

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): July 5, 2020

HC2 HOLDINGS, INC.

Delaware

(State or other jurisdiction of
incorporation)

001-35210

(Commission File Number)

54-1708481

(IRS Employer Identification No.)

450 Park Avenue, 30th Floor
New York, NY 10022

(Address of principal executive offices)

(212) 235-2690

(Registrant's telephone number, including area code)

Not Applicable

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	HCHC	New York Stock Exchange

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 July 5, 2020, HC2 Holdings, Inc., a Delaware corporation (the “Company”), entered into a letter agreement with each of (i) MG Capital Management Ltd., Percy Rockdale LLC and Rio Royal LLC (collectively, “MG Capital”), amending the terms of that certain cooperation agreement (the “MG Capital Agreement”), dated as of May 13, 2020, by and between the Company and MG Capital (the “MG Capital Amendment”), (ii) Lancer Capital LLC (“Lancer Capital”), amending the terms of that certain agreement (the “Lancer Capital Agreement”), dated as of May 13, 2020, by and between the Company and Lancer Capital (the “Lancer Capital Amendment”), and (iii) JDS1 LLC and CCUR Holdings, Inc. (collectively, “JDS1”), amending the terms of that certain agreement (the “JDS1 Agreement”), dated as of May 13, 2020, by and between the Company and JDS1 (the “JDS1 Amendment” and, together with the MG Capital Amendment and the Lancer Capital Amendment, the “Amendments”).

Pursuant to the MG Capital Agreement, the board of directors of the Company (the “Board”) agreed, among other things, to (i) take such actions as are necessary to reduce the size of the Board from ten (10) to seven (7) directors, effective as of the Company’s 2020 annual meeting of stockholders (the “2020 Annual Meeting”), (ii) nominate a slate of seven (7) directors for election at the 2020 Annual Meeting, including Philip A. Falcone, and (iii) hold the 2020 Annual Meeting no later than July 8, 2020, except for any adjournment solely due to a lack of quorum under the Company’s Fourth Amended and Restated By-Laws.

Each of the MG Capital Amendment, the Lancer Capital Amendment and the JDS1 Amendment modifies each of the MG Capital Agreement, the Lancer Capital Agreement and the JDS1 Agreement, respectively, to provide that (i) Mr. Falcone will not be included on the slate of directors for election at the 2020 Annual Meeting, (ii) the Board will take such actions as are necessary to reduce the size of the Board to six (6) directors, effective as of the completion of the 2020 Annual Meeting on July 30, 2020, and (iii) the 2020 Annual Meeting will be convened on July 8, 2020, solely for purposes of adjourning the 2020 Annual Meeting to July 30, 2020.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the MG Capital Amendment, a copy of which is attached hereto as Exhibit 10.1, the Lancer Capital Amendment, a copy of which is attached hereto as Exhibit 10.2, and the JDS1 Amendment, a copy of which is attached hereto as Exhibit 10.3. All three Amendments are incorporated herein by reference.

Item 8.01. Other Events.

On July 6, 2020, the Company issued a press release announcing, among other things, the adjournment of the 2020 Annual Meeting from July 8, 2020 to July 30, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Item No.	Description
10.1	Letter Agreement, dated as of July 5, 2020, by and among HC2 Holdings, Inc., MG Capital Management Ltd., Percy Rockdale LLC and Rio Royal LLC
10.2	Letter Agreement, dated as of July 5, 2020, by and between HC2 Holdings, Inc. and Lancer Capital LLC
10.3	Letter Agreement, dated as of July 5, 2020, by and among HC2 Holdings, Inc., JDS1, LLC and CCUR Holdings, Inc.
99.1	Press Release, dated as of July 6, 2020, titled "HC2 Holdings to Adjourn 2020 Annual Meeting of Stockholders to July 30, 2020"
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

Date: July 6, 2020

HC2 Holdings, Inc. (Registrant)

By: /s/ Michael J. Sena

Name: Michael J. Sena

Title: Chief Financial Officer

HC2 Holdings, Inc.
450 Park Avenue, 30th Floor
New York, New York 10022

MG Capital Parties

c/o MG Capital Management Ltd.
595 Madison Avenue, 29th Floor
New York, New York 10022
Attention: Michael Gorzynski
Email: mike@mgcapitalpartners.com
Telephone: +1-646-274-9610

July 5, 2020

Ladies and Gentlemen:

Reference is hereby made to that certain Cooperation Agreement, dated as of May 13, 2020 (as amended, supplemented or otherwise modified from time to time in accordance with its terms, the “**Agreement**”), by and among MG Capital Management Ltd., a Cayman Islands company limited by shares (“**MG Capital**”), Percy Rockdale LLC, a Michigan limited liability company (“**Percy Rockdale**”), Rio Royal LLC, a Michigan limited liability company (together with MG Capital and Percy Rockdale, the “**MG Capital Parties**”), and HC2 Holdings, Inc., a Delaware corporation (the “**Company**”). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement.

