

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

IIOT-OXYS, Inc.

Form: 8-K

Date Filed: 2018-10-11

Corporate Issuer CIK: 1290658

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **October 5, 2018**

ILOT-OXYS, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction
of Incorporation)

000-50773

(Commission File
Number)

56-2415252

(I.R.S. Employer
Identification Number)

**705 Cambridge Street
Cambridge, MA 02141**

(Address of principal executive offices, including zip code)

(617) 500-5101

(Registrant's telephone number,
including area code)

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))

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.

Amendment to Consulting Agreement with COO

On October 5, 2018, IIOT-OXYS, Inc., a Nevada corporation (the "**Company**"), entered into Amendment No. 1 to the Consulting Agreement (the "**COO Amendment**") with Karen McNemar, the Chief Operating Officer of the Company. The COO Amendment is filed as Exhibit 99.1 hereto.

The COO Amendment eliminated the obligation of the Company to provide to Ms. McNemar equity compensation under her original Consulting Agreement dated July 1, 2018.

Amendment to Consulting Agreement with CTO

On October 9, 2018, the Company entered into Amendment No. 1 to the Consulting Agreement (the "**CTO Amendment**") with Antony Coufal, the Chief Technical Officer of the Company and President of HereLab, Inc., a wholly-owned subsidiary of the Company. The Amendment is filed as Exhibit 99.2 hereto.

The CTO Amendment clarified the vesting schedule of equity compensation awarded to Mr. Coufal under his original Consulting Agreement dated April 23, 2018 and also provided for acceleration of vesting upon the occurrence of a "Change of Control," as defined in the CTO Amendment and an uplisting to a senior exchange.

Item 7.01 Regulation FD Disclosure.

On October 11, 2018, the Company issued a shareholder letter which provides updates to shareholders on operations for the prior six months and future operations. A copy of the shareholder letter is attached hereto as Exhibit 99.3, and is incorporated herein by reference. Pursuant to the rules and regulations of the Securities and Exchange Commission (the "**SEC**"), the information in this Item 7.01 disclosure, including Exhibit 99.3, and the information set forth therein, is deemed to have been furnished to, and shall not be deemed to be "filed" with, the SEC.

The shareholder letter may contain forward-looking statements. Such forward-looking statements are based on information presently available to the Company's management and are current only as of the date made. Actual results could also differ materially from those anticipated as a result of a number of factors, including, but not limited to, those discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, and subsequent reports filed by the Company with the Securities and Exchange Commission (the "**Commission**"). For those reasons, undue reliance should not be placed on any forward-looking statement. The Company assumes no duty or obligation to update or revise any forward-looking statement, although it may do so from time to time as management believes is warranted or as may be required by applicable securities law. Any such updates or revisions may be made by the registrant by filing reports with the Commission, through the issuance of press releases or by other methods of public disclosure.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Amendment No. 1 to the Consulting Agreement with Karen McNemar dated October 5, 2018
99.2	Amendment No. 1 to the Consulting Agreement with Antony Coufal dated October 9, 2018
99.3	Shareholder Letter dated October 11, 2018

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.

ILOT-OXYS, Inc.

Date: October 11, 2018

By: /s/ Cliff L. Emmons
Cliff L. Emmons, Chief Executive Officer

AMENDMENT NO. 1 TO CONSULTING AGREEMENT

This Amendment No. 1 to the Consulting Agreement (this "**Amendment**"), dated effective July 1, 2018, is by and between IIOT-OXYS, Inc., a Nevada corporation (the "**Client**"), on the one hand, and Karen McNemar, an individual (the "**Consultant**"), on the other hand. The Client and the Consultant will be referred to individually as a "**Party**" and collectively as the "**Parties**." Any capitalized terms not defined in this Amendment will have the meaning set forth in the Consulting Agreement dated July 1, 2018 between the Client and the Consultant (the "**Agreement**"), attached hereto as **Exhibit A**.

