

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2022-09-30** | Period of Report: **2022-09-26**
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FILER

Staffing 360 Solutions, Inc.

CIK: **1499717** | IRS No.: **680680859** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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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

September 26, 2022

Date of Report (Date of earliest event reported)

STAFFING 360 SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37575
(Commission
File Number)

68-0680859
(I.R.S. Employer
Identification Number)

757 3rd Avenue
27th Floor
New York, NY 10017
(Address of principal executive offices)

(646) 507-5710
(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:

- 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.

Title of each class
Common stock

Trading Symbol(s)
STAF

Name of each exchange on which registered
NASDAQ

Item 1.01 Entry Into a Material Definitive Agreement.

Amendments to Credit Agreement

On September 26, 2022, Staffing 360 Solutions, Inc. (the “*Company*”) and certain of its domestic subsidiaries entered into an amendment (“*Amendment No. 23*”) to the Credit and Security Agreement, dated as of April 8, 2015 (as amended, the “*Credit Agreement*”) with MidCap Funding X Trust (“*MidCap*”). Amendment No. 23 extends the Commitment Expiry Date, as defined in the Credit Agreement, to September 29, 2022.

On September 29, 2022, the Company and certain of its domestic subsidiaries entered into an amendment (“*Amendment No. 24*”) to the Credit Agreement with MidCap, which further extends the Commitment Expiry Date to October 13, 2022. The foregoing descriptions of Amendment No. 23 and Amendment No. 24 do not purport to be complete and are qualified in their entirety by reference to the full text of Amendment No. 23 and Amendment No. 24, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2, respectively, and incorporated herein by reference.

Limited Consent

On September 28, 2022, the Company entered into a limited consent (the “*Limited Consent*”) to the Second Amended and Restated Note Purchase Agreement, dated as of October 26, 2020 (the “*Note Purchase Agreement*”), with Jackson Investment Group, LLC. The Limited Consent extends the existing maturity date of the Amended and Restated Senior Secured 12% Promissory Note, dated as of October 26, 2020, from September 30, 2022 to October 14, 2022. The foregoing description of the Limited Consent does not purport to be complete and is qualified in its entirety by reference to the full text of the Limited Consent, a copy of which is attached hereto as Exhibit 10.3 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Amendment No. 23 to the Credit and Security Agreement, dated September 26, 2022
10.2	Amendment No. 24 to the Credit and Security Agreement, dated September 29, 2022
10.3	Limited Consent to Second Amended and Restated Note Purchase Agreement, dated September 28, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Date: September 30, 2022

STAFFING 360 SOLUTIONS, INC.

By: */s/ Brendan Flood*

Brendan Flood
Chairman and Chief Executive Officer

**AMENDMENT NO. 23 TO
CREDIT AND SECURITY AGREEMENT**

THIS AMENDMENT NO. 23 TO CREDIT AND SECURITY AGREEMENT (this “**Amendment**”) is effectively dated as of the 26th day of September, 2022, by and among **MONROE STAFFING SERVICES, LLC**, a Delaware limited liability company, **FARO RECRUITMENT AMERICA, INC.**, a New York corporation, **LIGHTHOUSE PLACEMENT SERVICES, INC.**, a Massachusetts corporation, **STAFFING 360 GEORGIA, LLC**, a Georgia limited liability company, and **KEY RESOURCES, INC.**, a North Carolina corporation (each of the foregoing Persons and each Subsidiary joining the Credit Agreement as hereinafter defined as a Borrower, individually, each a “**Borrower**” and collectively, “**Borrowers**”), **STAFFING 360 SOLUTIONS, INC.**, a Delaware corporation (as “**Parent**”), and **MIDCAP FUNDING IV TRUST**, a Delaware statutory trust, as successor-by-assignment to MidCap Funding X Trust (as Agent for Lenders, “**Agent**”, and individually, as a Lender), and the other financial institutions or other entities from time to time parties to the Credit Agreement referenced below, each as a Lender.