In connection with the Company’s announcement on June 11, 2020 that, effective as of such date, Philip A. Falcone is no longer serving as the Chief Executive Officer of the Company, the board of directors of the Company (the “**Board**”) has determined not to include Mr. Falcone in the Company’s slate of directors for its 2020 annual meeting of stockholders (the “**2020 Annual Meeting**”), scheduled to be held on July 8, 2020. In connection with the Agreement and the transactions contemplated thereby, and notwithstanding anything to the contrary contained in the Agreement, each of the MG Capital Parties and the Company agrees, as a result of the foregoing and certain other matters, that (i) notwithstanding Section 1(f) of the Agreement, Mr. Falcone will not be included on the 2020 Director Slate, (ii) notwithstanding Section 1(f) of the Agreement, the Board will take such actions as are necessary to reduce the size of the Board to six (6) directors, effective as of the completion of the 2020 Annual Meeting on July 30, 2020, (iii) the 2020 Annual Meeting will be convened on July 8, 2020, as set forth in Section 1(e) of the Agreement, but solely for purposes of adjourning the 2020 Annual Meeting to July 30, 2020, and (iv) notwithstanding sub-clause (iii) above and Section 10 of the Agreement, the Company shall reimburse the MG Capital Parties for fifty percent (50%) of any remaining Expenses (up to the Cap) on or before July 8, 2020, and the remaining fifty percent (50%) of any such Expenses (up to the Cap) on or before July 30, 2020. The parties hereby acknowledge and agree that nothing in this letter shall constitute a violation of the other terms and conditions of the Agreement.

Except as otherwise expressly provided herein, all of the terms, agreements and conditions of the Agreement remain unwaived and unchanged and continue in full force and

effect. This letter is limited precisely as written and shall not be deemed to be a waiver of any other term, agreement or condition of the Agreement. The provisions of Sections 9, 11, 12 and 14 through 19 of the Agreement are hereby incorporated herein by reference, *mutatis mutandis*, as if set forth herein and shall apply to this letter. Any conflict arising between this letter and the Agreement shall be resolved in favor of the terms and intent of this letter.

[Signature Pages Follow]

Very truly yours,

HC2 HOLDINGS, INC.

By: /s/ Joseph A. Ferraro

Name: Joseph A. Ferraro

Title: Chief Legal Officer

cc: Richard J. Grossman (by email)
Skadden, Arps, Slate, Meagher & Flom LLP

Christopher P. Davis (by email)
Kleinberg, Kaplan, Wolff & Cohen, P.C.

[Signature Page to MG Capital Letter Agreement]

Agreed and accepted as of the date first written above:

MG CAPITAL PARTIES:

MG Capital Management Ltd.

By: /s/ Michael Gorzynski
Name: Michael Gorzynski
Title: Sole Director

Percy Rockdale LLC

By: /s/ Michael Gorzynski
Name: Michael Gorzynski
Title: Sole Manager

Rio Royal LLC

By: /s/ Michael Gorzynski
Name: Michael Gorzynski
Title: Sole Manager

[Signature Page to MG Capital Letter Agreement]

HC2 Holdings, Inc.
450 Park Avenue, 30th Floor
New York, New York 10022

Lancer Capital LLC
777 South Flagler Drive, Suite 800, West Tower
West Palm Beach, Florida 33401
Attention: Avram Glazer
Email: a.g@mac.com

July 5, 2020

Ladies and Gentlemen:

Reference is hereby made to that certain Agreement, dated as of May 13, 2020 (as amended, supplemented or otherwise modified from time to time in accordance with its terms, the “**Agreement**”), by and between Lancer Capital LLC, a Delaware limited liability company (“**Lancer Capital**”), and HC2 Holdings, Inc., a Delaware corporation (the “**Company**”). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement.

