

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): August 29, 2019

AVALON GLOBOCARE CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-55709
(Commission File Number)

47-1685128
(IRS Employer
Identification Number)

4400 Route 9 South, Suite 3100, Freehold, New Jersey 07728
(Address of principal executive offices) (zip code)

646-762-4517
(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.

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	AVCO	The Nasdaq Capital Market

Item 1.01. Entry Into a Material Definitive Agreement.

Avalon GloboCare Corp. (the “Company”) entered into a Line of Credit Agreement (the “Line of Credit Agreement”) providing the Company with a \$20 million line of credit (the “Line of Credit”) from Wenzhao “Daniel” Lu (the “Lender”), a significant shareholder and director of the Company.

The Line of Credit allows the Company to request loans thereunder and to use the proceeds of such loans for working capital and operating expense purposes until the facility matures on December 31, 2024. The loans are unsecured and are not convertible into equity of the Company.

Loans drawn under the Line of Credit bears interest at an annual rate of 5% and each individual loan will be payable three years from the date of issuance. The Company may, at its option, prepay any borrowings under the Line of Credit, in whole or in part at any time prior to maturity, without premium or penalty.

The Line of Credit Agreement includes customary events of default. If any such event of default occurs, the Lender may declare all outstanding loans under the Line of Credit to be due and payable immediately.

The description above is qualified in its entirety by the Line of Credit Agreement, which is included as Exhibit 10.1 and is incorporated by reference herein.

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

Please see the discussion set forth under Item 1.01, “Entry into a Material Definitive Agreement,” of this Form 8-K, which discussion is incorporated herein by reference in its entirety.

Item 9.01. Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Revolving Line of Credit Agreement, dated as of August 29, 2019, between Avalon GloboCare Corp. and Wenzhao “Daniel” Lu dated August 29, 2019
99.1	Press Release dated September 3, 2019

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 3, 2019

AVALON GLOBOCARE CORP.

By: /s/ Luisa Ingargiola

Name: Luisa Ingargiola

Title: Chief Financial Officer

REVOLVING LINE OF CREDIT AGREEMENT

This Revolving Line of Credit Agreement (the “**AGREEMENT**”) is made and entered into in this 29th day of August, 2019, by and between WENZHAO “DANIEL” LU (“**LENDER**”), and AVALON GLOBOCARE CORP., a Delaware corporation (“**BORROWER**”).

In consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. LINE OF CREDIT. Lender hereby establishes for a period extending to December 31, 2024 (the “**MATURITY DATE**”) a revolving line of credit (the “**CREDIT LINE**”) for Borrower in the principal amount of Twenty Million Dollars (\$20,000,000) (the “**CREDIT LIMIT**”). All sums advanced on the Credit Line or pursuant to the terms of this Agreement (each an “**ADVANCE**”) shall be evidenced by a Promissory Note, a form of which is attached hereto as **Exhibit A**.

2. ADVANCES. Any request for an Advance may be made from time to time and in such amounts as Borrower may choose; provided, however, any requested Advance will not, when added to the outstanding principal balance of all previous Advances, exceed the Credit Limit. Requests for Advances may be made in writing, which may be made by e-mail, by such officer of Borrower authorized by it to request such Advances. Until such time as Lender may be notified otherwise, Borrower hereby authorizes its Chief Executive Officer and/or Chief Financial Officer to request Advances. Lender may deposit or credit the amount of any requested Advance to Borrower’s checking account with Lender. Lender may refuse to make any requested Advance if an event of default has occurred and is continuing hereunder either at the time the request is given or the date the Advance is to be made, or if an event has occurred or condition exists which, with the giving of notice or passing of time or both, would constitute an event of default hereunder as of such dates.

The funds from the Advances will be used by the Borrower for working capital and/or operating expenses in connection with the operations of the Borrower.

3. INTEREST. All sums advanced pursuant to this Agreement shall bear interest from the date each Advance is made until paid in full at the rate of five percent (5%) per annum, simple interest (the “**EFFECTIVE RATE**”).

4. REPAYMENT. The entire unpaid principal balance, together with any accrued interest and other unpaid charges or fees hereunder, shall be due and payable on the Maturity Date as defined in the Promissory Note. All payments shall be made to Lender at such place as Lender may, from time to time, designate. All payments received hereunder shall be applied, first, to any costs or expenses incurred by Lender in collecting such payment or to any other unpaid charges or expenses due hereunder; second, to accrued interest; and third, to principal. Borrower may prepay principal at any time without penalty.