RECITALS

A. Borrowers, Agent and Lenders are party to that certain Credit and Security Agreement dated as of April 8, 2015 (as amended by that certain Amendment No. 1 and Joinder Agreement to Credit and Security Agreement dated as of July 13, 2015, by that certain Amendment No. 2 to Credit and Security Agreement dated as of August 31, 2015, by that certain Overadvance Letter dated October 9, 2015, by that certain Overadvance Letter dated as of November 20, 2015, by that certain Overadvance Letter dated as of February 8, 2016, by that certain Amendment No. 3 to Credit and Security Agreement and Limited Waiver dated as of February 8, 2016, by that certain Amendment No. 4 and Joinder Agreement to Credit and Security Agreement dated as of July 11, 2016, by that certain Amendment No. 5 to Credit and Security Agreement dated as of September 26, 2016, by that certain Amendment No. 6 to Credit and Security Agreement and Limited Consent dated as of January 26, 2017, by that certain Amendment No. 7 to Credit and Security Agreement and Limited Consent dated as of June 5, 2017, by that certain Amendment No. 8 and Joinder Agreement to Credit and Security Agreement and Limited Consent dated as of September 15, 2017, by that certain Amendment No. 9 to Credit and Security Agreement and Limited Consent dated as of June 6, 2018, by that certain Amendment No. 10 and Joinder Agreement to Credit and Security Agreement and Limited Consent dated as of August 27, 2018, by that certain Overadvance Letter dated as of January 3, 2019, by that certain Amendment No. 11 to Credit and Security Agreement dated as of February 7, 2019, by that certain Overadvance Letter dated as of April 1, 2019, by that certain Amendment No. 12 to Credit and Security Agreement dated as of April 1, 2019, by that certain Overadvance Letter dated as of July 15, 2019, by that certain Amendment No. 13 to Credit and Security Agreement dated as of August 2, 2019, by that certain Amendment No. 14 dated as of August 8, 2020, by that certain Amendment No. 15 dated as of September 7, 2020, by that certain Amendment No. 16 dated as of October 7, 2020, by that certain Amendment No. 18 to Credit and Security Agreement dated as of February 8, 2021, by that certain Amendment No. 19 to Credit and Security Agreement dated as of December 23, 2021, by that certain Amendment No. 20 to Credit and Security Agreement and Limited Consent dated as of April 18, 2022, by that certain Amendment No. 21 to Credit and Security Agreement dated as of August 30, 2022, by that certain Amendment No. 22 to Credit and Security Agreement dated as of September 15, 2022, as amended hereby and as it may be further amended, modified and restated from time to time, the “**Credit Agreement**”). Capitalized terms used but not otherwise defined in this Amendment shall have the meanings set forth in the Credit Agreement.

B. Borrowers have requested that the Agent and the Lenders agree to amend the Credit Agreement to extend the Commitment Expiry Date.

C. Borrowers, Agent and Lenders have agreed to amend the Credit Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent, Lenders, Parent and Borrowers hereby agree as follows:

1. Recitals. This Amendment shall constitute a Financing Document and the Recitals set forth above shall be construed as part of this Amendment as if set forth fully in the body of this Amendment.

2. Amendments to Credit Agreement.

(a) Section 1.1 – Definition of Commitment Expiry Date. The defined term “Commitment Expiry Date” in Section 1.1 of the Credit Agreement is hereby amended and restated, respectively, in its entirety as follows:

“Commitment Expiry Date” means September 29, 2022.

3. Confirmation of Representations and Warranties; Reaffirmation of Security Interest.

(a) Each Borrower hereby confirms that all of the representations and warranties set forth in Article 3 of the Credit Agreement are true and correct in all material respects with respect to such Borrower as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, and covenants to perform its respective obligations under the Credit Agreement. To induce Agent and Lender to enter into this Agreement, Borrowers and Parent further represent and warrant that:

(i) no Default or Event of Default has occurred or is continuing as of the date hereof, which has not been waived in writing by the Agent;

(ii) as of the date hereof and, immediately after giving effect to this Amendment and the transactions contemplated hereby, the representations and warranties of Borrowers contained in the Financing Documents are true and correct in all material respects (or if any representation or warranty is qualified with respect to materiality, in all respects) on and as of the date hereof to the same extent as though made on and as of such date except to the extent such representations and warranties specifically relate to an earlier date; and

(iii) the execution, delivery and performance by Borrowers and Parent of this Amendment are within each of its corporate powers and have been duly authorized by all necessary corporate action, and this Amendment is the legal, valid and binding obligation of Borrowers and Parent enforceable against Borrowers and Parent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors’ rights generally and by equitable principles, and neither the execution, delivery or performance by Borrowers and Parent of this Agreement (A) violates any Law, or any other rule or decree of any Governmental Authority, (B) conflicts with or results in the breach or termination of, constitutes a default under or accelerates any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which Borrowers or Parent is a party or by which Borrowers or Parent or any of its property is bound, except for such conflicts, breaches, terminations, defaults or accelerations that would not reasonably be expected to have a Material Adverse Effect, (C) results in the creation or imposition of any Lien upon any of the Collateral, (D) violates or conflicts with the by-laws or other organizational documents of Borrowers and Parent, or (E) requires the consent, approval or authorization of, or declaration or filing with, any other Person, except for those already duly obtained.

(b) Each Borrower and Parent confirms and agrees that all security interests and Liens granted to Agent continue in full force and effect, and all Collateral remains free and clear of any Liens, other than those granted to Agent and Permitted Liens. Nothing herein is intended to impair or limit the validity, priority or extent of Agent’s security interests in and Liens on the Collateral. For the avoidance of any doubt, the Collateral secures repayment of the Obligations and the Affiliated Obligations, and in furtherance thereof, Borrowers and Parent hereby reaffirm the grant to Agent, for the benefit of itself and Lenders, of a continuing first priority Lien (subject to Permitted Liens) on and security interest in all of the Collateral as security for the payment and performance of the Obligations, and for the payment and performance of all obligations under the Affiliated Financing Documents.

