

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): April 29, 2020

SIGMA LABS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

001-38015
(Commission
File Number)

27-1865814
(I.R.S. Employer
Identification No.)

3900 Paseo del Sol
Santa Fe, New Mexico 87507
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (505) 438-2576

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
Common Stock, par value \$0.001 per share	SGLB	The NASDAQ Stock Market LLC
Warrants to Purchase Common Stock, par value \$0.001 per share	SGLBW	The NASDAQ Stock Market LLC

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

Effective as of April 30, 2020, Mark K. Rupert, age 67, was appointed as President, Chief Executive Officer and principal executive officer of Sigma Labs, Inc. (“we,” “us,” “our,” “Sigma,” or the “Company”). Since December 3, 2019, Mr. Rupert had served as Executive Chairman. Mr. Rupert will no longer serve as Executive Chairman, but will remain a director on the Board of Directors of the Company. There are no arrangements or understandings between Mr. Rupert and any other persons pursuant to which he was chosen as President, Chief Executive Officer and principal executive officer of the Company. There are no family relationships between Mr. Rupert and any of the Company’s directors, executive officers or persons nominated or chosen by the Company to become a director or executive officer. Mr. Rupert is not a party to any current or proposed transaction with the Company for which disclosure is required under Item 404(a) of Regulation S-K, and Mr. Rupert’s employment letter agreement with the Company remains in place in accordance with its terms except for the changes in Mr. Rupert’s position.

Effective as of April 30, 2020, as part of the leadership change, John Rice resigned from his positions as President, Chief Executive Officer, and principal executive officer of the Company. Mr. Rice will remain a director on the Board of Directors and will continue to serve as Chairman of the Board. Mr. Rice will be entitled to be compensated as a non-employee director (on a pro-rata basis for 2020 based on the partial year during which Mr. Rice will serve as a non-employee director) under the Company’s director compensation program, as may be adjusted from time to time for all non-employee directors. On May 1, 2020, we entered into a consulting agreement with Mr. Rice, pursuant to which Mr. Rice was engaged to provide, among other services to be determined by the Company, advice regarding the structure of certain financial and other strategic transactions involving the Company, on an as-needed basis.

Pursuant to the consulting agreement, among other things, (i) the Company will pay Mr. Rice \$460.00 per hour for services rendered that are requested by the Chief Executive Officer of the Company and performed by Mr. Rice, provided that the minimum amount to be paid to Mr. Rice for such services performed by Mr. Rice with respect to a calendar month during the term of the consulting agreement is \$2,000.00 as to such month, (ii) on May 1, 2020 (the “Grant Date”), the Company granted Mr. Rice under our 2013 Equity Incentive Plan a five-year stock option to purchase up to 16,044 shares of common stock of the Company, which option has an exercise price equal to the closing price of the Company’s common stock on the Grant Date and is fully vested as of the Grant Date, (iii) stock options that have been previously granted to Mr. Rice that are described in the Company’s filings with the Securities Exchange Commission will continue to remain outstanding in accordance with the terms of the applicable stock option agreements and will expire 90 days after the later of the date that Mr. Rice is no longer a director of the Company or the consulting agreement is terminated, (iv) the 969 shares of the Company’s common stock granted to Mr. Rice on April 10, 2020 have been forfeited, and (v) the term of the consulting agreement will continue until December 31, 2020, provided that either party may terminate such agreement upon fifteen days’ prior written notice to the other party.

The foregoing description of Mr. Rice’s consulting agreement does not purport to be a complete description of the terms and conditions therein. The full text of such agreement is filed as Exhibit 10.1 and is incorporated herein by reference.

On May 4, 2020, we issued a press release announcing the foregoing leadership changes. A copy of the press release is attached to this Report as Exhibit 99.1 and is incorporated herein by reference.

Item 5.08 Shareholder Proposals.

On April 29, 2020, our Board of Directors established June 15, 2020 as the date of the Company’s 2020 Annual Meeting of Stockholders (the “2020 Annual Meeting”). As the date of the 2020 Annual Meeting has been changed by more than 30 calendar days from the date of the July 18, 2019 Annual Meeting of Stockholders (the “2019 Annual Meeting”), in accordance with Rule 14a-5(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company is informing stockholders of such change.

