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**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): **April 25, 2018**

**Appliance Recycling Centers of America, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction  
of incorporation)

**000-19621**  
(Commission  
File Number)

**41-1454591**  
(IRS Employer  
Identification No.)

**175 Jackson Avenue North, Suite 102, Minneapolis, MN**  
(Address of principal executive offices)

**55343-4565**  
(Zip Code)

Registrant's telephone number, including area code: **(952) 930-9000**

**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))

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 any 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.

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**Item 1.01 Entry into a Material Definitive Agreement.**

As previously announced by Appliance Recycling Centers of America, Inc. (the “Company”), together with its subsidiary ApplianceSmart, Inc. (“ApplianceSmart”), the Company entered into a Stock Purchase Agreement (the “Agreement”) with ApplianceSmart Holdings LLC (the “Purchaser”), a wholly-owned subsidiary of Live Ventures Incorporated (“Live”). Pursuant to the Agreement, the Purchaser purchased (the “Transaction”) from the Company all of the issued and outstanding shares of capital stock of ApplianceSmart in exchange for \$6,500,000 (the “Purchase Price”). The Purchaser was required to deliver the Purchase Price, and a portion of the Purchase Price was delivered, to the Company prior to March 31, 2018. Between March 31, 2018 and April 24, 2018, the Purchaser and the Company negotiated in good faith the method of payment of the remaining balance of the Purchase Price. On April 25, 2018, the Purchaser delivered to the Company that certain Promissory Note (the “ApplianceSmart Note”) in the original principal amount of \$3,919,494.46 (the “Original Principal Amount”), as such amount may be adjusted per the terms of the ApplianceSmart Note. The ApplianceSmart Note is effective as of April 1, 2018 and matures on April 1, 2021 (the “Maturity Date”). The ApplianceSmart Note bears interest at 5% per annum with interest payable monthly in arrears. Ten percent of the outstanding principal amount will be repaid annually on a quarterly basis, with the accrued and unpaid principal due on the Maturity Date. ApplianceSmart has agreed to guaranty repayment of the ApplianceSmart Note. The remaining \$2,580,505.54 of the Purchase Price was paid in cash by the Purchaser to the Company. The Purchaser may reborrow funds, and pay interest on such reborrowings, from the Company up to the Original Principal Amount. The foregoing description of the ApplianceSmart Note does not purport to be complete and is qualified in its entirety by reference to the full text of the ApplianceSmart Note, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference. Jon Isaac, the President and Chief Executive Officer of Live, is the CEO, Manager and sole member of Isaac Capital Group, LLC, which, as of October 6, 2017, was the beneficial owner of 8.6% of the outstanding capital stock of the Company. Jon Isaac is also the son to Tony Isaac, the Chief Executive Officer of the Company and former Chief Executive Officer of ApplianceSmart. Prior to the signing of the Agreement, the Company formed a special committee composed entirely of an independent and disinterested director to evaluate the Transaction and the terms of the Appliance Smart Note.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#"><u>Promissory Note, effective April 1, 2018, issued by ApplianceSmart Holdings LLC</u></a>

**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.

**Appliance Recycling Centers of America, Inc.**

Date: April 26, 2018

/s/ Tony Isaac  
Tony Isaac  
Chief Executive Officer

**PROMISSORY NOTE**

Effective Date: April 1, 2018  
Maker: ApplianceSmart Holdings LLC, a Nevada limited liability company  
Maker's Mailing Address (including county): 325 E. Warm Springs Road, Suite 102, Las Vegas, NV 89119 (Clark County)  
Payee: Appliance Recycling Centers of America, Inc.  
Place for Payment: 175 Jackson Avenue North, Suite 102, Minneapolis, MN 55343  
Principal Amount: \$3,919,494.46  
Maturity Date: April 1, 2021  
Annual Interest Rate: 5.0% (Based on a 365-day year)  
Terms of Payment:

*Interest.* Beginning on September 30, 2018 and continuing through and including the Maturity Date, Maker shall make monthly payments of interest, in arrears on the first day of every calendar month.

