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): January 2, 2019 (December 27, 2018)

FC Global Realty Incorporated
(Exact name of registrant as specified in its charter)

Nevada 000-11635 59-2058100
(State or other jurisdiction  (Commission File Number) (IRS Employer
of incorporation) Identification No.)

2300 Computer Drive, Building G, Willow Grove, PA 19090
(Address of principal executive offices)

215-830-1430
(Registrant’s telephone number, including area code)

(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 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐
Item 1.01 Entry into a Material Definitive Agreement.

Amendment to Merger Agreement

As previously disclosed, on November 8, 2018, FC Global Realty Incorporated (“FC Global”) entered into an agreement and plan of merger (the “Merger Agreement”) with FC Merger Sub, Inc., a Maryland corporation and wholly owned subsidiary of FC Global (“FC Merger Sub”), Gadsden Growth Properties, Inc., a Maryland corporation (“Gadsden”) and Gadsden Growth Properties, L.P., a Delaware limited partnership (the “Operating Partnership”), pursuant to which, subject to the terms and conditions of the Merger Agreement, FC Merger Sub will merge with and into Gadsden, with Gadsden surviving the merger as a wholly owned subsidiary of FC Global (the “Merger”).

On December 27, 2018, FC Global, FC Merger Sub, Gadsden and the Operating Partnership entered into Amendment No. 1 to Agreement and Plan of Merger (the “Amendment”) to amend certain provisions of the Merger Agreement described below.

The parties agreed that notwithstanding disclosure in the respective disclosure letters of each party, the liabilities of Gadsden, on the one hand, and FC Global on the other, for the litigation and tax matters described in their respective disclosure letters would each be capped at $1 million and that there would be an adjustment to the merger consideration following the procedures described in Article VIII of the Merger Agreement if the liabilities of Gadsden or FC Global, as applicable, exceed the $1 million threshold. Any claim for an adjustment to the merger consideration as a result of the specified tax or litigation liabilities must be made on or before March 31, 2020 otherwise such claim will expire.

In addition, the Amendment extends the closing date of the Merger in Section 1.2 of the Merger Agreement to February 28, 2019 and amends Section 7.1(c) of the Merger Agreement to extend the effectiveness deadline for the joint proxy statement/prospectus to February 28, 2019.

The foregoing description of the Merger Agreement and the Amendment is qualified in its entirety by reference to the full text of those documents, copies of which are attached hereto as Exhibits 2.1 and 2.2, respectively, and are incorporated herein by reference.

OFI Investments

As previously disclosed, on September 24, 2018, FC Global entered into a remediation agreement with Opportunity Fund I-SS LLC (“OFI”) and certain other parties signatory thereto (the “Remediation Agreement”), pursuant to which OFI agreed, among other things, to purchase $100,000 of shares of FC Global’s Series D Preferred Stock for a purchase price of $0.65 per share on the last day of each month, commencing on September 30, 2018, until it has purchased an aggregate of $500,000 of shares of Series D Preferred Stock; provided that, upon closing of any material business combination involving FC Global that is approved by OFI, OFI agreed to purchase an additional $1,500,000 of shares of Series D Preferred Stock at a price of $0.65 per share. Notwithstanding the foregoing, from and after the date that stockholder approval of the Remediation Agreement has been obtained, instead of purchasing shares of Series D Preferred Stock, OFI agreed to purchase shares of Common Stock at a price of $0.65 per share.

As previously disclosed, on September 28, 2018, the parties completed the first closing under the Remediation Agreement, pursuant to which OFI provided $100,000 to FC Global in exchange for 155,846 shares of Series D Preferred Stock, and on October 31, 2018, the parties completed the second closing under the Remediation Agreement, pursuant to which OFI provided $100,000 to FC Global in exchange for 155,846 shares of Series D Preferred Stock.

As previously disclosed, on November 29, 2018, FC Global’s stockholders approved the Remediation Agreement and all shares of Series D Preferred Stock issued to OFI were converted into shares of Common Stock. On the same date, the parties completed the third closing under the Remediation Agreement, pursuant to which OFI provided $1.6 million to FC Global in exchange for 2,461,538 shares of Common Stock.