In addition, because the 2020 Annual Meeting will be held more than 30 days from the anniversary date of the 2019 Annual Meeting, the deadline for stockholder nominations or proposals for consideration at the 2020 Annual Meeting set forth in the Company’s 2019 Proxy Statement no longer applies. Accordingly, in order to be included in the proxy materials for the 2020 Annual Meeting, stockholders who intend to nominate a candidate for election to the Board of Directors or to propose other business for consideration at the 2020 Annual Meeting to be included in the Company’s proxy materials for the 2020 Annual Meeting (including a proposal made pursuant to Rule 14a-8 promulgated under the Exchange Act, and any notice on Schedule 14N), must ensure that such proposal is received by the Company at its principal executive offices, 3900 Paseo del Sol, Santa Fe, New Mexico 87507, Attn: Corporate Secretary, no later than the close of business on May 11, 2020, which the Company has determined to be a reasonable time before it expects to begin to mail its proxy materials for the 2020 Annual Meeting.

Further, the Company’s Bylaws, as amended, require that the Company be given advance notice of stockholder nominations for election to the board of directors and of other matters which stockholders wish to present for action at an annual meeting of stockholders, other than matters included in the Company’s proxy statement. The required notice must be in writing, include all of the information specified in the Company’s Bylaws, as amended, and be received by the Company’s Corporate Secretary at the Company’s principal executive offices not later than the close of business on May 11, 2020. Stockholder proposals intended to be considered for inclusion in the Company’s proxy materials for the 2020 Annual Meeting of Stockholders must comply with applicable Nevada law, the rules and regulations promulgated by the Securities and Exchange Commission and the procedures set forth in the Company’s Bylaws, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Consulting Agreement, dated as of May 1, 2020, between Sigma Labs, Inc. and John Rice</u>
99.1	<u>Press Release of Sigma Labs, Inc., dated May 4, 2020</u>

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: May 4, 2020

SIGMA LABS, INC.

By: /s/ Mark K. Ruport

Name: Mark K. Ruport

Title: President and Chief Executive Officer

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement") is entered into effective as of May 1, 2020 (the "Effective Date"), by and between Sigma Labs, Inc., a Nevada corporation (the "Company"), and John Rice ("Consultant").

WHEREAS, prior to April 30, 2020, Consultant served as the Chairman of the Board of Directors, President and Chief Executive Officer of the Company;

WHEREAS, as of April 30, 2020, the Company has appointed Mark K. Ruport, the Company's Executive Chairman prior to April 30, 2020, as the Company's President and Chief Executive Officer;

WHEREAS, the Company wishes to retain Consultant as the Chairman of the Board and the Company wishes to engage Consultant to provide, among other services (outside of Consultant's capacity as a director of the Company) to be determined by the Company's Chief Executive Officer, advice regarding the structure of certain financial and other strategic transactions involving the Company, on an as-needed basis (the "Services");

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Resignation from Officer Positions; Amounts Owed; Chairman of the Board (non-executive)

(a) Effective as of April 30, 2020, Consultant resigned from his positions as President, Chief Executive Officer, principal executive officer and any and all other officer roles with the Company.

(b) On or prior to the Effective Date, the Company paid Consultant all accrued but unpaid salary, and all accrued and unused vacation time and PTO earned through April 30, 2020, in each case subject to standard payroll deductions and withholdings. Consultant acknowledges and agrees that as of April 30, 2020, Consultant's accrued and unpaid salary totals \$0.00 and Consultant has accrued \$1,987.18 of unused vacation time and has accrued \$6,706.73 of PTO (under the Company's PTO policy in effect prior to January 1, 2019). Consultant acknowledges that, except as expressly provided in this Agreement, Consultant has not earned and will not receive from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits, with the exception of any vested benefits Consultant may have under the express terms of a 401(k) account.

(c) Consultant will continue to serve as Chairman of the Board of Directors and as a Class I Director, with a term expiring at the Company's 2021 annual meeting of stockholders, and will be entitled to be compensated as a non-employee director (on a pro-rata basis for 2020 based on the partial year during which Consultant will serve as a non-employee director) under the Company's director compensation program, as may be adjusted from time to time for all non-employee directors.

2. Consulting Relationship. During the term of this Agreement, Consultant will provide the Services as requested by the Chief Executive Officer of the Company on the Company's behalf and as agreed to by Consultant. The Company shall not control the manner or means by which Consultant performs the Services. Unless otherwise agreed in writing, Consultant shall furnish, at Consultant's own expense, the equipment, supplies and other materials used to perform the Services. The Services shall be non-exclusive.

3. Fees. The Company shall pay Consultant \$460.00 per hour plus applicable NM Gross Receipts tax for the Services rendered that are requested by the Chief Executive Officer of the Company and performed by Consultant; provided, however, that the minimum amount to be paid to Consultant for Services requested by the Chief Executive Officer and performed by Consultant with respect to a calendar month during the term of this Agreement is \$2,000.00 as to such month. The Company shall pay all undisputed fees within thirty (30) days after the Company's receipt of each invoice submitted by Consultant. Consultant acknowledges that Consultant will receive an IRS Form 1099-MISC from the Company with respect to the fees, and that Consultant shall be solely responsible for all federal, state and local taxes other than applicable NM Gross Receipts tax.

