

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Scott's Liquid Gold - Inc.

Form: 8-K

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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): May 8, 2020

SCOTT'S LIQUID GOLD-INC.

(Exact name of Registrant as specified in its charter)

Colorado
(State or other jurisdiction
of incorporation)

001-13458
(Commission File Number)

84-0920811
(I.R.S. Employer
Identification No.)

4880 Havana Street, Suite 400, Denver, CO
(Address of principal executive offices)

80239
(Zip Code)

Registrant's telephone number, including area code: (303) 373-4860

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K 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 Exchange Act.

Title of each class	Trading Symbol	Name of exchange on which registered
None	None	None

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. ☐

On May 8, 2020, Neoteric Cosmetics, Inc., a wholly-owned subsidiary of Scott's Liquid Gold-Inc., (the "Company") and Montagne Jeunesse ("MJ"), the manufacturer of 7th Heaven skin care sachets, entered into a settlement agreement wherein both parties agreed to terminate our exclusive distribution agreement (the "Termination Agreement"). Under the Termination Agreement, the Company will continue to fulfill orders of 7th Heaven sachets through June 1, 2020 and will receive approximately \$1.1 million for its remaining 7th Heaven inventory, as well as two transition payments totaling \$350,000. The Company incurred no early termination penalties.

The foregoing description of the Termination Agreement is a summary only and qualified in its entirety by reference to the full text of the Termination Agreement, a conformed copy of which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On May 11, 2020, Scott's Liquid Gold-Inc. (the "Company") issued a press release announcing its financial results for the quarter and year ended March 31, 2020. This press release is furnished herewith as Exhibit 99.1 pursuant to this Item 2.02.

The information contained in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. Additionally, the information contained in this Item 2.02 or Exhibit 99.1 shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On May 11, 2020, the Company issued a press release announcing the execution of the Termination Agreement. A copy of the press release is furnished as Exhibit 99.2 to this Current Report. The following information, including Exhibit 99.2, will not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor will such information or exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as is expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits: The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Settlement Agreement and Release between Montagne Jeunesse International Limited and Neoteric Cosmetics, Inc., dated May 8, 2020.
99.1	Scott's Liquid Gold-Inc. press release, dated May 11, 2020.
99.2	Scott's Liquid Gold-Inc. press release, dated May 11, 2020.

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 hereunto duly authorized.

SCOTT'S LIQUID GOLD-INC.

Date: May 11, 2020

By: /s/ Kevin A. Paprzycki

Kevin A. Paprzycki
Chief Financial Officer

DATED 2020

SETTLEMENT AGREEMENT AND RELEASE

between

MONTAGNE JEUNESSE INTERNATIONAL LIMITED

and

NEOTERIC COSMETICS INC

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PARTIES

- (1) **MONTAGNE JEUNESSE INTERNATIONAL LIMITED** of The Green Barn, Astral Court, Central Avenue, Baglan Energy Park, Wales SA12 7AX (**MJI**); and
- (2) **NEOTERIC COSMETICS INC** of 4880 Havana Street, Suite 400, PO Box 39-S, Denver, Colorado 80239, USA (**NCI**).
- (together the "**Parties**")

BACKGROUND

- (A) The Parties are party to an Exclusive Distribution Agreement with an effective date of 15 September 2014, as amended by further agreements all made between the Parties and dated respectively 1 April 2015, 5 September 2017, 18 March 2019 and 10 June 2019 (the "**EDA**").
- (B) The Parties now wish to terminate the EDA by mutual consent and agree terms which will settle their respective obligations to each other both before and after the date on which the EDA ends.
- (C) The Parties wish to record those terms of settlement, on a binding basis, in this Agreement.

AGREED TERMS**1. DEFINITIONS AND INTERPRETATION**

In this Agreement, unless the context otherwise requires, the following words and expressions have the following meanings:

Business Days: a day, other than Saturday, Sunday or public holiday in England, when banks in London are open for business.

