

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

GROW GROUP INC

CIK: **44171** | IRS No.: **111665588** | State of Incorporation: **NY** | Fiscal Year End: **0630**
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SIC: **2851** Paints, varnishes, lacquers, enamels & allied prods

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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): February 14, 1995

GROW GROUP, INC.

(Exact name of registrant as specified in charter)

New York

(State or other jurisdiction of incorporation)

1-4596

(Commission File Number)

11-1665588

(IRS Employer Identification No.)

200 Park Avenue, New York, New York

(Address of principal executive offices)

10166

(Zip Code)

Registrant's telephone number, including area code: (212) 599-4400

Not Applicable

(Former name or former address, if changed since last report)

Item 5. Other Events.

On February 14, 1995, Grow Group, Inc. (the "Company"), Corimon S.A.C.A. ("Corimon") and Corimon Corporation entered into a letter agreement among them relating to the Standstill Agreement, dated July 21, 1992, as amended (the "Standstill Agreement"), and an amendment to the Registration Rights Agreement among them, dated August 7, 1992 (the "Registration Rights Agreement") in order to permit Corimon to enter into certain transactions with Fidelity Capital & Income Fund ("Fidelity Capital") in connection with Corimon's proposed investment in Standard Brands Paint Company ("Standard Brands").

The letter agreement relating to the Standstill Agreement, among other things, (i) extends the term of the Standstill Agreement for a one-year period, (ii)

consents to the issuance by Corimon Corporation to Fidelity Capital of \$8 million aggregate principal amount of Exchangeable Preferred Stock which is exchangeable for 516,129 shares of Common Stock of the Company, subject to customary adjustments, and the potential transfer of such shares of Common Stock to Fidelity Capital in accordance with the terms of such Exchangeable Preferred Stock and (iii) consents to the pledge by Corimon to Fidelity Capital of up to 1,350,000 shares of Common Stock of the Company.

The amendment to the Registration Rights Agreement consents to the assignment to Fidelity Capital of certain of Corimon's rights, subject to Corimon's obligations under the Registration Rights Agreement.

Copies of the letter agreement relating to the Standstill Agreement and amendment to the Registration Rights Agreement are filed herewith as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

The Company and Corimon also entered into an Agreement relating to various license and distribution agreements and letters of intent previously entered into between them (the "Technology Agreements"). The Agreement provides that neither Corimon nor its affiliates shall, among other things, utilize any of the technology which is the subject of the Technology Agreements outside the territory specified therein or transfer or disclose such technology to Standard Brands or permit Standard Brands to use the technology. A copy of this Agreement is filed herewith as Exhibit 99.3 and is incorporated herein by reference.

Item 7. Financial Statements, Pro Forma
Financial Information and Exhibits.

(a) Financial Statements of Businesses
Acquired:

Not applicable.

(b) Pro Forma Financial Information:

Not applicable.

(c) Exhibits:

99.1 Letter Agreement relating to
Standstill Agreement, dated February

14, 1995, by and among Grow Group, Inc., Corimon S.A.C.A. and Corimon Corporation

99.2 Amendment to Registration Rights Agreement, dated February 14, 1995, by and between Grow Group, Inc. and Corimon S.A.C.A.

99.3 Agreement, dated February 14, 1995, by and between Grow Group, Inc. and Corimon S.A.C.A. relating to certain Technology Agreements.

SIGNATURE

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

GROW GROUP, INC.

Date: February 22, 1995

By: /s/ Lloyd Frank
Lloyd Frank,
Secretary

Exhibit Index

Exhibit	Page No.
99.1 Letter Agreement relating to Standstill Agreement, dated February 14, 1995, by and among Grow Group, Inc., Corimon S.A.C.A. and Corimon Corporation	
99.2 Amendment to Registration Rights Agreement, dated February 14, 1995, by and between Grow Group, Inc. and Corimon S.A.C.A.	
99.3 Agreement, dated February 14, 1995, by and between Grow Group, Inc. and Corimon S.A.C.A. relating to certain	

Technology Agreements.

GROW GROUP, INC.
200 Park Avenue
New York, New York 10166

February 14, 1995

Corimon, S.A.C.A.
Calle Hans Neumann Edf. Corimon
Los Cortijos de Lourdes
Venezuela

Attention: Mr. Arthur Broslat
Chief Financial Officer, and
Gustavo Mata-Borjas, Esq.
General Counsel

Gentlemen:

We refer to the Standstill Agreement dated July 21, 1992, as amended (the "Agreement"), by and among Grow Group, Inc., a New York corporation (the "Company"), on the one hand, and Corimon, S.A.C.A., a Venezuelan corporation ("Corimon"), and Corimon Corporation, a Delaware corporation and indirect wholly-owned subsidiary of Corimon (and, together with Corimon, the "Shareholders"), on the other hand. All capitalized words or terms used in this letter have the same meanings ascribed to them in the Agreement unless otherwise specifically defined herein.