5. REPRESENTATIONS AND WARRANTIES. In order to induce Lender to enter into this Agreement and to make the advances provided for herein, Borrower represents and warrants to Lender as follows:

a. Borrower is a duly organized, validly existing, and in good standing under the laws of the State of Delaware with the power to own its assets and to transact business in New Jersey, and in such other states where its business is conducted.

b. Borrower has the authority and power to execute and deliver any document required hereunder and to perform any condition or obligation imposed under the terms of such documents.

c. The execution, delivery and performance of this Agreement and each document incident hereto will not violate any provision of any applicable law, regulation, order, judgment, decree, article of incorporation, by-law, indenture, contract, agreement, or other undertaking to which Borrower is a party, or which purports to be binding on Borrower or its assets and will not result in the creation or imposition of a lien on any of its assets.

d. There is no action, suit, investigation, or proceeding pending or, to the knowledge of Borrower, threatened, against or affecting Borrower or any of its assets which, if adversely determined, would have a material adverse affect on the financial condition of Borrower or the operation of its business.

6. EVENTS OF DEFAULT. An event of default will occur if any of the following events occurs:

a. Failure to pay any principal or interest hereunder within ten (10) days after the same becomes due.

b. Any representation or warranty made by Borrower in this Agreement or in connection with any borrowing or request for an Advance hereunder, or in any certificate, financial statement, or other statement furnished by Borrower to Lender is untrue in any material respect at the time when made.

c. Default by Borrower in the observance or performance of any other covenant or agreement contained in this Agreement, other than a default constituting a separate and distinct event of default under this Paragraph 6.

d. Filing by Borrower of a voluntary petition in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any other relief under the Bankruptcy Code as amended or under any other insolvency act or law, state or federal, now or hereafter existing.

e. Filing of an involuntary petition against Borrower in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any other relief under the Bankruptcy Code as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, and the continuance thereof for sixty (60) days undismissed, unbonded, or undischarged.

7. REMEDIES. Upon the occurrence of an event of default as defined above, Lender may declare the entire unpaid principal balance, together with accrued interest thereon, to be immediately due and payable without presentment, demand, protest, or other notice of any kind. Lender may suspend or terminate any obligation it may have hereunder to make additional Advances. To the extent permitted by law, Borrower waives any rights to presentment, demand, protest, or notice of any kind in connection with this Agreement. No failure or delay on the part of Lender in exercising any right, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided herein are cumulative and not exclusive of any other rights or remedies provided at law or in equity. Borrower agrees to pay all costs of collection incurred by reason of the default, including court costs and reasonable attorney's fees.

8. NOTICE. Any written notice will be deemed effective on the date such notice is placed, first class, postage prepaid, in the United States mail, addressed to the party to which notice is being given as follows:

Lender: WENZHAO "DANIEL" LU

Borrower: AVALON GLOBOCARE CORP.
4400 Route 9 South, Suite 3100
Freehold, New Jersey 07728

9. GENERAL PROVISIONS. All representations and warranties made in this Agreement and the Promissory Note and in any certificate delivered pursuant thereto shall survive the execution and delivery of this Agreement and the making of any loans hereunder. This Agreement will be binding upon and inure to the benefit of Borrower and Lender, their respective successors and assigns, except that Borrower may not assign or transfer its rights or delegate its duties hereunder without the prior written consent of Lender. This Agreement, the Promissory Note, and all documents and instruments associated herewith will be governed by and construed and interpreted in accordance with the laws of the State of New Jersey. Time is of the essence hereof. This Agreement will be deemed to express, embody, and supersede any previous understanding, agreements, or commitments, whether written or oral, between the parties with respect to the general subject matter hereof. This Agreement may not be amended or modified except in writing signed by the parties.

EXECUTED on the day and year first written above.

Borrower: AVALON GLOBOCARE CORP.

By: /s/ David Jin
Name: David Jin
Title: CEO

Lender: /s/ Wenzhao "Daniel" Lu
WENZHAO "DANIEL" LU

PROMISSORY NOTE

\$[] .00

Freehold, NJ
[], 2019

This Promissory Note (the "NOTE") is made and executed as of the date referred to above, by and between Avalon GloboCare Corp., a Delaware corporation (the "BORROWER"), and Wenzhao "Daniel" Lu ("LENDER"). By this Note, the Borrower promises and agrees to pay to the order of Lender, at such other place as Lender may designate in writing, the principal sum of [] and 00/100 Dollars (\$[],000.00) pursuant to the terms of a Revolving Line of Credit Agreement (the "LOAN AGREEMENT") of even date herewith, whichever is less, together with interest thereon from the date each advance is made until paid in full, both before and after judgment, at the rate of five percent (5.0%) per annum, simple interest.

The entire unpaid principal balance, together with any accrued interest and other unpaid charges or fees hereunder, shall be due and payable on [insert date five years after issuance of note] (the "MATURITY DATE").

Prepayment in whole or part may occur at any time hereunder without penalty. All payments received hereunder shall be applied, first, to any costs or expenses incurred by Lender in collecting such payment or to any other unpaid charges or expenses due hereunder; second, to accrued interest; and third, to principal.

