
Section 1: 8-K

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 29, 2019

REED'S, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32501
(Commission
File Number)

35-2177773
(IRS Employer
Identification No.)

201 Merritt 7 Corporate Park, Norwalk, CT 06851
(Address of principal executive offices and zip code)

Not applicable
(Former name or former address if changed since last report)

Registrant's telephone number, including area code: (310) 217-9400

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))
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Item 1.01 Entry into a Material Definitive Agreement

On September 29, 2019, in connection with the resignation of Valentin Stalowir from the office of CEO, Reed's Inc., a Delaware corporation ("Reed's") entered into an amendment to his employment agreement extending the termination date through the earlier of the date his final separation agreement is finalized or October 31, 2019, so that Mr. Stalowir may continue as an employee for the purpose of transitioning his duties.

On September 30, 2019, Reed's entered into an employment agreement with Norman E. Snyder to serve as Reed's Chief Operating Officer, effective September 30, 2019 and continuing thereafter unless terminated by either Reed's or the executive officer with or without notice, and with or without cause, pursuant to the terms of the agreement.

Pursuant to the agreement, Mr. Snyder will receive a base salary at the initial rate of \$250,000 per year. Mr. Snyder will also receive a performance based cash bonus at a target amount of 30% of his then current base salary. Mr. Snyder will be eligible to receive an initial equity award of 446,000 stock options ("Initial Equity Award") in 90 days, in accordance with the terms and conditions of available plan and subject to board approval and plan availability. Of the Initial Equity Award, one-half (223,000 options) will vest in equal increments of 55,750 on each of the first, second, third and fourth anniversaries of the grant date. Of the Initial Equity Award, the remainder (223,000 options) will vest based on performance criteria to be determined by the Board or compensation committee of the Board (as the case may be) in its sole discretion. Mr. Snyder is also eligible to participate in the Company's other benefit plans available to its executive officers. The agreement provides for acceleration of equity grants triggered by a "change of control", as defined in the agreement and contains confidentiality, invention assignment and non-solicitation covenants.

The foregoing description of the agreement does not purport to be complete and is qualified in their entirety by reference to the full text of such agreements.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On September 29, 2019, Valentin Stalowir resigned from the offices of Chief Executive Officer and President of Reed's and from his position as a director of Reed's. He will continue as employee of Reed's to assist with the transition of his duties until the earlier of the date his final separation agreement is finalized or October 31, 2019.

On September 30, Stefan Freeman agreed to step down from the position of Chief Operating Officer of Reed's. He will continue as an employee as Reed's until a final separation agreement is finalized or he transitions to a new position.

On September 30, 2019, the board of directors of Reed's appointed John Bello, Chairman, as Interim Chief Executive Officer. As a result, Mr. Bello has resigned from serving on compensation, governance and operating committees of the board.

John Bello and has served as Reed's board Chairman since his election on November 29, 2016. Since 2001, Mr. Bello has been the Managing Director of JoNa Ventures, a family venture fund. From 2004 to 2012 Mr. Bello also served as Principal and General Partner at Sherbrooke Capital, a venture capital group dedicated to investing in leading, early stage health and wellness companies. Mr. Bello is the founder and former CEO of South Beach Beverage Company, the maker of nutritionally enhanced teas and juices marketed under the brand name SoBe. In 2001 Ernst and Young named Mr. Bello National Entrepreneur of the Year in the consumer products category for his work with SoBe. Before founding SoBe, Mr., Bello spent 14 years at National Football League Properties, the marketing arm of the NFL, and served as its President from 1986 to 1993.

On September 30, 2019, Norman E. Snyder, age 58 was appointed as Chief Operating Officer of Reed's by the board of directors.

Mr. Snyder has over 36 years of multi-faceted experience in operations, sales, marketing, finance, manufacturing, business development and management with public, private, international and start-up companies within the beverage industry. Most recently, from February 13, 2019 to September 19, 2019, Mr. Snyder served as President and Chief Executive Office for Avitae USA, LLC, an emerging premium new age beverage company that markets and sells a line of ready-to-drink caffeinated waters. Prior to Avitae, he served as the President and Chief Operating Officer for Adina For Life, Inc. a startup beverage venture that markets and sells ready-to-drink fruit beverages, teas and coffees. Mr. Snyder was also the President and Chief Executive Officer of High Falls Brewing Company, Chief Operating Officer of Rheingold Brewing Company, and as Chief Financial Officer, and later as Chief Operating Officer of South Beach Beverage Company, known as SoBe. In prior experience, Mr. Snyder served as Controller for National Football League Properties, Inc., and in various roles at PriceWaterhouse in an eight-year tenure. He worked with Mr. Bello both at the NFL and Adina for Life in addition to SoBe. Mr. Snyder has served on the board of directors of River Hospital, a New York non-profit, as Vice Chairman, Chairman of the Finance Committee and member of Capital Project and CEO Search Committees.

The disclosures set forth in Item 1.01 are incorporated herein by this reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit relating to Items 5.02 shall be deemed to be furnished, and not filed:

[99.1 Press release of Reed's Inc. dated September 30, 2019](#)

SIGNATURE

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, thereunto duly authorized.

