

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 23, 2018

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 1.02 Termination of a Material Definitive Agreement.**

On May 23, 2018, SPAR Marketing Force, Inc. ("SMF"), a subsidiary of SPAR Group, Inc. ("SGRP" or the "Registrant"), gave to SPAR Business Services, Inc. ("SBS"), a Notice of Cessation of Use of SBS Services (the "Notice") specifying on or before August 15, 2018, as the currently anticipated date by which the SMF will cease using SBS's services. As used in its SEC filings, the "Company" means, collectively, SGRP and its direct and indirect subsidiaries (including SMF).

SMF has been executing the services SMF provides to its domestic clients primarily through field merchandising, auditing, assembly and other field personnel (each a "Field Specialist"), substantially all of whom have been independent contractors provided by SBS pursuant to an arrangement between them since their formal contract expired on November 30, 2014. SBS is an affiliate of SGRP but is not under the control or part of the consolidated SGRP companies. The sole stockholders of SBS are Mr. Robert G. Brown, a major stockholder and through May 3, 2018, the Chairman and a Director of SGRP, and Mr. William H. Bartels, a Director, Vice Chairman and a major stockholder of SGRP., and each of whom is considered an affiliate and related party of the Company. For more information respecting the SBS arrangement and services and the related party transactions thereunder, please see Note 5 to Condensed Consolidated Financial Statements— *Related Party Transactions - Domestic Related Party Services*, in SGRP's Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2018, as filed with the SEC on May 15, 2018 (the "Quarterly Report"), and Note 11 to the Company's Consolidated Financial Statements – *Related Party Transactions - Domestic Related Party Services*, in SGRP's Annual Report on Form 10-K for its fiscal year ended December 31, 2017, as filed with the SEC on April 2, 2018 (the "Annual Report").

Although the Company (including SMF) may bring certain Field Specialists in-house from time to time, SMF has negotiated and entered into a non-exclusive agreement with an independent third party vendor to provide substantially all of the domestic the Field Specialists used by SMF, beginning on or before August 15, 2018. SMF believes its agreement with its new supplier will be beneficial to the Company in many ways.

SMF expects a smooth and seamless transition to such new vendor and its Field Specialists that will provide the Company with continuity of great execution and be virtually unnoticeable to the Company's Clients.

A copy of the Notice is attached hereto and filed herewith as Exhibit 10.1 and is hereby incorporated herein by reference.

## **Item 8.01. Other Events.**

SMF also has negotiated and entered into a non-exclusive agreement with another independent third party vendor to provide substantially all of the domestic Field Administrators used by SMF beginning on or before August 1, 2018. Please see SGRP's Report on Form 8-K as filed with the SEC on May 10, 2018 (which is hereby incorporated herein by reference).

## **Forward Looking Statements**

This Current Report on Form 8-K and the attached Notice (this "Current Report"), contain "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, 2017 (as filed, the "Annual Report"), as filed with the SEC on April 2, 2018, in SGRP's definitive Proxy Statement respecting its Annual Meeting of Stockholders held on May 2, 2018, as filed with the SEC on April 18, 2018 (the "Proxy Statement"), 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").



May 23, 2018

Mr. Robert G. Brown  
SPAR Business Services, Inc.  
7711 N. Military Trail  
Suite 1000  
Palm Beach Gardens, FL 33410

Attention: Robert G. Brown, President

Re: Notice of Cessation of Use of SBS Services Anticipated on or before August 15, 2018.

Dear Bob,

As per our discussion on May 3, 2018, SPAR Marketing Force, Inc. ("SMF"), is hereby giving SPAR Business Services ("SBS") notice of SMF's decision to cease using SBS's services, anticipated on or before August 15, 2018.

SMF will work together with SBS (in particular, you and your team) throughout this transition while SBS continues to provide its services, and SMF continues to use those services, as we each strive to accomplish a smooth and seamless transition.

Please let me know of any questions.

Sincerely,

Kori Belzer  
Chief Operating Officer  
SPAR Marketing Force, Inc.

cc: Christiaan M. Olivier  
James R. Segreto  
Arthur B. Drogue  
Lawrence David Swift, Esq.