RECITALS

WHEREAS, the Client and Consultant have entered into the Consulting Agreement pursuant to which Consultant was engaged by the Client to perform Services for Compensation;

WHEREAS, pursuant to the Agreement, Compensation included a flat fee of \$12,000 and the issuance of an aggregate of 9,000 shares of Common Stock of the Client (the "**Shares**"); and

WHEREAS, pursuant to Section 21 of the Agreement, the Parties wish to amend the Agreement to to eliminate the obligation to issue the Shares so that Compensation only includes cash fees.

THEREFORE, in consideration of the foregoing recitals, mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as set forth below.

AGREEMENT

1. **Elimination of Obligation to Issue Shares.** Pursuant to Section 21 of the Agreement, Sections 7 and Exhibit A of the Agreement are hereby eliminated from the Agreement so that Compensation will only include the payment of cash fees.

2. **No Other Changes.** Except as amended hereby, the Agreement will continue to be, and will remain, in full force and effect. Except as provided herein, this Amendment will not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Agreement or (ii) to prejudice any right or rights which the Parties may now have or may have in the future under or in connection with the Agreement or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time.

3. **Authority; Binding on Successors.** The Parties represent that they each have the authority to enter into this Amendment. This Amendment will be binding on, and will inure to the benefit of, the Parties to it and their respective heirs, legal representatives, successors, and assigns.

4. **Governing Law and Venue.** This Amendment and the rights and duties of the Parties hereto will be construed and determined in accordance with the terms of the Agreement.

5. **Incorporation by Reference.** The terms of the Agreement, except as amended by this Amendment are incorporated herein by reference and will form a part of this Amendment as if set forth herein in their entirety.

6. **Counterparts; Facsimile Execution.** This Amendment may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one instrument. Delivery of an executed counterpart of this Amendment by facsimile or email will be equally as effective as delivery of a manually executed counterpart of this Amendment.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment the respective day and year set forth below:

CLIENT:

ILOT-OXYS, Inc.

Date: October 5, 2018

By /s/ Cliff L. Emmons
Cliff L. Emmons, CEO

CONSULTANT:

Date: October 5, 2018

By /s/ Karen McNemar
Karen McNemar

EXHIBIT A

Consulting Agreement dated July 1, 2018

[See Attached]

AMENDMENT NO. 1 TO CONSULTING AGREEMENT

This Amendment No. 1 to the Consulting Agreement (this "**Amendment**"), dated effective April 23, 2018, is by and between ILOT-OXYS, Inc., a Nevada corporation (the "**Client**"), on the one hand, and Antony Coufal, an individual (the "**Consultant**"), on the other hand. The Client and the Consultant will be referred to individually as a "**Party**" and collectively as the "**Parties**." Any capitalized terms not defined in this Amendment will have the meaning set forth in the Consulting Agreement dated April 23, 2018 between the Client and the Consultant (the "**Agreement**"), attached hereto as **Exhibit A**.

RECITALS

WHEREAS, the Client and Consultant have entered into the Consulting Agreement pursuant to which Consultant was engaged by the Client to perform Services for Compensation;

WHEREAS, pursuant to Section 8 of the Agreement, Compensation included the issuance of an aggregate of 1,200,000 shares of Common Stock of the Client (the "**Shares**") at a vesting schedule to later be determined; and

WHEREAS, pursuant to Section 21 of the Agreement, the Parties wish to amend the Agreement to clarify the vesting schedule for the Shares and to include acceleration provisions for the vesting of the Shares upon the occurrences of certain events.

THEREFORE, in consideration of the foregoing recitals, mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as set forth below.

AGREEMENT

1. **Amendment to Section 8**. Pursuant to Section 21 of the Agreement, Section 8 is hereby amended to read as follows:
8. Additionally, the Consultant shall be eligible to participate in the Client's 2017 Stock Incentive Plan through the award of an aggregate of 1,200,000 shares of the Client's Common Stock which shall vest according to the following vesting schedule:
 - 200,000 shares of Common Stock to vest on the one-year anniversary of the Agreement;
 - 400,000 shares of Common Stock to vest on the two-year anniversary of the Agreement; and
 - 600,000 shares of Common Stock to vest on the three-year anniversary of the Agreement.