On December 31, 2018, OFI agreed, notwithstanding the investment schedule set forth in the Remediation Agreement, to provide the remaining funds to FC Global, and the parties completed a final closing under the Remediation Agreement, pursuant to which OFI provided $200,000 to FC Global in exchange for 1,333,333 shares of Common Stock, or a purchase price of $0.15 per share, pursuant to a letter agreement, dated December 29, 2018, between FC Global and OFI (the “Letter Agreement”).
The foregoing description of the Remediation Agreement and the Letter Agreement is qualified in its entirety by reference to the full text of those documents, copies of which are attached hereto as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information set forth under Item 1.01 regarding the issuance of shares to OFI under the Remediation Agreement and the Letter Agreement is incorporated by reference into this Item 3.02. The issuance of these securities is being made in reliance upon an exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended.

**About FC Global Realty Incorporated**

FC Global Realty Incorporated (OTC Pink: FCRE; TASE: FCRE), founded in 1980, is transitioning from its former business as a skin health company to a company focused on real estate development and asset management, concentrating primarily on investments in and the management and development of income producing real estate assets. FC Global’s objective is to generate current income and long-term net asset value growth using institutional best practices in evaluating its investments. Additional information about FC Global may be found online at www.fcglobalrealty.com.

**About Gadsden Growth Properties, Inc.**

Gadsden Growth Properties, Inc. is a Maryland corporation that was formed on August 11, 2016. Gadsden’s business strategy will focus on the acquisition, development and management of property across retail, medical office and mixed-use investment segments in secondary and tertiary cities in the United States. Gadsden is a privately-held corporation and its securities do not trade on any marketplace. Additional information about Gadsden Growth Properties, Inc. may be found online at www.gadsdenreit.com.

**Additional Information and Where to Find It**

In connection with the proposed transaction between FC Global and Gadsden, FC Global will file relevant materials with the SEC, including a registration statement on Form S-4 that includes a joint proxy statement of FC Global and Gadsden that also constitutes a prospectus of Gadsden Properties, Inc. ("GPI"), and a definitive joint proxy statement/prospectus will be mailed to stockholders of FC Global and Gadsden. INVESTORS AND SECURITY HOLDERS OF FC GLOBAL AND GADSDEN ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus and other documents filed with the SEC by FC Global through the website maintained by the SEC at [http://www.sec.gov](http://www.sec.gov). Copies of the documents filed with the SEC by FC Global will be available free of charge within the Investors section of FC Global’s website at [www.fcglobalrealty.com](http://www.fcglobalrealty.com).

**No Offer or Solicitation**

This communication is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, the solicitation of an offer to subscribe for, buy or sell or an invitation to subscribe for, buy or sell any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

**Participants in Solicitation**

FC Global, Gadsden, and their respective directors and certain of their respective executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of FC Global is set forth in its proxy statement for its 2018 annual meeting filed with the SEC on October 25, 2018. Information about the directors and executive officers of Gadsden will be contained in the joint proxy statement/prospectus. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available.
Forward-Looking Statements

