

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): December 4, 2023

C-Bond Systems, Inc.

(Exact name of registrant as specified in its charter)

Colorado

(State or Other Jurisdiction
of Incorporation)

0-53029

(Commission File Number)

26-1315585

(IRS Employer
Identification Number)

6035 South Loop East, Houston, TX 77033

(Address of principal executive offices) (zip code)

(832) 649-5658

(Registrant's telephone number, including area code)

(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 (see General Instruction A.2. below):

- ☐ 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Not applicable	Not applicable	Not applicable

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 December 4, 2023, C-Bond Systems, Inc. (the "Company") entered into a letter agreement (the "Agreement") with Mercer Street Global Opportunity Fund, LLC (the "Investor") to eliminate the convertible features and implement a standstill on the interest due under the Convertible Promissory Note Dated October 15, 2021 (the "Note"). This Note is the only remaining convertible note on the Company's balance sheet.

Per the terms of the Agreement, provided that the Company continues making the Payments as outlined in the Agreement and meets its obligations under the Agreement, the Investor shall not have the right to convert the Note into the Company's common stock. The Company shall make the Payments on the 15th of every month. "Payments" shall mean \$15,000 per month for 35 months with a balloon payment of \$580,090 on the 36th month. Additionally, provided that the Company is in compliance with the Agreement, the Investor agreed to a standstill on the interest due under the Note beginning with the date that the first Payment is made.

The discussion herein regarding the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement attached hereto as Exhibit 10.1.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
10.1	Form of Letter Agreement by and between the C-Bond Systems, Inc. and Mercer Street Global Opportunity Fund, LLC dated December 4, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 6, 2023

C-Bond Systems, Inc.

By: /s/ Scott R. Silverman

Name: Scott R. Silverman

Title: Chief Executive Officer

FORM OF LETTER AGREEMENT

C-BOND SYSTEMS, INC.
6035 South Loop East
Houston, Texas 77033

December 4, 2023

Mercer Street Global Opportunity Fund, LLC
 Attention: Jonathan Juchno []

Re: Convertible Promissory Note Dated October 15, 2021

Dear Mr. Juchno:

This letter agreement (“**Agreement**”) documents our understanding regarding that certain Original Issue Discount Senior Convertible Promissory Note issued by C-Bond Systems, Inc. (the “**Company**”) to Mercer Street Global Opportunity Fund, LLC (“**Mercer**”) dated October 15, 2021 (“**Note**”). Provided that the Company continues making the Payments (defined and described below) and meets its obligations under this Agreement, Mercer shall not have the right to convert the Note into Common Stock. The Company shall make the Payments on the 15th of every month (with a five-day cure period with no notice required). “**Payments**” shall mean \$15,000 per month for 35 months with a balloon payment of \$580,090 on the 36th month (“**Balloon Payment**”). The Payments are detailed on Schedule B. Additionally, the Company shall pay Mercer 20% of the gross proceeds from capital raised by the Company through the issuance of securities or incurrence of any Debt (regardless of whether the incurrence of debt includes of the sale of any securities) (“**Capital Raise Payments**”). Capital Raise Payments shall only be required for capital raises resulting in the Company receiving gross proceeds of at least \$500,000. By way example, if the Company receives \$600,000 from the issuance of Debt, the Company shall make a Capital Raise Payment of \$120,000 to Mercer. Any Capital Raise Payments shall be first be applied to the then outstanding Balloon Payment and thereafter to the last Payments (35th, 34th and so on). “**Debt**” means borrowed money including the sale of any existing and future receivables. The Capital Raise Payments shall be made within two business days of the receipt of the funds under such raise. Any failure to make the Payments within the cure period or from the Capital Raise Payments by the required date shall make this Agreement null and void.

Additionally, provided that the Company is in compliance with this Agreement, Mercer agrees to a standstill on the interest due under the Note beginning with the date that the first Payment is made. Further, if the Company pays off the entire principal and accrued interest by the dates detailed on Schedule A, Mercer agrees to reduce the total amount due on the Note (principal and interest) by the percentages detailed on Schedule A. By way of example (and for example purposes only), if the amount due under the Note is \$1,000,000 (principal and interest), a payment of \$800,000 by the Company (20% discount) to Mercer prior to March 31, 2024 would result in a full repayment of the Note.

All rights and obligations under the Note shall remain the same. Mercer is not waiving any of its rights under the Note, including but not limited to, rights available prior to this Agreement. Capitalized terms used herein shall have the meanings set forth in the Note unless otherwise defined in this Agreement. This Agreement may be executed in identical counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile, scanned, or photocopied signature (and any signature duplicated in another similar manner) identical to the original will be considered an original signature.

If you agree, please sign below.

Sincerely,

C-BOND SYSTEMS, INC.

By:

 Scott Silverman
 Chief Executive Officer

I agree:

MERCER STREET GLOBAL OPPORTUNITY FUND, LLC

By:

 Jonathan Juchno, Authorized Representative

Schedule A

20% if fully paid by March 31, 2024

15% if fully paid by June 30, 2024

10% if fully paid by September 30, 2024

5% if fully paid by December 31, 2024

Payments

Total Due as of 11/30/23 \$1,113,090.74

12/15/2023	\$	15,000.00	6/15/2025	\$	15,000.00
1/15/2024	\$	15,000.00	7/15/2025	\$	15,000.00
2/15/2024	\$	15,000.00	8/15/2025	\$	15,000.00
3/15/2024	\$	15,000.00	9/15/2025	\$	15,000.00
4/15/2024	\$	15,000.00	10/15/2025	\$	15,000.00
5/15/2024	\$	15,000.00	11/15/2025	\$	15,000.00
6/15/2024	\$	15,000.00	12/15/2025	\$	15,000.00
7/15/2024	\$	15,000.00	1/15/2026	\$	15,000.00
8/15/2024	\$	15,000.00	2/15/2026	\$	15,000.00
9/15/2024	\$	15,000.00	3/15/2026	\$	15,000.00
10/15/2024	\$	15,000.00	4/15/2026	\$	15,000.00
11/15/2024	\$	15,000.00	5/15/2026	\$	15,000.00
12/15/2024	\$	15,000.00	6/15/2026	\$	15,000.00
1/15/2025	\$	15,000.00	7/15/2026	\$	15,000.00
2/15/2025	\$	15,000.00	8/15/2026	\$	15,000.00
3/15/2025	\$	15,000.00	9/15/2026	\$	15,000.00
4/15/2025	\$	15,000.00	10/15/2026	\$	15,000.00
5/15/2025	\$	15,000.00	11/15/2026	\$	588,090.74