4. Enforceability. This Amendment constitutes the legal, valid and binding obligation of each Borrower and Parent, and is enforceable against each Borrower and Parent in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors’ rights generally and by general equitable principles.

5. Costs and Fees. Borrowers shall be responsible for the payment of all reasonable costs and fees of Agent’s counsel incurred in connection with the preparation of this Amendment and any related documents. If Agent or any Lender uses in-house counsel for any of these purposes, Borrowers further agree that the Obligations include reasonable charges for such work commensurate with the fees that would otherwise be charged by outside legal counsel selected by Agent or such Lender for the work performed. Borrowers hereby authorize Agent to deduct all of such fees set forth in this Section 7 from the proceeds of one or more Revolving Loans made under the Credit Agreement.

6. Reaffirmation of Security Interest. Each of the Borrowers and Parent confirms and agrees that: (i) all security interests and liens granted to Agent continue in full force and effect, and (ii) all Collateral remains free and clear of any liens other than liens in favor of Agent and Permitted Encumbrances. Nothing herein contained is intended to impair or limit the validity, priority and extent of Agent's security interest in and liens upon the Collateral.

7. Conditions to Effectiveness. This Amendment shall become effective as of the date on which each of the following conditions has been satisfied (the "**Effective Date**"):

(a) **Amendment.** Borrowers and Parent shall have delivered to Agent this Amendment, duly executed by an authorized officer of each Credit Party;

(b) **Representations and Warranties.** All representations and warranties of Borrowers contained herein shall be true and correct in all material respects as of the Effective Date except to the extent such representations and warranties specifically relate to an earlier date (and such parties' delivery of their respective signatures hereto shall be deemed to be their certification thereof); and

(c) **Fees and Expenses.** Agent shall have received from Borrowers of all of the fees owing pursuant to this Amendment and Agent's reasonable out-of-pocket legal fees and expenses.

8. Release. Each Borrower, voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself and all of its respective parents, subsidiaries, affiliates, members, managers, predecessors, successors, and assigns, and each of their respective current and former directors, officers, shareholders, agents, and employees (collectively, "**Releasing Parties**"), does hereby fully and completely release, acquit and forever discharge each Indemnitee (as defined in the Credit Agreement) of and from any and all actions, causes of action, suits, debts, disputes, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, whether matured or unmatured, liquidated or unliquidated, vested or contingent, choate or inchoate, known or unknown that the Releasing Parties (or any of them) has against the Indemnitees (or any of them), that directly or indirectly arise out of, are based upon or are in any manner connected with any Prior Related Event. "**Prior Related Event**" means any transaction, event, circumstance, action, failure to act, occurrence of any type or sort, whether known or unknown, which occurred, existed, was taken, was permitted or begun in accordance with, pursuant to or by virtue of (a) any of the terms of this Amendment or any other Financing Document, (b) any actions, transactions, matters or circumstances related hereto or thereto, (c) the conduct of the relationship between any Indemnitee and any Borrower, or (d) any other actions or inactions by any Indemnitee, all on or prior to the Effective Date. Each Borrower acknowledges that the foregoing release is a material inducement to Agent's and Lender's decision to enter into this Amendment and to agree to the modifications contemplated hereunder.

9. No Waiver or Novation. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Agent, nor constitute a waiver of any provision of the Credit Agreement, the Financing Documents or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing, except as set forth above. Nothing herein is intended or shall be construed as a waiver of any existing Defaults or Events of Default under the Credit Agreement or other Financing Documents or any of Agent's rights and remedies in respect of such Defaults or Events of Default. This Amendment (together with any other document executed in connection herewith) is not intended to be, nor shall it be construed as, a novation of the Credit Agreement.

10. Affirmation. Except as specifically amended pursuant to the terms hereof, the Credit Agreement and all other Financing Documents (and all covenants, terms, conditions and agreements therein) shall remain in full force and effect, and are hereby ratified and confirmed in all respects by Borrowers. Each Borrower covenants and agrees to comply with all of the terms, covenants and conditions of the Credit Agreement (as amended hereby) and the Financing Documents, notwithstanding any prior course of conduct, waivers, releases or other actions or inactions on Agent's or any Lender's part which might otherwise constitute or be construed as a waiver of or amendment to such terms, covenants and conditions.

11. Miscellaneous.

(a) Reference to the Effect on the Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” or words of similar import shall mean and be a reference to the Credit Agreement, as amended by this Amendment. Except as specifically amended above, the Credit Agreement, and all other Financing Documents (and all covenants, terms, conditions and agreements therein), shall remain in full force and effect, and are hereby ratified and confirmed in all respects by Borrowers.

(b) Incorporation of Credit Agreement Provisions. The provisions contained in Section 11.6 (Indemnification), Section 12.8 (Governing Law; Submission to Jurisdiction) and Section 12.9 (Waiver of Jury Trial) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety.