*Principal.* Beginning on September 30, 2018 and continuing through and including the Maturity Date, Maker shall make quarterly payments of principal in an amount equal to \$97,987.36, with all accrued and unpaid principal due and payable on the Maturity Date. The aggregate principal amount outstanding shall be increased or decreased, as the case may be, at any time and from time to time based on advances, credits, payments, and other amounts paid or owed, as the case may be, by and between ApplianceSmart, Inc., a Minnesota corporation and wholly-owned subsidiary of Maker, and Payee.

*Reborrowing.* Upon Maker's written request, Payee will make revolving credit loans to Maker from time to time in such amounts as Maker may request, and Maker may make prepayments and reborrowings; provided, however, the aggregate principal amount of the aggregate amount owed by Maker to Payee at any time shall not exceed the principal amount. Interest on any such borrowings shall accrue at the annual interest rate and be payable in accordance with the terms hereof.

*Prepayment.* Maker may prepay all outstanding principal and interest at any time and from time to time without penalty.

*Costs of Collection.* If this note is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Maker shall pay Payee all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due.

*(Remainder of this page intentionally left blank; signatures begin on the next page.)*

Executed on this 25<sup>th</sup> day of April, 2018, the parties intending that the Promissory Note be effective as of April 1, 2018.

**APPLIANCESMART HOLDINGS LLC**

By: Live Ventures Incorporated, its sole member

By: /s/ Jon Isaac  
Name: Jon Isaac  
Title: President and Chief Executive Officer

## AGREEMENT AND GUARANTY

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of ApplianceSmart Holdings LLC, a Nevada limited liability company ("**Holdings**"), parent of ApplianceSmart, Inc., a Minnesota corporation ("**Guarantor**"), having agreed to the terms of the outstanding amount owed by Holdings to Appliance Recycling Centers of America, Inc., a Nevada corporation ("**ARCA**") in connection with the sale of Guarantor from ARCA to Holdings, as documented by that certain Promissory Note, effective as of April 1, 2018, issued by Holdings in the original principal amount of \$3,919,494.46 for the benefit of ARCA (the "**Note**"), Guarantor does hereby unconditionally guarantee to ARCA full and prompt payment and performance of all obligations of Holdings to ARCA under the Note. Guarantor also agrees to pay in addition thereto all costs, expenses and reasonable attorney's fees at any time paid or incurred by ARCA in endeavoring to enforce this Guaranty.

Upon any default by Holdings with respect to any of the obligations herein guaranteed, the liability of the Guarantor hereunder shall be deemed to have become immediately due and payable, without demand, presentment, protest or notice of any kind, all of which are hereby waived, and without any suit or action against Holdings or the Guarantor and without further steps to be taken or further conditions to be performed by ARCA. Failure of ARCA to make any demand or otherwise to proceed against the Guarantor in respect to any default by Holdings or the Guarantor, or any delay by ARCA in doing so, shall not constitute a waiver of ARCA right to proceed in respect to any or all other defaults by the Company or the Guarantor.

Guarantor further acknowledges and agrees that until such time as the Note has been paid in full, it shall not create, incur, assume, or suffer to exist any indebtedness secured by a material amount of Guarantor's assets without the prior written consent of ARCA, which consent shall not be unreasonably withheld, conditioned, or delayed.

This Guaranty and Agreement shall be governed by and construed in accordance with the laws of the State of Nevada (without reference to the conflicts of law provisions thereof). The invalidity or unenforceability of any provision hereof shall not limit the validity or enforceability of any other provision hereof. This Guaranty and Agreement may not be amended except by an instrument in writing signed by the party to be charged.

Executed on this 25<sup>th</sup> day of April, 2018, the parties intending that the Promissory Note be effective as of April 1, 2018.

**APPLIANCESMART, INC.**

By: /s/ Jon Isaac  
Name: Jon Isaac  
Title: Chief Executive Officer