In the event that the Agreement is terminated by either Party pursuant to the terms of the Agreement, all unvested Shares which have been earned shall vest on a pro-rata basis as of the effective date of the termination of the Agreement and all unearned, unvested Shares shall be terminated. Shares are only earned as long as the Agreement is in effect and no Shares shall be earned after the effective date of the termination of the Agreement.

2. **Acceleration of Vesting**. Pursuant to Section 21 of the Agreement, Section 9 is hereby added which shall read as follows:
9. **Acceleration of Vesting**. Unless unvested Shares have earlier terminated pursuant to Section 8 of the Agreement, vesting of all unvested Shares shall be accelerated so that all unvested Shares shall become one hundred percent (100%) vested in the Consultant upon a Change of Control. For purposes of this Agreement, the term Change of Control shall mean (i) the sale of all or substantially all of the assets of the Client, (ii) the sale of more than fifty percent (50%) of the outstanding common stock of the Client in a non-public sale, (iii) the dissolution or liquidation of the Client, or (iv) any merger, share exchange, consolidation or other reorganization or business combination of the Client if immediately after such transaction either (A) persons who were directors of the Client immediately prior to such transaction do not constitute at least a majority of the directors of the surviving entity, or (B) persons who hold a majority of the voting capital stock of the surviving entity are not persons who held a majority of the voting capital stock of the Client immediately prior to such transaction.

In addition to the acceleration of vesting in the event of a Change of Control, unless unvested Shares have earlier terminated pursuant to Section 8 of the Agreement, vesting of all unvested Shares shall be accelerated so that all unvested Shares shall become one hundred percent (100%) vested in the Consultant upon the listing of the Client's Common Stock on a senior exchange.

3. **No Other Changes**. Except as amended hereby, the Agreement will continue to be, and will remain, in full force and effect. Except as provided herein, this Amendment will not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Agreement or (ii) to prejudice any right or rights which the Parties may now have or may have in the future under or in connection with the Agreement or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time.

4. **Authority; Binding on Successors**. The Parties represent that they each have the authority to enter into this Amendment. This Amendment will be binding on, and will inure to the benefit of, the Parties to it and their respective heirs, legal representatives, successors, and assigns.

5. **Governing Law and Venue**. This Amendment and the rights and duties of the Parties hereto will be construed and determined in accordance with the terms of the Agreement.

6. **Incorporation by Reference**. The terms of the Agreement, except as amended by this Amendment are incorporated herein by reference and will form a part of this Amendment as if set forth herein in their entirety.

7. **Counterparts; Facsimile Execution**. This Amendment may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one instrument. Delivery of an executed counterpart of this Amendment by facsimile or email will be equally as effective as delivery of a manually executed counterpart of this Amendment.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment the respective day and year set forth below:

CLIENT:

ILOT-OXYS, Inc.

Date: October 9, 2018

By /s/ Cliff L. Emmons
Cliff L. Emmons, CEO

CONSULTANT:

Date: October 9, 2018

By /s/ Antony Coufal
Antony Coufal

EXHIBIT A

Consulting Agreement dated April 23, 2018

[See Attached]

A Communication from our CEO

On behalf of our entire team and Board of Directors, I cordially welcome you to IIOT-OXYS Inc. as its new CEO. Since our founding we have made significant progress, and most notably a tremendous acceleration of the rate of accomplishments and exciting developments within the past 6 months. I wanted to take a moment to explain where we have been and more importantly where we are going.

The Industrial Internet and our Foundations

IIOT-OXYS was founded on the premise that customers and users of Industrial Internet systems want answers and insight generated right where the data is collected and right where the machines or processes which are being monitored live. Backing up for a moment, the Industrial Internet of Things is how real-world objects like power plants, machine tools, cars, airplanes, bridges, buildings, manufacturing lines, etc. can become aware through sensors and communicate their data so that it can become actionable insight. The EDGE of the Industrial Internet is where the cyber world and the physical world meet. It is where all the action is, where the “things” in the Internet of Things reside.

Customers want to control their data and insights as this represents valuable proprietary knowledge and competitive advantage for many companies across diverse industries. Therefore, localized Edge Computing and generation of insight right where the data is collected allows the customer maximum control over data and where the data goes while minimizing interfaces and potential security points of weakness. IIOT-OXYS Inc. is working at the Edge of the Industrial Internet. But there's a lot more to it than that.