REEDS, INC.,
a Delaware corporation

Dated: September 30, 2019

By: /s/ Iris Snyder
Iris Snyder
Chief Financial Officer

Section 2: EX-99.1



Reed's Inc. Announces Management Restructuring

Industry Veteran and Chairman of the Board John Bello Assumes Role of Interim Chief Executive Officer

Norman E. Snyder, Jr. Appointed Chief Operating Officer

Announces Preliminary Q3 2019 net sales of approximately \$8.5 million

NORWALK, CT, September 30, 2019 (GLOBE NEWSWIRE) — Reed's Inc. (Nasdaq: REED), owner of the nation's leading portfolio of handcrafted, all-natural beverages, today announced a restructuring of its executive leadership team to accelerate its continued business transformation to an efficient and effective asset-light model. The leadership changes include the appointment of John Bello, currently Chairman of the Board of Directors, as Interim Chief Executive Officer and the appointment of Norman E. Snyder, Jr. as Reed's Chief Operating Officer. Additionally, the Company has announced preliminary third quarter 2019 net sales.

"Today's announcement reflects the Board's decision to adjust our leadership team to align with the stage of our business development. The Company has executed the initial stages of its business transformation to a brand platform business model centered on Healthy Refreshment. With the divestiture of manufacturing, Reed's will focus on building world class brands through on-trend product innovation, effective sales and powerful marketing. We have now entered a key next stage of our business transformation, where we are focused on executing the further development of our outsourced supply chain to support the anticipated growth of our core brands as we expand our sales and marketing efforts," said John Bello, Chairman and Interim CEO of Reed's, Inc. "As we enter this next phase in our growth, it is crucial to develop a team with the experience and skills to execute our new business model. I will leverage my beverage industry experience to provide the guidance to drive these important business activities while partnering with and building our talented team to support our expanding sales, marketing and product development efforts."

"We have implemented an executive search to identify the most experienced leadership for this next phase of our growth and have added a seasoned operational executive to enhance our supply chain and broaden our contract manufacturing relationships. I had the distinct pleasure of working closely with Norm as we built SoBe into a powerful national brand which exceeded \$275 million in sales in five years. He was responsible for building our national production, which included 17 packing facilities and leveraged high quality co-packer relationships across North America. Additionally, his CPA and financial background is an asset in enhancing margins and negotiating productive contracts and raw material sourcing. His experience, relationships and proven success at building an effective and efficient beverage supply chain position us to capitalize on our opportunities across the craft and healthy beverage industries," continued Mr. Bello.

Mr. Snyder brings over 36 years of multi-faceted experience in operations, sales, marketing, finance, manufacturing, business development and management with public, private, international and start-up companies within the beverage industry. Most recently, Mr. Snyder served as President and Chief Executive Office for Avitae USA, LLC, an emerging premium new age beverage company that markets and sells a line of ready-to-drink caffeinated waters. Prior to Avitae, he served as the President and Chief Operating Officer for Adina For Life, Inc. a startup beverage venture that markets and sells ready-to-drink fruit beverages, teas and coffees. Mr. Snyder was also the President and Chief Executive Officer of High Falls Brewing Company, Chief Operating Officer of Rheingold Brewing Company, and Chief Financial Officer, and later Chief Operating Officer of South Beach Beverage Company, known as SoBe. In prior experience, Mr. Snyder served as Controller for National Football League Properties, Inc., and in various roles at PriceWaterhouse during an eight-year tenure. He worked with Mr. Bello both at the NFL and Adina for Life in addition to contributing to the spectacular success at SoBe.

“I’m excited to reunite with John to build on the success of iconic brands like Reeds and Virgil’s. I am honored to join the Reed’s team at such an exciting and pivotal time in the Company’s history,” said Mr. Snyder. “We have a substantial opportunity ahead of us and I look forward to helping the Company leverage its brand strengths and build the organization necessary to support such change and growth in the near and long term.”

Mr. Snyder will succeed Stefan Freeman, who has served as Reed’s Chief Operating Officer since July 2017. Mr. Freeman will continue to support Reed’s and move into a transitional operating role, working closely with Mr. Snyder to ensure a seamless executive operational transition.

“I want to thank Val Stalowir for his dedicated and tireless service over the last two years executing our transformation plan. Val repositioned the business operations and built out a strong sales and marketing organization that is poised to drive the business to its next level. As we transition into our next phase of development, change is expected, and we wish Val the best in his next endeavors,” stated Mr. Bello.

Reed’s Inc. today provided preliminary results for the third quarter of fiscal 2018. The company anticipates net sales of approximately \$8.5 million, reflecting 3% to 4% core gross sales growth versus the prior year period.

“Our third quarter results reflect the short-term supply chain challenges that began at end of the second quarter and modest improvement is anticipated as we exit the year. However, we are pleased to report that we have seen improvement in fulfillment rates, have expanded our contract manufacturing relationships and are executing on our initiatives to broaden production and support our strong product innovation efforts as we enter 2020. Our enhanced operation team will further accelerate our supply chain enhancement efforts,” continued Mr. Bello.

About Reed’s, Inc.:

Established in 1989, Reed’s is America’s best-selling Ginger Beer brand and has been the leader and innovator in the ginger beer category for decades. Virgil’s is America’s best-selling independent, full line of natural craft sodas. The Reed’s Inc. portfolio is sold in over 35,000 retail doors nationwide. Reed’s Ginger Beers are unique due to the proprietary process of using fresh ginger root combined with a Jamaican inspired recipe of natural spices and fruit juices. The Company uses this same handcrafted approach in its award-winning Virgil’s line of great tasting, bold flavored craft sodas.

For more information about Reed’s, please visit the Company’s website at: <http://www.drinkreeds.com> or call 800-99-REEDS. Follow Reed’s on Twitter, Instagram, and Facebook @drinkreeds.

For more information about Virgil’s please visit Virgil’s website at: <http://www.virgils.com>. Follow Virgil’s on Twitter and Instagram @drinkvirgils and on Facebook @drinkvirgilsoda.

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