Closing Payment: the sum of \$350,000.00 (three hundred and fifty thousand dollars (USD)).

Current Liability: any fees costs or payments whatsoever due and payable by NCI to MJI prior to the Termination Date.

Dollar General Products: the following products:

- a) YL-7GTPOX-A2083800026371 Green Tea Peel Off; and
- b) YL-7FA05-A2/US083800041480 Charcoal Peel-Off; and
- c) YL-HOTSPRING-A1 083800034680 Hot Springs Sauna; and
- d) YL-7BLSEAWEEEDTX-A2 083800034673 Black Seaweed Peel-Off

First Instalment Date: three Business Days after the Termination Date

Future Liability: any fees costs or payments whatsoever which fall due for payment by NCI to MJI after the Termination Date but prior to Second Instalment Date.

Related Parties: a party's parent, subsidiaries, assigns, transferees, representatives, principals, agents, officers or directors.

MJ Group: any subsidiary or parent company or a subsidiary of its parent company, or any entity with the same ultimate beneficial ownership as MJJ.

Pending Orders: new orders for stock items placed with MJJ by NCI prior to the Termination Date which remain unfulfilled at the Termination Date.

Second Instalment Date:

The earlier of:

- a) The day falling three months after the Termination Date; or
- b) The date on which NCI's vendor agreements in respect of all Walmart Products and all Dollar General Products have been transferred into the name of MJJ (or such other name as MJJ may direct).

Statement: the mutually complimentary public statement, agreed by the Parties to be issued regarding the termination of the EDA and reasons for it, a draft of which is attached to this Agreement at Schedule 2.

Stock: All current outstanding stock as are itemised in Schedule A to this Agreement.

Stock Price: \$1,100,000.00 (one million one hundred thousand dollars (USD))

Territory: United States of America.

Termination Date: the date of this Agreement.

Walmart Products: the following products:

- a) YL-7TEATREE-US083800035953 Tea Tea Peel Off; and
- b) YL-7FA05-A2/US083800041480Charcoal Peel-Off; and
- c) YM-7ME02B-A2E083800035892 Blackhead Buster Peel Off

2. EFFECT OF THIS AGREEMENT

The parties hereby agree that this Agreement shall immediately be fully and effectively binding on them.

3. TERMINATION

3.1 The EDA shall terminate on the Termination Date.

3.2 The party's relationship and obligations to each other shall, as from the Termination Date, be governed by the terms of this agreement.

4. STOCK

4.1 MJJ shall purchase the Stock from NCI at the Stock Price.

4.2 The Stock Price shall be payable to NCI within 20 Business Days of the Termination Date.

4.3 Upon receipt of the Stock Price NCI shall use best endeavours to facilitate the transfer of Stock from their warehousing facilities to such new location as MJJ shall specify, and costs involved in the transportation of the Stock to any such new location shall be born solely by MJJ. The transfer of Stock to MJJ shall occur no later than 25 Business Days after the Termination Date.