In connection with the Company’s announcement on June 11, 2020 that, effective as of such date, Philip A. Falcone is no longer serving as the Chief Executive Officer of the Company, the board of directors of the Company (the “**Board**”) has determined not to include Mr. Falcone in the Company’s slate of directors for its 2020 annual meeting of stockholders (the “**2020 Annual Meeting**”), scheduled to be held on July 8, 2020. In connection with the Agreement and that certain cooperation agreement, dated as of May 13, 2020, by and among MG Capital Management Ltd., Percy Rockdale LLC, Rio Royal LLC and the Company (the “**MG Capital Agreement**”), and the transactions contemplated thereby, and notwithstanding anything to the contrary contained in the Agreement and the MG Capital Agreement, each of the Parties acknowledges, as a result of the foregoing and certain other matters, that (i) Mr. Falcone will not be included on the 2020 Director Slate, (ii) the Board will take such actions as are necessary to reduce the size of the Board to six (6) directors, effective as of the completion of the 2020 Annual Meeting on July 30, 2020, and (iii) the 2020 Annual Meeting will be convened on July 8, 2020, solely for purposes of adjourning the 2020 Annual Meeting to July 30, 2020.

The parties hereby acknowledge and agree that nothing in this letter shall constitute a violation of the other terms and conditions of the Agreement.

Except as otherwise expressly provided herein, all of the terms, agreements and conditions of the Agreement remain unwaived and unchanged and continue in full force and effect. This letter is limited precisely as written and shall not be deemed to be a waiver of any other term, agreement or condition of the Agreement. The provisions of Sections 8 through 10 and 12 through 17 of the Agreement are hereby incorporated herein by reference, *mutatis*

mutandis, as if set forth herein and shall apply to this letter. Any conflict arising between this letter and the Agreement shall be resolved in favor of the terms and intent of this letter.

[Signature Pages Follow]

Very truly yours,

HC2 HOLDINGS, INC.

By: /s/ Joseph A. Ferraro

Name: Joseph A. Ferraro

Title: Chief Legal Officer

cc: Richard J. Grossman (by email)
Skadden, Arps, Slate, Meagher & Flom LLP

Christopher R. Rodi (by email)
Woods Oviatt Gilman LLP

[Signature Page to Lancer Capital Letter Agreement]

Agreed and accepted as of the date first written above:

Lancer Capital LLC

By: /s/ Avram A. Glazer

Name: Avram A. Glazer

Title: Sole Member

[Signature Page to Lancer Capital Letter Agreement]

HC2 Holdings, Inc.
450 Park Avenue, 30th Floor
New York, New York 10022

JDS1, LLC
2200 Fletcher Avenue, Suite 501
Fort Lee, New Jersey 07024
Attention: Julian Singer
Telephone: +1-201-592-3400
(By Email)

CCUR Holdings, Inc.
6470 East Johns Crossing, Suite 490
Duluth, Georgia 30097
Attention: Warren Sutherland
(By Email)

July 5, 2020

Ladies and Gentlemen:

Reference is hereby made to that certain Agreement, dated as of May 13, 2020 (as amended, supplemented or otherwise modified from time to time in accordance with its terms, the “**Agreement**”), by and among JDS1, LLC, a Delaware limited liability company, CCUR Holdings, Inc., a Delaware corporation (collectively, “**JDS1**”), and HC2 Holdings, Inc., a Delaware corporation (the “**Company**”). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement.

In connection with the Company’s announcement on June 11, 2020 that, effective as of such date, Philip A. Falcone is no longer serving as the Chief Executive Officer of the Company, the board of directors of the Company (the “**Board**”) has determined not to include Mr. Falcone in the Company’s slate of directors for its 2020 annual meeting of stockholders (the “**2020 Annual Meeting**”), scheduled to be held on July 8, 2020. In connection with the Agreement and that certain cooperation agreement, dated as of May 13, 2020, by and among MG Capital Management Ltd., Percy Rockdale LLC, Rio Royal LLC and the Company (the “**MG Capital Agreement**”), and the transactions contemplated thereby, and notwithstanding anything to the contrary contained in the Agreement and the MG Capital Agreement, each of the Parties acknowledges, as a result of the foregoing and certain other matters, that (i) Mr. Falcone will not be included on the 2020 Director Slate, (ii) the Board will take such actions as are necessary to reduce the size of the Board to six (6) directors, effective as of the completion of the 2020 Annual Meeting on July 30, 2020, and (iii) the 2020 Annual Meeting will be convened on July 8, 2020, solely for purposes of adjourning the 2020 Annual Meeting to July 30, 2020.

The parties hereby acknowledge and agree that nothing in this letter shall constitute a violation of the other terms and conditions of the Agreement.