4. Expenses. Consultant is responsible for all "overhead" expenses necessary for providing the Services, including office, rent, internet, phone, fax and other office related supplies, fees and services. Consultant shall not be authorized to incur any expenses on behalf of the Company, except such expenses otherwise approved in writing in advance by the Company. Consultant shall submit evidence of payment and related invoices for all approved expenses prior to reimbursement. Company shall reimburse all reasonable out-of-pocket "travel" expenses incurred by Consultant in the event that the Company asks Consultant to travel for the Company in connection with the Services.

5. Option; Securities: Subject to Consultant entering into the Company's standard-form nonqualified stock option agreement with respect to the option ("Option") granted pursuant to this Agreement, on the Effective Date (the "Option Grant Date"), the Company shall grant Consultant a non-qualified Option to purchase up to 16,044 shares of common stock of the Company. The Option shall be fully vested on the Option Grant Date and shall have an exercise price equal to the closing price of the Company's common stock on the Option Grant Date. The Option shall expire on the day before the fifth anniversary of the Option Grant Date, except that the Option shall expire 90 days after the later of the date that Consultant is no longer a director of the Company or this Agreement is terminated, and except that the Option is subject to early termination upon the occurrence of a Corporate Transaction upon the terms described in the Company's 2013 Equity Incentive Plan. In the event of any stock split, reverse stock split or stock dividend after the date hereof, the number of shares of the Company's common stock underlying the Option, and the exercise price of the Option shall be appropriately adjusted for any such stock split, reverse stock split or stock dividend. The issuance of shares of the common stock of the Company pursuant to the Option is conditioned upon, and is subject to, the existence of available shares of common stock under the Company's 2013 Equity Incentive Plan, as amended from time to time, or under any successor equity incentive plan. The stock options that have been previously granted to Consultant that are described in the Company's filings with the Securities Exchange Commission shall continue to remain outstanding in accordance with the terms of the applicable stock option agreements and the words "employed by the Company or any of its subsidiaries" in the first sentence of Section 6 of such option agreements shall be deemed to be replaced with the words "a director or consultant of the Company". Effective as of the Effective Date, the 969 shares of the Company's common stock granted to Consultant on April 10, 2020 are hereby forfeited. The Company has no obligation to issue any equity securities to Consultant other than as set forth herein.

6. Independent Contractor. The parties acknowledge and agree that Consultant is an independent contractor of the Company and neither Consultant nor Company is the legal representative, agent, joint venture, partner, or employee of the other party for any purpose whatsoever in connection with Consultant's performance of the Services. Neither party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever. Consultant shall not be eligible for any of Company's employee benefits and Consultant shall waive any and all rights thereto. Consultant is not, and will not be considered, an employee with regard to any laws concerning Social Security, disability insurance, unemployment or workers' compensation, federal, state, or local income tax withholding at local source, or any other laws, regulations, or orders relating to employees, vacation or sick pay, health and welfare benefits, profit sharing, employee stock option or stock purchase plans. This section is intended to apply to Consultant's capacity as a consultant of the Company.

7. Term and Termination. The term of this Agreement shall commence on the Effective Date and shall continue until December 31, 2020, provided that either party may terminate this Agreement at such party's sole discretion upon fifteen (15) days' prior written notice to the other party.

8. Effect of Termination. Upon termination of this Agreement: (a) the Company shall pay immediately upon the effective date of termination, all undisputed amounts owing to, and invoiced by, Consultant for the Services completed prior to the termination date, and related approved expenses, if any, in accordance with the provisions of Sections 3 and 4 (Fees and Expenses); (b) the parties shall meaningfully consult on any remaining work to be performed, as the Company deems necessary in its sole discretion; and (c) Consultant shall promptly return to the Company, or permanently erase or destroy, at the Company's option, all tangible documents and materials (and any copies) containing, reflecting or based on confidential information of the Company in connection with the Services performed hereunder. Section 7 (Term and Termination), and Section 10 (Confidentiality) shall survive termination of this Agreement.