- 4.4 NCI shall maintain in full effect any applicable policies of insurance in respect of loss or damage to the Stock until such time as the Stock has physically left NCI's warehousing facility and ensure that, as from the Termination Date, MJJ's interest is endorsed on any applicable policies. In the event of any insurance damage all monies payable in respect of loss or damage to the Stock under the any applicable policy should be paid immediately to MJJ.
- 4.5 NCI shall use its best endeavours to procure the novation, assignment or transfer into the name of MJJ (or such other name as MJJ may direct) each of NCI's vendor agreements with its respective customers which control any listings and/or stock keeping units which are in existence in the Territory at the Termination Date.
- 5. ORDERING**
- 5.1 NCI will not place any new orders for stock items with MJJ after the Termination Date but shall use all reasonable endeavours to continue to service and fulfil any Pending Orders prior to 1 June 2020.
- 5.2 All stock items comprised within the Pending Orders will not form part of the Stock, but any stock items relating to Pending Orders which remain unfulfilled at as at 1 June 2020, will be repurchased by MJJ at the price which MJJ originally paid for them, within 20 Business Days after 1 June 2020.
- 6. CLOSING PAYMENT AND SET-OFF**
- 6.1 MJJ shall pay the Closing Payment to NCI in two instalments, namely:
- (a) \$175,000.00 on the First Instalment Date; and
 - (b) \$175,000.00 on the Second Instalment Date.
- 6.2 Any Current Liability shall be set-off against the sum due on the First Instalment Date.
- 6.3 Any Current Liability in excess of the sum due on the First Instalment Date, and/or any Future Liability, shall be set-off against the sum due on the Second Instalment Date.
- 6.4 MJJ shall reimburse NCI for any costs incurred on retail promotional activity committed to by NCI prior to the Termination Date. NCI shall use its best endeavours to cancel such promotions but where it is unable to do so, NCI shall provide evidence to MJJ in the form of receipts to justify any reimbursement. MJJ agrees to settle any such reimbursement within 30 days of any claim being made by NCI.
- 6.5 NCI shall be solely responsible for, and is legally bound to make payment of, any taxes determined to be due and owing (including penalties and interest related thereto) by it to any federal, state, local, or regional taxing authority as a result of any payment (including the Closing Payment) due under this Agreement. NCI understands that MJJ has not made, and it does not rely upon, any representations regarding the tax treatment of the sums paid pursuant to this Agreement. Moreover, NCI agrees to indemnify and hold MJJ harmless in the event that any governmental taxing authority asserts against MJJ any claim for unpaid taxes, failure to withhold taxes, penalties, or interest based upon the payment of any payment (including the Closing Payment) due under this Agreement.

7. CONFIDENTIALITY

7.1 Save as permitted by clause 7.2, the terms of this Agreement, and the substance of all negotiations in connection with it, are confidential to the parties and their advisers, who shall not disclose them to, or otherwise communicate them to, any third party other than:

- (a) to the parties' respective auditors, insurers and lawyers on terms which preserve confidentiality; and
- (b) pursuant to an order of a court of competent jurisdiction, or pursuant to any proper order or demand made by any competent authority or body where they are under a legal or regulatory obligation to make such a disclosure; and
- (c) pursuant to applicable securities laws; and
- (d) as far as necessary to implement and enforce any of the terms of this Agreement; and

7.2 Within 4 Business Days of the Termination Date NCI shall issue the Statement.

8. RELEASE

8.1 MJl agrees to release NCI from all its covenants or obligations contained in the EDA and from all liability for any subsisting breach of any of them.

8.2 NCI agrees to release MJl from all its covenants or obligations in the EDA and from all liability for any subsisting breach of any of them.

8.3 Each party hereby releases and forever discharges, all and/or any actions, claims, rights, demands and set-offs, whether in this jurisdiction or any other, whether or not presently known to the parties or to the law, and whether in law or equity, that it, its Related Parties or any of them ever had, may have or hereafter can, shall or may have against the other party or any of its Related Parties arising out of or connected with:

- (a) the EDA; or
- (b) any agreement between or act by the parties or their Related Parties or any of them in connection with the EDA.

(Collectively the **Released Claims**)

8.4 For the sake of clarity clause 8.3 of this Agreement shall not in any way affect or prejudice the performance of, and adherence to, all obligations contained in or arising out of this Agreement.

9. AGREEMENT NOT TO SUE

9.1 Each party agrees, on behalf of itself and on behalf of its Related Parties not to sue, commence, voluntarily aid in any way, prosecute or cause to be commenced or prosecuted against the other party or its Related Parties any action, suit or other proceeding concerning the Released Claims, in any jurisdiction.

9.2 Clause 7 and clause 9.1 shall not apply to, and the Released Claims shall not include, any claims in respect of any breach of this Agreement.

10. COSTS

The parties shall each bear their own legal costs in relation to this Agreement.

11. WARRANTIES AND AUTHORITY

11.1 Each party warrants and represents that it has not sold, transferred, assigned or otherwise disposed of its interest in the EDA.