An event of default will occur if any of the following events occurs:

(a) failure to pay any principal or interest hereunder within ten (10) days after the same becomes due;

(b) if any representation or warranty made by Borrower in the Loan Agreement or in connection with any borrowing or request for an advance thereunder, or in any certificate, financial statement, or other statement furnished by Borrower to Lender is untrue in any material respect at the time when made;

(c) default by Borrower in the observance or performance of any other covenant or agreement contained in the Loan Agreement, other than a default constituting a separate and distinct event of default under Paragraph 7 of the Loan Agreement;

(d) filing by Borrower of a voluntary petition in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any other relief under the Bankruptcy Code as amended or under any other insolvency act or law, state or federal, now or hereafter existing; or

(e) filing of an involuntary petition against Borrower in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any other relief under the Bankruptcy Code as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, and the continuance thereof for sixty (60) days undismissed, unbonded, or undischarged.

Any notice or demand to be given to the parties hereunder shall be deemed to have been given to and received by them and shall be effective when personally delivered or when deposited in the U.S. mail, certified or registered mail, return receipt requested, postage prepaid, and addressed to the party at his or its last known address, or at such other address as the one of the parties may hereafter designate in writing to the other party.

The Borrower hereof waives presentment for payment, protest, demand, notice of protest, notice of dishonor, and notice of nonpayment, and expressly agrees that this Note, or any payment hereunder, may be extended from time to time by the Lender without in any way affecting its liability hereunder.

In the event any payment under this Note is not made at the time and in the manner required, the Borrower agrees to pay any and all costs and expenses which may be incurred by the Lender hereof in connection with the enforcement of any of its rights under this Note or under any such other instrument, including court costs and reasonable attorneys' fees.

This Note shall be governed by and construed and enforced in accordance with the laws of New Jersey.

AVALON GLOBOCARE CORP.

By: _____
Name:
Title:

Avalon GloboCare Announces \$20 Million Credit Facility Provided by Company Chairman

- *Unsecured credit facility carries 5% interest, all payments deferred for 36 months and is non-convertible into equity*
- *Proceeds to be used to accelerate R&D, clinical studies and commercialization programs*

FREEHOLD, N.J., September 3, 2019 (GLOBE NEWSWIRE) -- Avalon GloboCare Corp. (NASDAQ: AVCO), a leading clinical-stage global developer of cell-based technologies and therapeutics, today announced it has secured a \$20 million credit facility provided by the Company's Chairman, Daniel Lu. The unsecured credit facility bears interest at a rate of 5% and provides for maturity on drawn loans 36 months after funding. The note is not convertible to equity. The credit facility will be used to accelerate the Company's ongoing research and development programs, clinical studies, as well as commercial strategies.

"Avalon is at an exciting inflection point and advancing our R&D, clinical and commercial activities. This funding provides us capital to execute a number of our clinical activities and milestones related to our ongoing cellular immunotherapy, regenerative medicine, as well as exosome-based programs. Last month, we initiated our first-in-human clinical trial of CAR-T candidate, AVA-001, in China. Concurrently, other immune effector cell therapy candidates are actively undergoing pre-clinical development and validation, with anticipation of more first-in-human clinical studies initiated in year 2020 and beyond. In addition, we are in the planning phase to launch commercial products that leverage our advanced, clinical-grade exosome platform (ACTEX™). We are grateful for our Chairman's continued support and his confidence in the commercial outlook for the business. This credit facility is at very favorable terms to the Company and helps us avoid unnecessary equity dilution as we continue to execute on key milestones that rapidly move along clinical and commercialization paths," stated David Jin, M.D., Ph.D., President and Chief Executive Officer of Avalon GloboCare.

About Avalon GloboCare Corp.

Avalon GloboCare Corp. (NASDAQ: AVCO) is a clinical-stage, leading CellTech bio-developer dedicated to advancing and empowering innovative, transformative exosome technologies and cellular therapeutics. Avalon also provides strategic advisory and outsourcing services to facilitate and enhance its clients' growth, development, as well as competitiveness in healthcare and CellTech industry markets. Through its subsidiary structure with unique integration of verticals from innovative R&D to automated bioproduction and accelerated clinical development, Avalon is establishing a leading role in the fields of in vitro diagnostics ("liquid biopsy"), immune effector cell therapy (including CAR-T/CAR-NK), and regenerative therapeutics. For more information about Avalon GloboCare, please visit www.avalon-globocare.com.

Forward-Looking Statements

Certain statements contained in this press release may constitute "forward-looking statements." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors as disclosed in our filings with the Securities and Exchange Commission located at their website (<http://www.sec.gov>). In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. The forward-looking statements included in this press release represent the Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of the press release.

Contact Information:

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Freehold, NJ 07728
PR@Avalon-GloboCare.com

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