR Group, Inc. is a diversified international merchandising and marketing services Company and provides a broad array of services worldwide to help companies improve their sales, operating efficiency and profits at retail locations. The Company provides merchandising and other marketing services to manufacturers, distributors and retailers worldwide, primarily in mass merchandiser, office supply, grocery, drug, dollar, independent, convenience, toy, home improvement and electronics stores, as well as providing furniture and other product assembly services, audit services, in-store events, technology services and marketing research. The Company has supplied these product services in the United States since certain of its predecessors were formed in 1979 and internationally since the Company acquired its first international subsidiary in Japan in May 2001. Product services include restocking and adding new products, removing spoiled or outdated products, resetting categories "on the shelf" in accordance with client or store schematics, confirming and replacing shelf tags, setting new sale or promotional product displays and advertising, replenishing kiosks, demonstrating or promoting a product, providing in-store event staffing services and providing assembly services in stores, homes and offices. Audit services include price audits, point of sale audits, out of stock audits, intercept surveys and planogram audits. Other merchandising services include whole store or departmental product sets or resets (including new store openings), new product launches, in-store demonstrations, special seasonal or promotional merchandising, focused product support and product recalls. The Company currently does business in 10 countries that encompass approximately 50% of the total world population through its operations in the United States, Australia, Brazil, Canada, China, India, Japan, Mexico, South Africa and Turkey. For more information, please visit the SPAR Group's website at <http://www.sparinc.com>.

Forward-Looking Statements

This Press Release contains and the above referenced recorded comments will contain "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 to be held on or about 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 Press Release 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 Press Release, 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.

SPAR Group, Inc. and Subsidiaries
Consolidated Statements of Income and Comprehensive Loss
(unaudited)
(In thousands, except share and per share data)

	Three Months Ended March 31,	
	2017	2016 (revised)
Net revenues	\$ 39,886	\$ 26,611
Cost of revenues	31,838	20,442
Gross profit	8,048	6,169
Selling, general and administrative expenses	7,058	5,513
Depreciation and amortization	505	488
Operating income	485	168
Interest (income) expense	(46)	28
Other income, net	(62)	(24)
Income before income tax expense	593	164
Income tax expense	419	5
Net income	174	159
Net income attributable to non-controlling interest	(418)	(298)
Net loss attributable to SPAR Group, Inc.	\$ (244)	\$ (139)
Basic and diluted loss per common share:	\$ (0.01)	\$ (0.01)
Weighted average common shares – basic and diluted	20,649	20,563
Net income	\$ 174	\$ 159
Other comprehensive income (loss):		
Foreign currency translation adjustments	164	(488)
Comprehensive income (loss)	338	(329)
Comprehensive (loss) income attributable to non-controlling interest	(516)	17
Comprehensive loss attributable to SPAR Group, Inc.	\$ (178)	\$ (312)

SPAR Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share and per share data)

	March 31, 2017	March 31, 2016
Assets		(revised)
Current assets:		
Cash and cash equivalents	\$ 8,273	\$ 7,324
Accounts receivable, net	30,124	33,669
Prepaid expenses and other current assets	535	1,299
Total current assets	38,932	42,292
Property and equipment, net	2,523	2,536
Goodwill	1,851	1,847
Intangible assets, net	2,201	2,340
Deferred income taxes	4,753	4,694
Other assets	1,791	1,142
Total assets	\$ 52,051	\$ 54,851
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 7,133	\$ 5,567
Accrued expenses and other current liabilities	10,381	9,766
Due to affiliates	3,094	3,349
Customer incentives and deposits	1,481	1,305
Lines of credit and short-term loans	6,535	9,778
Total current liabilities	28,624	29,765
Long-term debt and other liabilities	46	4
Total liabilities	28,670	29,769
Equity:		
SPAR Group, Inc. equity		
Preferred stock, \$.01 par value:		
Authorized and available shares— 2,445,598		
Issued and outstanding shares—		
None – March 31, 2017 and December 31, 2016	–	–
Common stock, \$.01 par value:		
Authorized shares – 47,000,000		
Issued shares – 20,680,717 – March 31, 2017 and December 31, 2016	207	207
Treasury stock, at cost		
24,877 shares – March 31, 2017 and		
37,877 shares – December 31, 2016	(34)	(51)
Additional paid-in capital	16,138	16,093
Accumulated other comprehensive loss	(2,341)	(2,407)
Retained earnings	5,591	5,835
Total SPAR Group, Inc. equity	19,561	19,677
Non-controlling interest	3,820	5,405
Total equity	23,381	25,082
Total liabilities and equity	\$ 52,051	\$ 54,851

Company Contact:

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Investor Contact:

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