DISCLOSURE NOTICE: This document 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, related to FC Global, Gadsden and the proposed acquisition of Gadsden by FC Global. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. These forward-looking statements involve uncertainties that could significantly affect the financial or operating results of Gadsden, FC Global or the combined company, including the amount of total assets of the company or combined companies after any transaction. These forward-looking statements may be identified by terms such as anticipate, believe, foresee, expect, intend, plan, may, will, could and should and the negative of these terms or other similar expressions. Forward-looking statements in this document include, among other things, statements about the potential benefits of the proposed acquisition, including future financial and operating results, plans, objectives, expectations and intentions and the anticipated timing of closing of the acquisition. In addition, all statements that address operating performance, events or developments that FC Global or Gadsden expects or anticipates will occur in the future, including statements relating to creating value for stockholders, benefits of the proposed transactions to customers, vendors, employees, stockholders and other constituents of the combined company, integrating the two companies, cost savings and the expected timetable for completing the proposed transaction, are forward-looking statements. These forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Risks and uncertainties include, among other things, risks related to the satisfaction of the conditions to closing the acquisition (including the failure to obtain necessary stockholder approvals) in the anticipated timeframe or at all; risks related to the ability to realize the anticipated benefits of the acquisition, including the possibility that the expected benefits from the proposed acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; disruption from the transaction making it more difficult to maintain business, contractual and operational relationships; the unfavorable outcome of any legal proceedings that have been or may be instituted against FC Global, Gadsden or GPI; failure to protect proprietary or personally identifiable data against unauthorized access or unintended release; the ability to retain key personnel; negative effects of this announcement or the consummation of the proposed acquisition on the market price of the capital stock of FC Global, and on FC Global’s and Gadsden’s operating results; significant transaction costs, fees, expenses and charges; unknown liabilities; the risk of litigation and/or regulatory actions related to the proposed acquisition; other business effects, including the effects of industry, market, economic, political or regulatory conditions; future exchange and interest rates; changes in tax and other laws, regulations, rates and policies; future business combinations or disposals; and competitive developments.

A further description of risks and uncertainties relating to FC Global can be found its most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov, and additional risks and uncertainties relating to FC Global, Gadsden and the Merger are contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available.

Neither FC Global nor Gadsden assumes any obligation to update the forward-looking statements contained in this document as the result of new information or future events or developments.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description of Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Agreement and Plan of Merger, dated November 8, 2018, among FC Global Realty Incorporated, FC Merger Sub, Inc. Gadsden Growth Properties, Inc. and Gadsden Growth Properties, L.P. (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K filed on November 9, 2018)</td>
</tr>
<tr>
<td>2.2</td>
<td>Amendment No. 1 to Agreement and Plan of Merger, dated December 27, 2018, among FC Global Realty Incorporated, FC Merger Sub, Inc. Gadsden Growth Properties, Inc. and Gadsden Growth Properties, L.P.</td>
</tr>
<tr>
<td>10.1</td>
<td>Remediation Agreement, dated September 24, 2018, among FC Global Realty Incorporated, Opportunity Fund I-SS, LLC, Dolev Rafaeli, Dennis M. McGrath and Yoav Ben-Dror (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed on September 26, 2018)</td>
</tr>
<tr>
<td>10.2</td>
<td>Letter Agreement, dated December 29, 2018, between FC Global Realty Incorporated and Opportunity Fund I-SS, LLC</td>
</tr>
</tbody>
</table>
Pursuant to the requirements of the Securities Exchange Act of 1934, FC Global Realty Incorporated has duly caused this current report to be signed on its behalf by the undersigned hereunto duly authorized.

FC GLOBAL REALTY INCORPORATED

Date: January 2, 2019

By: /s/ Michael R. Stewart

Michael R. Stewart
Chief Executive Officer
AMENDMENT NO. 1
TO AGREEMENT AND PLAN OF MERGER

This AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER (this “Amendment”) is made and entered into as of this December 27, 2018, by and among FC Global Realty Incorporated, a Nevada corporation (“Parent”), FC Merger Sub, Inc., a Maryland corporation (“Purchaser” and, together with Parent, the “Purchaser Parties”), and Gadsden Growth Properties, Inc., a Maryland corporation (“Gadsden”) and Gadsden’s operating partnership, Gadsden Growth Properties, L.P., a Delaware limited partnership (the “Operating Partnership”) which has been formed under the Delaware Revised Uniform Limited Partnership Act. Capitalized terms used, but not otherwise defined, herein have the meanings ascribed to them in the Merger Agreement (as defined below).

RECITALS

A. On November 8, 2018, the Parties entered into an Agreement and Plan of Merger (the “Merger Agreement”).

B. As provided in the Merger Agreement, the Disclosure Letters contemplated by the Merger Agreement were not delivered by the Parent or Gadsden at the time of the signing of the Merger Agreement. Following the signing, in accordance with Section 5.14 of the Merger Agreement, the Parent and Gadsden each delivered their respective Disclosure Letter to the other Party.