9. Intellectual Property Rights. All processes, trademarks, inventions, improvements, discoveries and other information (collectively, "developments") directly related to the business of the Company conceived or developed by Consultant as part of the Services, alone or with others during the term of this Agreement, whether or not during regular working hours or through the use of material or facilities of the Company, shall be the sole and exclusive property of the Company, and upon request Consultant shall deliver to the Company all drawings, sketches, models and other data and records relating to such development. In the event any such development shall be deemed by the Company to be patentable, Consultant shall, at the expense of the Company, assist the Company in obtaining a patent or patents thereon and execute all documents and do all other things necessary or proper to obtain letters patent and invest the Company with full title thereto.

10. Confidentiality. Consultant shall at no time, either during the term of this Agreement or after the term of this Agreement, use or disclose to any person, directly or indirectly, any confidential or proprietary information concerning the business of the Company, including, without limitation, any business secret, trade secret, financial information, software, internal procedure, business plan, marketing plan, pricing strategy or policy or customer list, except to the extent that such use or disclosure is (a) necessary to the performance of the Services during the term of this Agreement, (b) required by an order of a court of competent jurisdiction, or (c) authorized in writing by the Company's Chief Executive Officer. The prohibition that is contained in the preceding sentence shall not apply to any information that is or becomes generally available to the public other than through a disclosure by Consultant or by a person acting in concert with Consultant. Within five days after the termination of this Agreement, Consultant shall return to the Company all memoranda, notes and other documents in your possession or control that relate to the confidential information of the Company. Upon the Company's request, Consultant agrees to execute and deliver to the Company any form of confidentiality agreement that the Company requires generally from its service providers. Consultant understands that, notwithstanding the foregoing limitations on the disclosure of trade secrets, Consultant cannot be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

11. Entire Understanding. This Agreement sets forth the entire understanding of Consultant and the Company with respect to the matters contained herein in connection with the Services. Nothing in this Agreement is intended to limit Consultant's duties in Consultant's capacity as a director of the Company.

12. Governing Law. This Agreement shall be interpreted under the internal laws of the State of New Mexico.

13. Amendment. This Agreement may be amended only by a writing signed by Consultant and by a duly authorized representative of the Company.

14. Assignment. This Agreement may not be assigned by Consultant without the Company's prior written consent.

(Signature page follows)

IN WITNESS WHEREOF, both the Company and Consultant have executed this Agreement as of the date first above written.

Sigma Labs, Inc.

By: /s/ Mark K. Ruport

Name: Mark K. Ruport

Title: Chief Executive Officer

/s/ John Rice

John Rice



Sigma Labs Announces Leadership Changes

Executive Chairman Mark K. Rupert Appointed as President and Chief Executive Officer

SANTA FE, NM - May 4, 2020 - Sigma Labs, Inc. (“Sigma Labs” or the “Company”) (NASDAQ:SGLB), a leading developer of quality assurance software for the additive manufacturing industry, has appointed Mark K. Rupert as President and Chief Executive Officer. Mr. Rupert will continue to serve as a member of the Board of Directors.

As part of the transition, John Rice has stepped aside from his position as President and Chief Executive Officer, and will continue in his role as the non-executive Chairman of the Board of Directors of Sigma Labs. This completes the management transition process that started in December 2019 when Mr. Rupert joined the company to bring his extensive experience in developing and employing a multi-layered distribution model to selling enterprise software on a global scale.

“John Rice has been instrumental in our development efforts, bringing Sigma Labs from a pre-commercial company to a revenue-generating enterprise serving tier-1 clients globally,” said Mark K. Rupert, President and Chief Executive Officer. “I would like to thank John for his contributions during his tenure as Chief Executive Officer and look forward to working closely with him in his role as Chairman of the Board of Directors, helping to guide Sigma Labs into 2020 and beyond. I am confident that we have the right strategy, people and product at a time when there is increasing demand in the market for our technology. I look forward to providing more details on these changes and our commercial progress on our upcoming first quarter 2020 financial results conference call,” concluded Rupert.

About Sigma Labs

Sigma Labs, Inc. (NASDAQ: SGLB) is a leading provider of quality assurance software to the commercial 3D printing industry under the PrintRite3D® brand. Founded in 2010, Sigma is a software company that specializes in the development and commercialization of real-time computer aided inspection (CAI) solutions known as PrintRite3D® for 3D advanced manufacturing technologies. Sigma Labs’ advanced computer-aided software product revolutionizes commercial additive manufacturing, enabling non-destructive quality assurance mid-production, uniquely allowing errors to be corrected in real-time. For more information, please visit www.sigmalabsinc.com.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “project,” “prospects,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could” are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any anticipated results, performance or achievements. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company’s forward-looking statements, please see the Company’s Annual Report on Form 10-K (including but not limited to the discussion under “Risk Factors” therein) filed with the SEC on March 24, 2020 and which may be viewed at www.sec.gov.

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