1. Clauses (i) and (ii) of Section 1.2 of the Agreement are amended in their entirety to read as follows:

"(i) the date on which directors of the Company are elected at the Company's 1996 Annual Meeting of Shareholders or (ii) October 31, 1996;"

and the remainder of Section 1.2 of the Agreement shall remain unchanged and in full force and effect.

2. In accordance with Sections 3.1 and 4.1 of the Agreement, the Company, acting pursuant to the vote of a majority of the members of its Board of Directors who are not Shareholder Designees, hereby consents to (i) the issuance by Corimon Corporation to Fidelity Capital & Income Fund ("Fidelity Capital") of \$8 million aggregate principal amount of Exchangeable Preferred Stock (the

"Preferred Stock") which is exchangeable for 516,129 of the Shares of Common Stock owned by the Shareholders, subject to customary adjustments, in accordance with the terms of Appendix A hereto captioned "Terms of CRM Exchangeable Preferred Stock," and (ii) the transfer of such Shares of Common Stock to Fidelity Capital in accordance with the terms of the Preferred Stock. The foregoing consent by the Company is subject to the condition that, and will not take effect unless, all proceeds received by the Shareholders in connection with the sale of the Preferred Stock to Fidelity Capital are used by the Shareholders to make investments in Standard Brands Paint Company ("Standard Brands").

3. In accordance with Section 4.1 of the Agreement, the Company, acting pursuant to the vote of a majority of the members of its Board of Directors who are not Shareholder Designees, hereby consents to the pledge by the Shareholders to Fidelity Capital of up to 1,350,000 of the Shares of Common Stock held by the Shareholders to secure indebtedness of Corimon Corporation issued to Fidelity Capital. The foregoing consent by the Company is subject to the condition that, and will not take effect unless, all amounts which are secured by such Shares of Common Stock are used by the Shareholders to make investments in Standard Brands.

4. The Shareholders represent and warrant to the Company that, in connection with the transactions between the Shareholders and Fidelity Capital referred to herein, (i) the information and disclosures made by the Shareholders to Fidelity Capital do not contain any untrue statement of a material fact and do not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) Fidelity Capital and its representatives have been given the opportunity to ask questions of, and receive information from, the Shareholders relating to the Company, its business and prospects. The Shareholders agree to indemnify and hold harmless the Company, its officers, directors and affiliates from any and all liabilities, damages, costs and expenses (including attorneys fees) arising from or relating to the transactions between the Shareholders and Fidelity Capital referred to in paragraphs 2 and 3 hereof, including, without limitation, any liability under the federal securities law.

5. This letter, when countersigned by the Shareholders, will constitute an amendment of Section 1.2 of the Agreement as set forth in paragraph 1 hereof,

consent by the Company to the matters specifically referred to paragraphs 2 and 3 hereof, and the agreement of the Shareholders as set forth in paragraph 4 hereof. Except as otherwise specifically provided herein, the Agreement will remain in full force and effect.

Very truly yours,

Grow Group, Inc.

By: /s/ Russell Banks
Russell Banks,
President

Agreed to this ___ day
of February 1995:

CORIMON, S.A.C.A.

By:/s/ Arthur W. Broslat
Arthur W. Broslat,
Director-Chief Financial Officer

By:/s/ Gustavo Mata-Borjas
Gustavo Mata-Borjas,
Director-General Counsel

CORIMON CORPORATION

By:/s/ Arthur W. Broslat
Arthur W. Broslat, Director

AMENDMENT TO
REGISTRATION RIGHTS AGREEMENT

AMENDMENT, dated February 14, 1995, by and between GROW GROUP, INC., a New York corporation (the "Company"), and CORIMON, S.A.C.A., a Venezuelan corporation ("Corimon").