C. The following sections of the Gadsden Disclosure Letter disclosed certain potential unquantified liabilities: Section 3.1(j) (Litigation), and Section 3.1(k) (Taxes) (the “Gadsden Specified Obligations”).

D. The following sections of the Parent Disclosure Letter disclosed certain potential unquantified liabilities: the second paragraph in Section 3.2(b) (Subsidiaries), Section 3.2(k) (Litigation) and Section 3.2(l) (Taxes) (the “Parent Specified Obligations” and, together with the Gadsden Specified Obligations, the “Specified Obligations”).

E. The Parties desire to provide for an adjustment to the Merger Consideration following the procedures described in Article VIII of the Merger Agreement if the Specified Obligations of either Gadsden or Parent exceed One Million Dollars ($1,000,000) (the “Threshold”).

F. Any claim for an adjustment as a result of Specified Obligations exceeding the Threshold must be made on or before March 31, 2020 otherwise such claim will expire.

G. The parties also agree to restate Section 1.2 and Section 7.1(c) of the Merger Agreement.
AGREEMENT

In consideration of the foregoing recitals and the respective covenants, agreements, representations and warranties contained herein and in the Merger Agreement, the Parties, intending to be legally bound, agree to amend and supplement the Agreement as follows:

1. **Representations as to Specified Obligations.**
   
   **(a) Gadsden and Operating Partnership Representation as to Specified Obligations.** Gadsden and the Operating Partnership hereby, jointly and severally, represent and warrant to the Purchaser Parties that the aggregate amount of the Gadsden Specified Obligations for which there is a payment in cash by Parent or any subsidiary of Parent after the Effective Time shall not exceed the Threshold; provided, that no such representation or warranty is made with respect to any claim that has been made in any case under the Bankruptcy Code, including without limitation, any claims made with respect to T9, any subsidiary of T9 or the T9 Property, each as defined in the Gadsden PPM.
   
   **(b) Purchaser Parties Representation as to Specified Obligations.** Each of the Purchaser Parties hereby, jointly and severally, represents and warrants to Gadsden that the aggregate amount of the Purchaser Specified Obligations for which there is a payment in cash by Parent or any subsidiary of Parent after the Effective Time shall not exceed the Threshold.
   
   **(c) Cross References.** For the avoidance of doubt, the Specified Obligations are only with respect to Liabilities that arise from or are related to any (i) litigation, arbitration, claim, investigation, suit, action or proceeding or any Order; or (ii) Taxes, whether or not such matter is disclosed as provided in recital C (by Gadsden) or recital D (by Parent).

2. **Adjustment to Merger Consideration; Survival.** The representations and warranties set forth in Section 1 of this Amendment shall constitute representations and warranties of the Merger Agreement for every purpose, including for purposes of making a Loss Determination in accordance with Article VIII of the Merger Agreement. The representations and warranties set forth in Section 1 of this Amendment shall survive until March 31, 2020 notwithstanding any longer period of survival for other representations and warranties relating to tax or other matters.

3. **Acceptance of Disclosure Letters.** Each of the Parties hereby confirms that it has no objection to the Disclosure Letter of the other Parties, delivered on the date of this Amendment, and agree that such Disclosure Letters are accepted as duly and timely delivered.