(c) Headings. Section headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(d) Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures by facsimile or by electronic mail delivery of an electronic version (e.g., .pdf or .tif file) of an executed signature page shall be treated as delivery of an original and shall bind the parties hereto. This Amendment constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, intending to be legally bound, and intending that this document constitute an agreement executed under seal, the undersigned have executed this Amendment under seal as of the day and year first hereinabove set forth.

AGENT:

MIDCAP FUNDING IV TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem (SEAL)

Name: Maurice Amsellem

Title: Authorized Signatory

LENDER:

MIDCAP FUNDING IV TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem (SEAL)

Name: Maurice Amsellem

Title: Authorized Signatory

Signature Page to
Amendment No. 23 to Credit and Security Agreement

BORROWERS:

MONROE STAFFING SERVICES, LLC,
a Delaware limited liability company

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

LIGHTHOUSE PLACEMENT SERVICES, INC.,
a Massachusetts corporation

FARO RECRUITMENT AMERICA, INC.,
a New York corporation

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

STAFFING 360 GEORGIA, LLC,
a Georgia limited liability company

KEY RESOURCES, INC.,
a North Carolina corporation

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

PARENT:

STAFFING 360 SOLUTIONS, INC.,
a Delaware corporation

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

Signature Page to
Amendment No. 23 to Credit and Security Agreement

**AMENDMENT NO. 24 TO
CREDIT AND SECURITY AGREEMENT**

THIS AMENDMENT NO. 24 TO CREDIT AND SECURITY AGREEMENT (this “**Amendment**”) is effectively dated as of the 29th day of September, 2022, by and among **MONROE STAFFING SERVICES, LLC**, a Delaware limited liability company, **FARO RECRUITMENT AMERICA, INC.**, a New York corporation, **LIGHTHOUSE PLACEMENT SERVICES, INC.**, a Massachusetts corporation, **STAFFING 360 GEORGIA, LLC**, a Georgia limited liability company, and **KEY RESOURCES, INC.**, a North Carolina corporation (each of the foregoing Persons and each Subsidiary joining the Credit Agreement as hereinafter defined as a Borrower, individually, each a “**Borrower**” and collectively, “**Borrowers**”), **STAFFING 360 SOLUTIONS, INC.**, a Delaware corporation (as “**Parent**”), and **MIDCAP FUNDING IV TRUST**, a Delaware statutory trust, as successor-by-assignment to MidCap Funding X Trust (as Agent for Lenders, “**Agent**”, and individually, as a Lender), and the other financial institutions or other entities from time to time parties to the Credit Agreement referenced below, each as a Lender.

RECITALS

A. Borrowers, Agent and Lenders are party to that certain Credit and Security Agreement dated as of April 8, 2015 (as amended by that certain Amendment No. 1 and Joinder Agreement to Credit and Security Agreement dated as of July 13, 2015, by that certain Amendment No. 2 to Credit and Security Agreement dated as of August 31, 2015, by that certain Overadvance Letter dated October 9, 2015, by that certain Overadvance Letter dated as of November 20, 2015, by that certain Overadvance Letter dated as of February 8, 2016, by that certain Amendment No. 3 to Credit and Security Agreement and Limited Waiver dated as of February 8, 2016, by that certain Amendment No. 4 and Joinder Agreement to Credit and Security Agreement dated as of July 11, 2016, by that certain Amendment No. 5 to Credit and Security Agreement dated as of September 26, 2016, by that certain Amendment No. 6 to Credit and Security Agreement and Limited Consent dated as of January 26, 2017, by that certain Amendment No. 7 to Credit and Security Agreement and Limited Consent dated as of June 5, 2017, by that certain Amendment No. 8 and Joinder Agreement to Credit and Security Agreement and Limited Consent dated as of September 15, 2017, by that certain Amendment No. 9 to Credit and Security Agreement and Limited Consent dated as of June 6, 2018, by that certain Amendment No. 10 and Joinder Agreement to Credit and Security Agreement and Limited Consent dated as of August 27, 2018, by that certain Overadvance Letter dated as of January 3, 2019, by that certain Amendment No. 11 to Credit and Security Agreement dated as of February 7, 2019, by that certain Overadvance Letter dated as of April 1, 2019, by that certain Amendment No. 12 to Credit and Security Agreement dated as of April 1, 2019, by that certain Overadvance Letter dated as of July 15, 2019, by that certain Amendment No. 13 to Credit and Security Agreement dated as of August 2, 2019, by that certain Amendment No. 14 dated as of August 8, 2020, by that certain Amendment No. 15 dated as of September 7, 2020, by that certain Amendment No. 16 dated as of October 7, 2020, by that certain Amendment No. 18 to Credit and Security Agreement dated as of February 8, 2021, by that certain Amendment No. 19 to Credit and Security Agreement dated as of December 23, 2021, by that certain Amendment No. 20 to Credit and Security Agreement and Limited Consent dated as of April 18, 2022, by that certain Amendment No. 21 to Credit and Security Agreement dated as of August 30, 2022, by that certain Amendment No. 22 to Credit and Security Agreement dated as of September 15, 2022, by that certain Amendment No. 23 to Credit and Security Agreement dated as of September 26, 2022, as amended hereby and as it may be further amended, modified and restated from time to time, the “**Credit Agreement**”). Capitalized terms used but not otherwise defined in this Amendment shall have the meanings set forth in the Credit Agreement.