W I T N E S S E T H

WHEREAS, the Company and Corimon have entered into a Registration Rights Agreement dated August 7, 1992 (the "Agreement");

WHEREAS, Corimon Corporation, a Delaware corporation and a wholly-owned subsidiary of Corimon, intends to issue to Fidelity Capital & Income Fund ("Fidelity Capital") \$8 million aggregate principal amount of Exchangeable Preferred Stock, which is initially exchangeable for 516,129 shares of common stock, \$0.10 par value, of the Company, subject to customary adjustments (such 516,129 shares as adjusted being referred to herein as the "Shares") in accordance with the "Terms of CRM Exchangeable Preferred Stock" annexed hereto as Appendix A; and

WHEREAS, Corimon has requested that the Agreement be amended to permit Corimon to assign to Fidelity Capital its registration rights under the Agreement with respect to the Shares.

NOW, THEREFORE, in consideration of the above premises and the mutual agreements contained herein, the parties hereto hereby agree as follows:

1. Notwithstanding the provisions of Section 2(a), 2(b)(ii) and 2(d)(ii) of the Agreement, the Company consents to the assignment by Corimon to Fidelity Capital of its rights and obligations under the Agreement relating to the Shares.

2. The term "Corimon" as used in the Agreement, where necessary to assign the rights and obligations of Corimon to Fidelity Capital as it relates to the Shares, shall be deemed to refer to Fidelity Capital.

3. Notwithstanding the provisions of clause (i)

of Section 3(a) of the Agreement, in the event the Current Market Price (as defined in Section 1 of the Agreement) of the Shares is less than \$10,000,000, the Company will permit Fidelity Capital to register all but not less than all of the Shares.

4. Nothing contained herein shall require the Company to effect an aggregate of more than two Demand Registrations pursuant to Section 3 of the Agreement.

5. Corimon shall give the Company prior written notice of any assignment by Corimon of its rights and obligations as contemplated hereby to Fidelity Capital.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered by their respective authorized officers as of the date first written above.

GROW GROUP, INC.

By: /s/ Russell Banks
Russell Banks, President

CORIMON, S.A.C.A.

By: /s/ Arthur W. Broslat
Arthur W. Broslat,
Director - Chief Financial
Officer

By: /s/ Gustavo Mata - Borjas
Gustavo Mata - Borjas,
Director - General Counsel

Agreement, dated February 14, 1995, by and between GROW GROUP, INC., a New York corporation ("Grow"), and CORIMON, S.A.C.A., a Venezuelan corporation ("Corimon").

WITNESSETH

WHEREAS, Grow, or its divisions or subsidiaries (the "Grow Entities"), and Corimon or its divisions, subsidiaries or affiliates (the "Corimon Entities"), have entered into or may hereafter enter into various agreements or letters of intent (collectively, the "Technology Agreements") providing for, among other things, (i) the licensing by certain Grow Entities to specified Corimon Entities of certain technology and know-how (the "Technology") to manufacture, use and sell specified products in designated territories and (ii) the granting of distribution rights to specified Corimon Entities with respect to certain specified products in designated territories.

NOW, THEREFORE, in consideration of Grow entering into two agreements with Corimon dated the date hereof, one of which relates to certain consents of Grow pursuant to, and an amendment of, a Standstill Agreement between Grow, Corimon and Corimon Corporation, a Delaware corporation, dated July 21, 1992, as amended, and the other of which amends in certain respects a Registration Rights Agreement between Grow and Corimon dated August 7, 1992, the parties hereto hereby agree as follows:

1. Corimon hereby agrees on behalf of itself and the other Corimon Entities that notwithstanding any contrary or potentially contrary provisions in any of the Technology Agreements and notwithstanding any other verbal or written agreements heretofore made by or on behalf of any of the Grow Entities and any of the Corimon Entities, the Corimon Entities shall not (a) utilize any of the Technology outside the territory specified in the applicable Technology Agreement, (b) manufacture, sell or distribute outside such specified territory any products which utilize such Technology, (c) disclose such Technology to any persons not directly engaged in the manufacture of products using such Technology in the specified territory, and (d) in any way transfer, assign or disclose the Technology to Standard Brands

Paint Company ("Standard Brands") or in any way permit Standard Brands to use the Technology.

2. The foregoing obligations shall apply notwithstanding any liquidation, merger, reorganization, or other corporate action which might cause Corimon or any other Corimon Entity to become part of a) any corporation or other organization which includes the assets or business of what is now or hereafter the Standard Brands or b) any other paint company located in the United States or in any other jurisdiction throughout the world.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the date first written above.

GROW GROUP, INC.

By: /s/ Russell Banks
Russell Banks

CORIMON, S.A.C.A.

By:/s/ Arthur W. Broslat
Arthur W. Broslat,
Director-Chief Financial
Officer

By:/s/ Gustavo Mata-Borgas
Gustavo Mata-Borgas,
Director-General Counsel