11.2 Each party warrants and represents to the other with respect to itself that it has the full right, power and authority to execute, deliver and perform this Agreement.

12. INDEMNITIES

Each party hereby indemnifies, and shall keep indemnified, the other party against all costs and damages (including the entire legal expenses of the parties) incurred in all future actions, claims and proceedings in respect of any of the Released Claims which it or its Related Parties or any of them may bring against the other party or its Related Parties or any of them.

13. NO ADMISSION

This Agreement is not, and shall not be represented or construed by the parties as, an admission of any liability or wrongdoing on the part of either party to this Agreement or any other person or entity.

14. SEVERABILITY

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

15. ENTIRE AGREEMENT

15.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

15.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

16. GOVERNING LAW

This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the Laws of England and Wales.

17. JURISDICTION

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes

or claims) arising out of or in connection with this Agreement or its subject matter or formation.

18. Co-OPERATION

The Parties shall deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary or desirable, and shall take any other action reasonably requested by the other party for the purpose of putting this Agreement into effect.

19. COUNTERPARTS

19.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement. For the purposes of completion, signatures by the parties' legal advisers shall be binding.

19.2 Transmission of the executed signature page of a counterpart of this Agreement by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of the Agreement thus made, each party shall provide the others with the original of such counterpart within 5 working days of completion.

20. VARIATION

No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

This Agreement has been entered into on the date stated at the beginning of it.

Executed and Delivered by

MONTAGNE JEUNESSE INTERNATIONAL LIMITED

.....

acting by

Director

NARIN GANESH (Director)

In the presence of:

/s/ DENIS KEIFF

Signature

DENIS KEIFF

Name

April Cottage, Spring Lane, Longburton Dorset DT95PB

Address

Manufacturing Engineer

Occupation

Executed and Delivered by

NEOTERIC COSMETICS INC

.....

acting by

Director

MARK GOLDSTEIN (Director)

In the presence of:

/s/ Mark Goldstein

Signature

Mark Goldstein

Name

4880 Havana Street, Suite 400, Denver, CO 80329

Address

President and CEO

Occupation



Corporate & financial news release

SCOTT'S LIQUID GOLD-INC. REPORTS FIRST QUARTER RESULTS

First Quarter 2020 Highlights:

- **Net sales of \$7.9 million**
- **Net income of \$0.3 million (\$0.02 per share)**
 - **Includes \$0.2 million of expenses related to our supply chain transition further detailed below**
- **Gross margins of 44.1% increased from 38.3% for the same period in 2019**

DENVER, COLORADO – May 11, 2020 – Scott's Liquid Gold-Inc. (OTC: SLGD) today announced operating results for the three months ended March 31, 2020.

President and Chief Executive Officer Mark Goldstein stated, "In one of the most unprecedented and unstable periods in the 69 year history of Scott's Liquid Gold, our business demonstrated its resilience. The strength of our brands allowed us to provide virtually all of Scott's essential consumer products to both customers and end consumers throughout the Covid-19 pandemic without interruption. A return to consistent Alpha Skin Care sales, both online and to China, helped drive profitability during the first quarter, even with expenditures for our supply chain transition. We are again optimistic about Alpha's future growth potential.

Our team turned in a fantastic performance during the first quarter of 2020. Despite the turmoil, they fully shifted to remote work and new, safer practices. They accomplished this while successfully maintaining our operations, continuing to make solid progress on our supply chain transition, and executing a solid introduction of our new SLG One product.

We do expect a reduction in sales for the coming second quarter due the forced retail closures of some of our large distributed product customers. However, we are optimistic about our overall 2020 results and cash generation, as well as our longer-term ability to grow Scott's business and generate shareholder value."



Net Sales

Net sales for the three months ended March 31, 2020 increased \$1.0 million compared to the same period in 2019. This was primarily attributable to our Kids N Pets acquisition during the fourth quarter of 2019 and the addition of our new SLG One product.