B. Borrowers have requested that the Agent and the Lenders agree to amend the Credit Agreement to extend the Commitment Expiry Date.

C. Borrowers, Agent and Lenders have agreed to amend the Credit Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent, Lenders, Parent and Borrowers hereby agree as follows:

1. Recitals. This Amendment shall constitute a Financing Document and the Recitals set forth above shall be construed as part of this Amendment as if set forth fully in the body of this Amendment.

2. Amendments to Credit Agreement.

(a) Section 1.1 – Definition of Commitment Expiry Date. The defined term “Commitment Expiry Date” in Section 1.1 of the Credit Agreement is hereby amended and restated, respectively, in its entirety as follows:

“Commitment Expiry Date” means October 13, 2022.

3. Confirmation of Representations and Warranties; Reaffirmation of Security Interest.

(a) Each Borrower hereby confirms that all of the representations and warranties set forth in Article 3 of the Credit Agreement are true and correct in all material respects with respect to such Borrower as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, and covenants to perform its respective obligations under the Credit Agreement. To induce Agent and Lender to enter into this Agreement, Borrowers and Parent further represent and warrant that:

(i) no Default or Event of Default has occurred or is continuing as of the date hereof, which has not been waived in writing by the Agent;

(ii) as of the date hereof and, immediately after giving effect to this Amendment and the transactions contemplated hereby, the representations and warranties of Borrowers contained in the Financing Documents are true and correct in all material respects (or if any representation or warranty is qualified with respect to materiality, in all respects) on and as of the date hereof to the same extent as though made on and as of such date except to the extent such representations and warranties specifically relate to an earlier date; and

(iii) the execution, delivery and performance by Borrowers and Parent of this Amendment are within each of its corporate powers and have been duly authorized by all necessary corporate action, and this Amendment is the legal, valid and binding obligation of Borrowers and Parent enforceable against Borrowers and Parent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors’ rights generally and by equitable principles, and neither the execution, delivery or performance by Borrowers and Parent of this Agreement (A) violates any Law, or any other rule or decree of any Governmental Authority, (B) conflicts with or results in the breach or termination of, constitutes a default under or accelerates any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which Borrowers or Parent is a party or by which Borrowers or Parent or any of its property is bound, except for such conflicts, breaches, terminations, defaults or accelerations that would not reasonably be expected to have a Material Adverse Effect, (C) results in the creation or imposition of any Lien upon any of the Collateral, (D) violates or conflicts with the by-laws or other organizational documents of Borrowers and Parent, or (E) requires the consent, approval or authorization of, or declaration or filing with, any other Person, except for those already duly obtained.

(b) Each Borrower and Parent confirms and agrees that all security interests and Liens granted to Agent continue in full force and effect, and all Collateral remains free and clear of any Liens, other than those granted to Agent and Permitted Liens. Nothing herein is intended to impair or limit the validity, priority or extent of Agent’s security interests in and Liens on the Collateral. For the avoidance of any doubt, the Collateral secures repayment of the Obligations and the Affiliated Obligations, and in furtherance thereof, Borrowers and Parent hereby reaffirm the grant to Agent, for the benefit of itself and Lenders, of a continuing first priority Lien (subject to Permitted Liens) on and security interest in all of the Collateral as security for the payment and performance of the Obligations, and for the payment and performance of all obligations under the Affiliated Financing Documents.

4. Enforceability. This Amendment constitutes the legal, valid and binding obligation of each Borrower and Parent, and is enforceable against each Borrower and Parent in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors’ rights generally and by general equitable principles.

5. Costs and Fees. Borrowers shall be responsible for the payment of all reasonable costs and fees of Agent’s counsel incurred in connection with the preparation of this Amendment and any related documents. If Agent or any Lender uses in-house counsel for any of these purposes, Borrowers further agree that the Obligations include reasonable charges for such work commensurate with the fees that would otherwise be charged by outside legal counsel selected by Agent or such Lender for the work performed. Borrowers hereby

authorize Agent to deduct all of such fees set forth in this Section 7 from the proceeds of one or more Revolving Loans made under the Credit Agreement.

6. Reaffirmation of Security Interest. Each of the Borrowers and Parent confirms and agrees that: (i) all security interests and liens granted to Agent continue in full force and effect, and (ii) all Collateral remains free and clear of any liens other than liens in favor of Agent and Permitted Encumbrances. Nothing herein contained is intended to impair or limit the validity, priority and extent of Agent's security interest in and liens upon the Collateral.