Where we are going Today

Earlier in our development, we developed traction in a wide range of industries including agricultural, manufacturing and in particular automotive, structural health monitoring, etc. We demonstrated the flexibility and adaptability of our technology. Although we will definitely continue building on this foundation of a broad customer base, we have come to the realization that we are uniquely positioned to serve the Industrial Internet needs of the production and operational side of global healthcare companies. We therefore see a definite role for us and our technology at the intersection of AI & Machine Learning, IIOT and Healthcare Operations. By Healthcare Operations we mean all the “behind the scenes” manufacturing and production activities associated with Biotech, Medical Device, and Pharmaceutical market verticals. Here are just a few of the reasons why we feel optimistic about this market:

- Our leadership team has significant depth and breadth in these markets spanning decades
- Our Cambridge, MA location affords us access to virtually every major multinational firm in these markets with a low cost of sales (in our “backyard”)
- We have already proven our ability to add value by signing agreements with major firms in this space, with more expected soon

Therefore, our next great phase of growth as a company will be to serve these needs at the intersection of AI & Machine Learning, IIOT and Healthcare Operations and Production.

Accelerating the Rate of Change

As previously mentioned, we are in a time of significant momentum within the company. Here are some of our accomplishments just in the past 6 months, and what's to come, as the rate of change keeps accelerating:

- 4/2018 --- Antony Coufal Appointed as CTO bringing significant tech startup and international business experience
- 6/2018 --- Cliff Emmons appointed as CEO bringing decades of operational expertise in med device and a proven track record of revenue generation
- 7/2018 --- machine learning engineer and other technical personnel added to team
- 8/2018 --- delivery of system to automotive customer, one of the largest car manufacturers in the world
- 9/2018 --- S1 registration declared effective
- 9/2018 --- appointment of Karen McNemar as our COO bringing significant operational experience from the medical device industry
- 10/2018 --- application of our technology to 3D printing of metal components
- 10/2018 --- Master Service Agreement signed with multi-billion-dollar Pharmaceutical customer
- 10/2018 --- installation of equipment for automotive customer complete
- 11/2018 --- planned delivery of structural health monitoring system, under contract from a state government

As can be seen, we are greatly accelerating the rate of change and building momentum with our new team, with successful product deliveries, and with the acquisition of new and valued customers.

The Future: An Expanding Frontier

We believe the best is yet to come. We are setting our sights towards acquiring the next 10 customers, accelerating our business development efforts, starting and sustaining operations in Asia, and of course pursuing organic and inorganic opportunities to fuel and propel this phenomenal growth. We are taking an aggressive approach of nurturing strong organic growth, identifying opportunities for growth through acquisition, and other joint ventures or mergers that could make sense for our business and the value to our shareholders. We look forward to future communications on these and other topics as we continue to make progress. In closing I would like to thank our investors, customers, and employees for believing in this vision. We are committed to this course of strong focus on execution, delivery, and growth.

Sincerely,
Cliff Emmons, CEO

Safe Harbor Statement

The following is a Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Our future plans and other statements in this letter about expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts constitute forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “feel,” “expect,” “intend,” “likely,” “may,” “plan,” “potential,” “should,” “see,” “hope,” “view” and “would” or the negative of these terms or other comparable terminology. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for the disclosure of forward-looking statements. Our forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the risks and uncertainties related to IIOT-OXYS, Inc. that can be found under the heading “Risk Factors” in our most recent annual report on Form 10-K and other filings with the SEC. These forward-looking statements are based on information currently available to us and actual results may differ as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. These forward-looking statements are made only as of the date hereof and we undertake no obligation, and disclaim any duty, to update or revise any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. You should not place undue reliance on these forward-looking statements. As a public reporting entity, IIOT-OXYS, Inc. files periodic reports with the SEC. For additional financial and other important information pertaining to the Company, individuals can visit www.sec.gov.

Contact:

Clifford L. Emmons
CEO
IIoT-OXYS, Inc.
contact@oxyscorp.com
www.oxyscorp.com
www.herelab.io