

TARGET GROUP INC.

FORM 8-K (Current report filing)

Filed 02/18/22 for the Period Ending 02/16/22

Telephone	905-541-3833
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SIC Code	2833 - Medicinal Chemicals and Botanical Products
Industry	Healthcare Facilities & Services
Sector	Healthcare
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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: February 16, 2022)

TARGET GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware	000-55066	46-3621499
State or other jurisdiction incorporation	Commission File Number	IRS Employer Identification No.
35 Second Avenue West, Simcoe, Ontario, Canada N3Y 4L5		
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (647) 927-4644
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

For 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.

Emerging Growth Company

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchanges on which registered</u>
N/A	N/A	N/A

Section 2- Financial Information

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On December 26, 2019, the Company filed a report on Form 8-K disclosing the entry into a financing agreement (“*Original Loan*”) with a private individual (“*Lender*”) who is the brother of the Company’s Chief Executive Officer, Anthony Zarcone. The Original Loan was subsequently amended on three previous occasions as disclosed in reports filed on Form 8-K on March 17, 2020, April 24, 2020, and May 14, 2020.

Effective February 16, 2022, the Company and Lender entered into a Fifth Amending Agreement pursuant to which the Lender loaned the Company an additional US\$100,000.00. The maturity date of the Original Loan is extended to June 1, 2023. The loan carries interest at the rate of 3.0146% per month (43.26% per annum). The remaining terms and conditions of the Original Loan remain in full force and effect.

Section 9- Financial Statements and Exhibits

Exhibits

Number

Description

10.1

[Fifth Amending Agreement dated February 16, 2022.](#)

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Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

TARGET GROUP INC.

Dated: February 18, 2022

By: */s/ Anthony Zarcone*
Chief Executive Officer

FIFTH AMENDING AGREEMENT

THIS AGREEMENT made as of the 16th day of February, 2022

BETWEEN:

JERRY ZARCONE

(hereinafter referred to as “**Jerry**”)

- and -

TARGET GROUP INC.

(hereinafter referred to as “**TGI**”)

- and -

CANARY RX INC.

(hereinafter referred to as “**Canary**”)

- and -

VISAVA INC.

(hereinafter referred to as “**Visava**”)

- and -

CANNAKORP INC.

(hereinafter referred to as “**Cannakorp**”, which together with Visava and Canary shall be collectively referred to as the “**Subsidiaries**”)

WHEREAS:

- A. Jerry and TGI entered into a Loan Agreement made as of the 20th day of December, 2019 (the “**Loan Agreement**”), which Loan Agreement has been amended and extended by various amending and extending agreements from time to time the most recent of is the Fourth Amending and Extending Agreement made as of the 15th day of June, 2021 (collectively, the “**FAEA**”).

- B. All capitalized terms shall have the meanings ascribed to them in the FAEA unless otherwise defined herein.
- C. The parties are desirous of further amending the Loan Agreement upon the terms and provisions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the respective covenants and agreements hereinafter contained and the sum of One Dollar (\$1.00) now paid by the parties hereto each to the other (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the parties hereto agree as follows:

1. The parties hereby declare and confirm that the Recitals are true and accurate and form integral terms and provisions of this Agreement.
2. The parties acknowledge and agree that as the date hereof, the principal amount advanced under the Second Tranche of the Loan is \$1,400,000.00.
3. The parties further covenant and agree that on the date hereof Jerry shall advance the further principal amount of \$100,000.00 under the Second Tranche of the Loan provided that:
 - (a) The advance shall be subject to a lender's fee equal to \$20,000.00, which lender's fee may be deducted by Jerry from the advance.
 - (b) For clarity, the said advance shall be subject to interest which shall be calculated pursuant to Section 2(a)(ii) of the FAEA and payable pursuant to Section 2(b) thereof.
 - (c) For further clarity, all monies owing and the performance of all other covenants and obligations by TGI under the Loan be and same shall be guaranteed by the Subsidiaries and secured under all security given by TGI and Subsidiaries, including without limitation, the Security.
 - (d) Contemporaneous with the execution and delivery of this Agreement, TGI and the Subsidiaries shall reimburse Jerry for all legal costs and expenses in respect of the Loan including, without limitation, any demands thereof and the negotiation, drafting and execution of this Agreement.
4. TGI and the Subsidiaries shall execute, deliver, and, if applicable, register within a reasonable time following presentation thereof by Jerry or his counsel (but in no event more than five (5) business days following such presentation) and shall also promptly do or cause to be done all other acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any further assurances, undertakings and information in order to give full effect to this Agreement. .
5. Except as modified by this Agreement, the Loan Agreement shall be unamended and shall be and shall remain in full force and effect. Also, to the extent that any term or provision of this Agreement conflicts with any term or provision of the Loan Agreement, the terms and provision of this Agreement shall prevail.

6. This Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered to each other shall be deemed to be and shall be read as a single agreement among the parties.
7. This Agreement is governed by and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.
8. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement.

Each of the parties has executed and delivered this Agreement as of the date first above written.

SIGNED IN THE PRESENCE OF

Witness

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)
)

/s/ Jerry Zarcone

JERRY ZARCONE

TARGET GROUP INC.

Per:

/s/ Saul Niddam

Name: Saul Niddam

Position: Director

/s/ Frank Monte

Name: Frank Monte

Position: Director

Anthony Zarcone

Name: Anthony Zarcone

Position: Director

Barry Katzman

Name: Barry Katzman

Position: Director

CANARY RX INC.

Per:

Anthony Zarcone

Name: Anthony Zarcone

Position: President & CEO

I have authority to bind the Corporation

VISAVA INC.

Per:

Anthony Zarcone

Name: Anthony Zarcone

Position: President & CEO

I have authority to bind the Corporation

CANNAKORP INC.

Per:

Saul Niddam

Name: Saul Niddam

Position: CEO

I have authority to bind the Corporation