7. Conditions to Effectiveness. This Amendment shall become effective as of the date on which each of the following conditions has been satisfied (the "**Effective Date**"):

(a) **Amendment.** Borrowers and Parent shall have delivered to Agent this Amendment, duly executed by an authorized officer of each Credit Party;

(b) **Amendment to JIG Note Purchase Agreement and Note.** Borrowers and Parent shall have delivered to Agent a duly executed copy of an amendment to the JIG Note Purchase Agreement and the Amended and Restated Senior Secured 12% Promissory Note issued in connection therewith, in form and substance satisfactory to the Agent, extending the scheduled maturity date thereof to no earlier than October 14, 2022;

(c) **Representations and Warranties.** All representations and warranties of Borrowers contained herein shall be true and correct in all material respects as of the Effective Date except to the extent such representations and warranties specifically relate to an earlier date (and such parties' delivery of their respective signatures hereto shall be deemed to be their certification thereof); and

(d) **Fees and Expenses.** Agent shall have received from Borrowers of all of the fees owing pursuant to this Amendment and Agent's reasonable out-of-pocket legal fees and expenses.

8. Release. Each Borrower, voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself and all of its respective parents, subsidiaries, affiliates, members, managers, predecessors, successors, and assigns, and each of their respective current and former directors, officers, shareholders, agents, and employees (collectively, "**Releasing Parties**"), does hereby fully and completely release, acquit and forever discharge each Indemnitee (as defined in the Credit Agreement) of and from any and all actions, causes of action, suits, debts, disputes, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, whether matured or unmatured, liquidated or unliquidated, vested or contingent, choate or inchoate, known or unknown that the Releasing Parties (or any of them) has against the Indemnitees (or any of them), that directly or indirectly arise out of, are based upon or are in any manner connected with any Prior Related Event. "**Prior Related Event**" means any transaction, event, circumstance, action, failure to act, occurrence of any type or sort, whether known or unknown, which occurred, existed, was taken, was permitted or begun in accordance with, pursuant to or by virtue of (a) any of the terms of this Amendment or any other Financing Document, (b) any actions, transactions, matters or circumstances related hereto or thereto, (c) the conduct of the relationship between any Indemnitee and any Borrower, or (d) any other actions or inactions by any Indemnitee, all on or prior to the Effective Date. Each Borrower acknowledges that the foregoing release is a material inducement to Agent's and Lender's decision to enter into this Amendment and to agree to the modifications contemplated hereunder.

9. No Waiver or Novation. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Agent, nor constitute a waiver of any provision of the Credit Agreement, the Financing Documents or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing, except as set forth above. Nothing herein is intended or shall be construed as a waiver of any existing Defaults or Events of Default under the Credit Agreement or other Financing Documents or any of Agent's rights and remedies in respect of such Defaults or Events of Default. This Amendment (together with any other document executed in connection herewith) is not intended to be, nor shall it be construed as, a novation of the Credit Agreement.

10. Affirmation. Except as specifically amended pursuant to the terms hereof, the Credit Agreement and all other Financing Documents (and all covenants, terms, conditions and agreements therein) shall remain in full force and effect, and are hereby ratified and confirmed in all respects by Borrowers. Each Borrower covenants and agrees to comply with all of the terms, covenants and conditions

of the Credit Agreement (as amended hereby) and the Financing Documents, notwithstanding any prior course of conduct, waivers, releases or other actions or inactions on Agent's or any Lender's part which might otherwise constitute or be construed as a waiver of or amendment to such terms, covenants and conditions.

11. Miscellaneous.

(a) Reference to the Effect on the Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of similar import shall mean and be a reference to the Credit Agreement, as amended by this Amendment. Except as specifically amended above, the Credit Agreement, and all other Financing Documents (and all covenants, terms, conditions and agreements therein), shall remain in full force and effect, and are hereby ratified and confirmed in all respects by Borrowers.

(b) Incorporation of Credit Agreement Provisions. The provisions contained in Section 11.6 (Indemnification), Section 12.8 (Governing Law; Submission to Jurisdiction) and Section 12.9 (Waiver of Jury Trial) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety.

(c) Headings. Section headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(d) Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures by facsimile or by electronic mail delivery of an electronic version (e.g., .pdf or .tif file) of an executed signature page shall be treated as delivery of an original and shall bind the parties hereto. This Amendment constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, intending to be legally bound, and intending that this document constitute an agreement executed under seal, the undersigned have executed this Amendment under seal as of the day and year first hereinabove set forth.