Net Income

Net income for the three months ended March 31, 2020 was \$0.3 million, up from a net loss of \$0.3 million for the three months ended March 31, 2019. This positive movement was largely driven by our Kids N Pets acquisition and SLG One product addition, partially offset by \$0.2 million of expenses associated with our supply chain transition further described below.

Cash Flow

Cash flow used in operating activities was \$0.6 million for the three months ended March 31, 2020, as compared to cash flow provided from operating activities of \$0.5 million for the same 2019 period. The decrease in operating cash flow was the primarily due to slower payment terms by a few of our large distributed product customers as a result of the COVID-19 pandemic.

Recent Transaction Recap

On October 2, 2020, we announced the acquisition of the Kids N Pets product line.

Our December 5, 2020 announcement of the Elevation Labs deal was the culmination of our strategic plan to outsource our manufacturing operations. This transition enables us to comprehensively evaluate, select, and benefit from the manufacturing, R&D, and infrastructure expertise of new partners, and focus our on the growth and marketing our high-quality, high-value brands.

About Scott's Liquid Gold-Inc.

Scott's Liquid Gold-Inc. develops, markets, and sells high-quality, high-value household and personal care products nationally and internationally to mass merchandisers, drugstores, supermarkets, hardware stores, e-commerce retailers, other retail outlets, and to wholesale distributors. Over the last 65+ years we have developed a reputation for delivering products that consumers know and trust.

Our flagship product, Scott's Liquid Gold® Wood Care, is a leader in its category and is known for bringing life back to and protecting all types of natural wood surfaces. Our Kids N Pets® brands are award winning, biodegradable, safe, nontoxic, stain and odor removing products targeted toward households with children and pets.

Scott's Liquid Gold-Inc. also owns Neoteric Cosmetics, a personal care company with a rich history of offering products that deliver high-quality, proven results that customers expect. Neoteric's personal care products are embraced and respected by both medical professionals and consumers alike and include brands such as Alpha® Skin Care, Prel® and Denorex®. Neoteric Cosmetics is also the proud American specialty channel distributor for Batiste Dry Shampoo.

SCOTT'S LIQUID GOLD-INC. & SUBSIDIARIES

Condensed Consolidated Statements of Operations (Unaudited)

(in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2020	2019
Net sales	\$ 7,854	\$ 6,805
Cost of sales	4,390	4,200
Gross Profit	3,464	2,605
Gross Margin	44.1%	38.3%
Operating expenses:		
Advertising	221	184
Selling	1,589	1,658
General and administrative	1,404	1,223
Total operating expenses	3,214	3,065
Income (loss) from operations	250	(460)
Interest income	1	31
Interest expense	(4)	(5)
Income (loss) before income taxes	247	(434)
Income tax benefit	30	104
Net income (loss)	\$ 277	\$ (330)
Net income (loss) per common share		
Basic	\$ 0.02	\$ (0.03)
Diluted	\$ 0.02	\$ (0.03)
Weighted average shares outstanding		
Basic	12,462	12,408
Diluted	12,608	12,408



SCOTT'S LIQUID GOLD-INC. & SUBSIDIARIES

Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except par value amounts)

	March 31, 2020 (Unaudited)	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 926	\$ 1,094
Accounts receivable, net	3,646	2,695
Inventories, net	7,412	7,841
Income taxes receivable	744	705
Property and equipment held for sale	-	500
Prepaid expenses	308	368
Other current assets	-	71
Total current assets	13,036	13,274
Property and equipment, net	137	124
Deferred tax asset	449	556
Goodwill	3,230	3,230
Intangible assets, net	8,495	8,719
Operating lease right-of-use assets	3,176	188
Other assets	102	-
Total assets	\$ 28,625	\$ 26,091
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 907	\$ 1,809
Accrued expenses	553	422
Operating lease liabilities, current portion	26	197
Total current liabilities	1,486	2,428
Operating lease liabilities, net of current	3,182	19
Other liabilities	27	27
Total liabilities	4,695	2,474
Shareholders' equity:		
Preferred stock, no par value, authorized 20,000 shares; no shares issued and outstanding	-	-
Common stock; \$0.10 par value, authorized 50,000 shares; issued and outstanding 12,462 shares (2020) and 12,462 shares (2019)	1,246	1,246
Capital in excess of par	7,286	7,250
Retained earnings	15,398	15,121
Total shareholders' equity	23,930	23,617
Total liabilities and shareholders' equity	\$ 28,625	\$ 26,091