4. **Section 1.2 of the Merger Agreement.** Section 1.2 of the Merger Agreement is amended and restated to read in its entirety as follows:

   **Section 1.2 Closing.** The closing of the Merger (the “Closing”) will take place at 10:00 a.m., local time, as promptly as practicable, but in no event earlier than the earlier to occur of (a) February 28, 2019, or (b) the third (3rd) Business Day after the satisfaction or waiver of all of the conditions (other than those conditions that by their nature are to be satisfied by actions taken at Closing, but subject to the fulfillment or waiver of those conditions) set forth in Article VI (the “Closing Date”), at the offices of Allegaert Berger & Vogel LLP, 111 Broadway, 20th Floor, New York, New York 10006, unless another date or place is agreed to in writing by the parties.
5. Section 7.1(c) of the Merger Agreement. Section 7.1(c) of the Merger Agreement is amended and restated to read in its entirety as follows:

“(c) By Gadsden, upon a breach of any representation, warranty, covenant or agreement on the part of the Purchaser Parties set forth in this Agreement, or if there shall have been a Parent Material Adverse Effect or if the Merger Registration and Proxy Statement is not declared effective by the SEC on or prior to February 28, 2019;”

6. Effect of Amendment. Except as amended by this Amendment, the Agreement shall remain in full force and effect. In addition, if there are any inconsistencies between the Agreement and this Amendment, the terms of this Amendment shall prevail and control for all purposes.

7. Governing Law. This Amendment shall be construed in accordance with and governed by the Laws of the State of Maryland without giving effect to the principles of conflict of laws.

8. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute one and the same instrument.

[Signatures Follow]
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

FC GLOBAL REALTY INCORPORATED

By: /s/ Michael R. Stewart
Name: Michael R. Stewart
Title: Chief Executive Officer

FC MERGER SUB, INC.

By: /s/ Michael R. Stewart
Name: Michael R. Stewart
Title: Chief Executive Officer

GADSDEN GROWTH PROPERTIES, INC.

By: /s/ John Hartman
Name: John Hartman
Title: Chief Executive Officer

GADSDEN GROWTH PROPERTIES, L.P.
By: Gadsden Growth Properties, Inc.

By: /s/ John Hartman
Name: John Hartman
Title: Chief Executive Officer
December 29, 2018

Opportunity Fund I-SS LLC
c/o OP Fund I Manager, LLC
2481 Sunrise Blvd, Suite 200
Gold River, CA 95670

Attention: Kristen E. Pigman

Re: Remediation Agreement, dated September 24, 2018, among FC Global Realty Incorporated (“FC Global”), Opportunity Fund I-SS LLC (“OFI”) and the other parties signatory thereto (the “Remediation Agreement”).

Dear Mr. Pigman,

FC Global and OFI have entered into the Remediation Agreement pursuant to which, among other things, OFI agreed to invest up to $2 million in FC Global in exchange for shares of the Series D Preferred Stock and the Common Stock of FC Global. As of the date of this letter (this “Side Letter”), OFI has invested all $2 million as provided for under the Remediation Agreement. FC Global and OFI desire to supplement the Remediation Agreement to provide for an additional investment of $200,000. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Remediation Agreement.

Accordingly, FC Global and OFI hereby agree as follows:

1. **Purchase and Sale of Common Stock.** Subject to the terms and conditions of this Side Letter, OFI shall purchase from FC Global $200,000 of shares of Common Stock for a purchase price of $0.15 per share. The purchase and sale contemplated by this Side Letter shall be subject to (a) the conditions set forth in Section 2(d)(i)-(ix) of the Remediation Agreement and (b) this Side Letter being approved by the unanimous written consent of the Board of Directors of FC Global.

2. **Remediation Agreement Remains in Effect.** Except as supplemented by this Side Letter, the Remediation Agreement remains unmodified and in full force and effect.

3. **Miscellaneous.** The Miscellaneous provisions of Section 9 of the Remediation Agreement shall apply equally to this Side Letter and are hereby incorporated into this Side Letter by reference.

Please execute and return a copy of this Side Letter to the undersigned as evidence of our supplemental agreement herein.
Very truly yours,

FC Global Realty Incorporated

By: /s/ Michael R. Stewart
Name: Michael R. Stewart
Title: Chief Executive Officer

ACCEPTED AND AGREED TO AS OF
THE DATE OF THIS LETTER:

Opportunity Fund I-SS, LLC
By: OP Fund I Manager, LLC

By: /s/ Kristen Pigman
Name: Kristen Pigman
Title: Director