AGENT:

MIDCAP FUNDING IV TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem (SEAL)

Name: Maurice Amsellem

Title: Authorized Signatory

LENDER:

MIDCAP FUNDING IV TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem (SEAL)

Name: Maurice Amsellem

Title: Authorized Signatory

Signature Page to

BORROWERS:

MONROE STAFFING SERVICES, LLC,
a Delaware limited liability company

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

LIGHTHOUSE PLACEMENT SERVICES, INC.,
a Massachusetts corporation

FARO RECRUITMENT AMERICA, INC.,
a New York corporation

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

STAFFING 360 GEORGIA, LLC,
a Georgia limited liability company

KEY RESOURCES, INC.,
a North Carolina corporation

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

PARENT:

STAFFING 360 SOLUTIONS, INC.,
a Delaware corporation

By: /s/ Brendan Flood (Seal)

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

Signature Page to
Amendment No. 24 to Credit and Security Agreement

**LIMITED CONSENT TO
SECOND AMENDED AND RESTATED NOTE PURCHASE AGREEMENT**

THIS LIMITED CONSENT TO THE SECOND AMENDED AND RESTATED NOTE PURCHASE AGREEMENT (this “*Limited Consent*”) is effectively dated as of the 28th day of September 2022, by and among Staffing 360 Solutions, Inc. (the “*Company*”) and Jackson Investment Group, LLC (“*Jackson*”).

RECITALS

A. The Company and Jackson are party to that certain Second Amended and Restated Note Purchase Agreement (the “*Note Purchase Agreement*”) and Amended and Restated Senior Secured 12% Promissory Note (the “*Jackson Note*”) dated as of October 26, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time) by and among Jackson, the Company, and certain subsidiaries of the Company signatory thereto. Capitalized terms used in this Limited Consent and not otherwise defined shall have the meaning ascribed to such terms in the Note Purchase Agreement.

B. Prior to the effectiveness of this Limited Consent, the Jackson Note has a Maturity Date of September 30, 2022 (the “*Existing Maturity Date*”).

C. Pursuant to the terms of this Limited Consent, the Company and Jackson intend to extend the Existing Maturity Date to October 14, 2022.

CONSENTS

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Limited Consent, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Jackson hereby agree as follows:

1. Extension of Existing Maturity Date. Pursuant to this Limited Consent, the Existing Maturity Date set forth in the Jackson Note, in each instance, shall be deleted and replaced with October 14, 2022. In addition, each reference (if any) to the Existing Maturity Date set forth in the Note Purchase Agreement and each other agreement executed in connection therewith shall also be amended to October 14, 2022.

2. Confirmation of Representations and Warranties; Reaffirmation of Security Interest.

(a) Each Obligor hereby confirms that all of the representations and warranties set forth in Note Purchase Agreement are true and correct in all material respects with respect to such Borrower as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, and covenants to perform its respective obligations under the Note Purchase Agreement. To induce Jackson to enter into this Limited Consent, the Obligors represent and warrant that:

(i) no Default or Event of Default has occurred or is continuing as of the date hereof;

(ii) as of the date hereof and, immediately after giving effect to this Limited Consent and the transactions contemplated hereby, the representations and warranties of the Obligors contained in the Note Purchase Agreement, the Jackson Note, or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing are true and correct in all material respects (or if any representation or warranty is qualified with respect to materiality, in all respects) on and as of the date hereof to the same extent as though made on and as of such date except to the extent such representations and warranties specifically relate to an earlier date; and

(iii) the execution, delivery and performance by the Obligors of this Limited Consent are within each of its corporate powers and have been duly authorized by all necessary corporate action, and this Limited Consent is the legal, valid and binding obligation of the Obligors, enforceable against the Obligors in accordance with its terms, except as enforceability may be limited by

bankruptcy, insolvency or other similar laws relating to the enforcement of creditors' rights generally and by equitable principles, and neither the execution, delivery or performance by the Obligors of this Limited Consent (A) violates any law, or any other rule or decree of any Governmental Authority, (B) conflicts with or results in the breach or termination of, constitutes a default under or accelerates any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Obligors or the Company is a party or by which the Obligors or the Company or any of its property is bound, except for such conflicts, breaches, terminations, defaults or accelerations that would not reasonably be expected to have a Material Adverse Effect, (C) results in the creation or imposition of any Lien upon any of the Collateral, (D) violates or conflicts with the by-laws or other organizational documents of the Obligors, or (E) requires the consent, approval or authorization of, or declaration or filing with, any other Person, except for those already duly obtained.

(b) Each Obligor confirms and agrees that all security interests and Liens granted to Jackson continue in full force and effect, and all Collateral remains free and clear of any Liens, other than those granted to Jackson and Permitted Liens. Nothing herein is intended to impair or limit the validity, priority or extent of Agent's security interests in and Liens on the Collateral. For the avoidance of any doubt, the Collateral secures repayment of the Obligations, and in furtherance thereof, the Obligors hereby reaffirm the grant to Jackson, for the benefit of itself, of a continuing first priority Lien (subject to Permitted Liens) on and security interest in all of the Collateral as security for the payment and performance of the Obligations, and for the payment and performance of all obligations under the Note Purchase Agreement, the Jackson Note, or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing.

3. Enforceability. This Limited Consent constitutes the legal, valid and binding obligation of each Obligor, and is enforceable against each Obligor in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles.