**SCOTT'S LIQUID GOLD-INC. & SUBSIDIARIES****Condensed Consolidated Statements of Cash Flows (Unaudited)**
(in thousands)

	Three Months Ended March 31,	
	2020	2019
Cash flows from operating activities:		
Net income (loss)	\$ 277	\$ (330)
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities:		
Depreciation and amortization	229	186
Stock-based compensation	36	42
Deferred income taxes	107	(104)
Change in operating assets and liabilities:		
Accounts receivable	(951)	78
Inventories	429	537
Prepaid expenses and other assets	93	121
Income taxes receivable	(39)	-
Accounts payable and accrued expenses	(768)	(53)
Total adjustments to net income (loss)	(864)	807
Net cash (used) provided by operating activities	(587)	477
Cash flows from investing activities:		
Purchase of property and equipment	(17)	(101)
Proceeds from sale of property and equipment	500	-
Net cash provided by (used in) investing activities	483	(101)
Cash flows from financing activities:		
Payments for debt issuance costs	(64)	-
Net cash used in financing activities	(64)	-
Net (decrease) increase in cash and cash equivalents	(168)	376
Cash and cash equivalents, beginning of period	1,094	6,232
Cash and cash equivalents, end of period	\$ 926	\$ 6,608
Supplemental disclosures:		
Cash paid during the period for interest	\$ 4	\$ 5



Note Regarding Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of the federal securities laws that are intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" generally can be identified by the use of forward-looking terminology such as "assumptions," "target," "guidance," "strategy," "outlook," "plans," "projection," "may," "will," "would," "expect," "intend," "estimate," "anticipate," "believe", "potential," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology.

Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results. All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and other periodic reports filed with the Securities and Exchange Commission. Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent filings with the Securities and Exchange Commission.

Investor Relations Contact:

Kevin Paprzycki, CFO
303.576.6032

*Corporate & financial news release***SCOTT'S LIQUID GOLD-INC. TO END DISTRIBUTION OF 7TH HEAVEN BRANDS**

DENVER, COLORADO – May 11, 2020 – Scott's Liquid Gold-Inc. (OTC: SLGD) today announced the termination of its exclusive distribution agreement with Montagne Jeunesse, manufacturer of 7th Heaven skin care sachets.

Scott's and Montagne Jeunesse mutually agreed to terminate the relationship. Scott's will continue to fulfill orders of 7th Heaven sachets through June 1, 2020 and will receive approximately \$1.1 million for its remaining 7th Heaven inventory, as well as two transition payments totaling \$350,000.

Mark Goldstein, CEO and Chairman of Scott's said, "Since we began this relationship in 2001, Montagne Jeunesse has been a valued partner of Scott's. It has been a wonderful experience to work with the team at Montagne Jeunesse for nearly two decades. Experiencing the success of the 7th Heaven brand together will forever be a part of Scott's history.

While this was not an easy decision for either party, we believe it is in the best interest of both companies as we pursue different strategic paths. We are fortunate to have had such a strong relationship with Montagne Jeunesse and wish their team well in their future endeavors."



Note Regarding Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of the federal securities laws that are intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" generally can be identified by the use of forward-looking terminology such as "assumptions," "target," "guidance," "strategy," "outlook," "plans," "projection," "may," "will," "would," "expect," "intend," "estimate," "anticipate," "believe", "potential," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology.

Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results. All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and other periodic reports filed with the Securities and Exchange Commission. Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent filings with the Securities and Exchange Commission.

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