Except as otherwise expressly provided herein, all of the terms, agreements and conditions of the Agreement remain unwaived and unchanged and continue in full force and effect. This letter is limited precisely as written and shall not be deemed to be a waiver of any other term, agreement or condition of the Agreement. The provisions of Sections 8 through 10 and 12 through 17 of the Agreement are hereby incorporated herein by reference, *mutatis mutandis*, as if set forth herein and shall apply to this letter. Any conflict arising between this letter and the Agreement shall be resolved in favor of the terms and intent of this letter.

[Signature Pages Follow]

Very truly yours,

HC2 HOLDINGS, INC.

By: /s/ Joseph A. Ferraro

Name: Joseph A. Ferraro

Title: Chief Legal Officer

cc: Richard J. Grossman (by email)
Skadden, Arps, Slate, Meagher & Flom LLP

Paul N. Silverstein (by email)
Melinda Brunger
Hunton Andrews Kurth LLP

[Signature Page to JDS1 Letter Agreement]

Agreed and accepted as of the date first written above:

JDS1, LLC

By: /s/ Julian Singer

Name: Julian Singer

Title: President

CCUR Holdings, Inc.

By: /s/ Warren Sutherland

Name: Warren Sutherland

Title: Chief Financial Officer

[Signature Page to JDS1 Letter Agreement]



FOR IMMEDIATE RELEASE

HC2 Holdings to Adjourn 2020 Annual Meeting of Stockholders to July 30, 2020

New York, New York – July 6, 2020 – HC2 Holdings, Inc. (“HC2” or the “Company”) (NYSE: HCHC), a diversified holding company, today announced that it intends to convene, and then immediately adjourn, the Company’s scheduled July 8, 2020 Annual Meeting of Stockholders (the “Annual Meeting”) to Thursday, July 30, 2020 due to, among other things, the recent change in the Company’s executive management. No business will be conducted at the July 8, 2020 Annual Meeting other than to adjourn the Annual Meeting to the later date.

The Company additionally announced that, in light of the recent change in the Company’s executive management, Philip A. Falcone will not be included on the Company’s slate of director nominees for the Annual Meeting.

The Company expects to proceed with the Annual Meeting on Thursday, July 30 at 9:00 am Eastern Time, which will be held by means of remote communication. The proxy card included with the previously distributed proxy materials will not be updated to reflect the adjournment and may continue to be used to vote shares in connection with the Annual Meeting. The record date for common and preferred stockholders remains May 22, 2020. Stockholders who have already voted and do not wish to change their vote do not need to vote again.

The Company intends to keep its stockholders apprised of any further updates relating to the Annual Meeting as they become available and will file supplemental proxy materials with the U.S. Securities and Exchange Commission in the coming weeks.

About HC2

HC2 Holdings, Inc. is a publicly traded (NYSE:HCHC) diversified holding company, which seeks opportunities to acquire and grow businesses that can generate long-term sustainable free cash flow and attractive returns in order to maximize value for all stakeholders. HC2 has a diverse array of operating subsidiaries across multiple reportable segments, including Construction, Energy, Telecommunications, Life Sciences, Broadcasting, Insurance and Other. HC2’s largest operating subsidiary is DBM Global Inc., a family of companies providing fully integrated structural and steel construction services. Founded in 1994, HC2 is headquartered in New York, New York. Learn more about HC2 and its portfolio companies at www.hc2.com.

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This press release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally

identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “could,” “might,” or “continues” or similar expressions. The forward-looking statements in this press release include, without limitation, any statements regarding HC2’s expectations regarding building shareholder value, future cash flow, longer-term growth and invested assets, the timing or prospects of any refinancing of HC2’s remaining corporate debt, and any statements regarding HC2’s expectations regarding entering definitive agreements in respect of the potential divestitures of Continental Insurance and/or DBM Global. Such statements are based on the beliefs and assumptions of HC2’s management and the management of HC2’s subsidiaries and portfolio companies. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company’s actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent statements and reports filed with the Securities and Exchange Commission (“SEC”), including in our reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we have historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions, including the ability of HC2 and HC2’s subsidiaries to raise capital; the ability of HC2’s subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition or disposition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; the risks and uncertainties associated with, and resulting from, the COVID-19 pandemic; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. Although HC2 believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. These risks and other important factors discussed under the caption “Risk Factors” in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the SEC, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

Investor Relations
Garrett Edson
ir@hc2.com
(212) 235-2691