4. Reaffirmation of Security Interest. Each of the Obligors confirms and agrees that: (i) all security interests and liens granted to Jackson continue in full force and effect, and (ii) all Collateral remains free and clear of any liens other than liens in favor of Jackson and Permitted Liens. Nothing herein contained is intended to impair or limit the validity, priority and extent of Jackson's security interest in and liens upon the Collateral.

5. Release. Each Obligor, voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself and all of its respective parents, subsidiaries, affiliates, members, managers, predecessors, successors, and assigns, and each of their respective current and former directors, officers, shareholders, agents, and employees (collectively, "**Releasing Parties**"), does hereby fully and completely release, acquit and forever discharge Jackson of and from any and all actions, causes of action, suits, debts, disputes, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, whether matured or unmatured, liquidated or unliquidated, vested or contingent, choate or inchoate, known or unknown that the Releasing Parties (or any of them) has against the Indemnitees (or any of them), that directly or indirectly arise out of, are based upon or are in any manner connected with any Prior Related Event. "Prior Related Event" means any transaction, event, circumstance, action, failure to act, occurrence of any type or sort, whether known or unknown, which occurred, existed, was taken, was permitted or begun in accordance with, pursuant to or by virtue of (a) any of the terms of this Limited Consent, the Note Purchase Agreement, the Jackson Note, the Note or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing, (b) any actions, transactions, matters or circumstances related hereto or thereto, (c) the conduct of the relationship between Jackson and any Obligor or the Company, or (d) any other actions or inactions by Jackson, all on or prior to the date of this Limited Consent. Each Obligor acknowledges that the foregoing release is a material inducement to Jackson's decision to enter into this Limited Consent and to agree to the modifications contemplated hereunder.

6. No Waiver or Novation. The execution, delivery and effectiveness of this Limited Consent shall not operate as a waiver of any right, power or remedy of Jackson, nor constitute a waiver of any provision of the Note Purchase Agreement, the Jackson Note, or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing, except as set forth above. Nothing herein is intended or shall be construed as a waiver of any existing Defaults or Events of Default under the Note Purchase Agreement, the Jackson Note or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing or any of Jackson's rights and remedies in respect of such Defaults or Events of Default. This Limited Consent (together with any other document executed in connection herewith) is not intended to be, nor shall it be construed as, a novation of the Note Purchase Agreement or the Jackson Note or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing.

7. Affirmation. Except as specifically amended pursuant to the terms hereof, the Note Purchase Agreement, the Jackson Note, or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing (and all covenants, terms, conditions and agreements therein) shall remain in full force and effect, and are hereby ratified and confirmed in all respects by the Obligors. Each Obligor covenants and agrees to comply with all of the terms, covenants and conditions of the Note Purchase Agreement, the Jackson Note, or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing, notwithstanding any prior course of conduct, waivers, releases or other actions or inactions on Jackson's part which might otherwise constitute or be construed as a waiver of or amendment to such terms, covenants and conditions.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Limited Consent to be executed by their authorized officers or members, as the case may be, all as of the day and year first above written.

COMPANY:

STAFFING 360 SOLUTIONS, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

SUBSIDIARY GUARANTORS:

FARO RECRUITMENT AMERICA, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

MONROE STAFFING SERVICES, LLC

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

KEY RESOURCES, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

LIGHTHOUSE PLACEMENT SERVICES, INC.

By: /s/ Brendan Flood

Name: Brendan Flood

Title: Chairman and Chief Executive Officer

JACKSON INVESTMENT GROUP, LLC

By: /s/ Richard L. Jackson

Name: Richard L. Jackson

Title: Chief Executive Officer

Cover

Sep. 26, 2022

Cover [Abstract]

<u>Document Type</u>	8-K
<u>Amendment Flag</u>	false
<u>Document Period End Date</u>	Sep. 26, 2022
<u>Entity File Number</u>	001-37575
<u>Entity Registrant Name</u>	STAFFING 360 SOLUTIONS, INC.
<u>Entity Central Index Key</u>	0001499717
<u>Entity Tax Identification Number</u>	68-0680859
<u>Entity Incorporation, State or Country Code</u>	DE
<u>Entity Address, Address Line One</u>	757 3rd Avenue
<u>Entity Address, Address Line Two</u>	27th Floor
<u>Entity Address, City or Town</u>	New York
<u>Entity Address, State or Province</u>	NY
<u>Entity Address, Postal Zip Code</u>	10017
<u>City Area Code</u>	(646)
<u>Local Phone Number</u>	507-5710
<u>Written Communications</u>	false
<u>Soliciting Material</u>	false
<u>Pre-commencement Tender Offer</u>	false
<u>Pre-commencement Issuer Tender Offer</u>	false
<u>Title of 12(b) Security</u>	Common stock
<u>Trading Symbol</u>	STAF
<u>Security Exchange Name</u>	NASDAQ
<u>Entity Emerging Growth Company</u>	false

