

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

**1847 Holdings LLC**

CIK: **1599407** | IRS No.: **383922937** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-41368** | Film No.: **241236607**  
SIC: **8742** Management consulting services

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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

Date of Report (Date of earliest event reported): August 23, 2024 (August 19, 2024)

1847 Holdings LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

001-41368

(Commission File Number)

38-3922937

(IRS Employer  
Identification No.)

590 Madison Avenue, 21st Floor, New York, NY

(Address of principal executive offices)

10022

(Zip Code)

(212) 417-9800

(Registrant's telephone number, including area code)

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	EFSH	NYSE American LLC

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

Emerging Growth Company

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

## **Item 1.01 Entry into a Material Definitive Agreement.**

As previously disclosed, on July 29, 2020, 1847 Asien Inc. (“1847 Asien”), a subsidiary of 1847 Holdings LLC (the “Company”), issued a 6% Amortizing Promissory Note (the “Note”) to Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992 (the “Trust”).

As previously disclosed, on or about February 26, 2024, 1847 Asien’s subsidiary, Asien’s Appliance, Inc., effectuated an assignment for the benefit of its creditors. Thereafter, the Trust alleged that the Company and/or its other affiliates were liable to the Trust on the Note and pursuant to other potential claims on a theory of alter ego liability, and the Company denied that it or any of its affiliates were liable to the Trust for any of the Trust’s alleged claims and under any theory of liability.

In order to settle this matter, on August 19, 2024, the Company, 1847 Asien and the Trust entered into a settlement and release agreement (the “Settlement Agreement”), pursuant to which the Trust surrendered the Note to 1847 Asien and forgave the entire outstanding balance of the Note in the amount of \$831,027 in exchange for which the Company issued 83,603 series C senior convertible preferred shares (the “Shares”) to the Trust. The Settlement Agreement also includes a customary release of claims and covenant not to sue by the Trust.

In connection with the Settlement Agreement, the Company entered into a Series C Preferred Shares Stock Purchase Agreement (the “Purchase Agreement”) with the Trust, pursuant to which the Company agreed to issue the Shares, and the Company executed a Share Designation to establish the terms of the series C senior convertible preferred shares (the “Share Designation”). Pursuant to the Share Designation, the Company designated 83,603 of its preferred shares as series C senior convertible preferred shares with a stated value of \$10.00 per share. Following is a summary of the material terms of the series C senior convertible preferred shares:

*Ranking.* The series C senior convertible preferred shares rank, with respect to the payment of dividends and the distribution of assets upon liquidation, (i) senior to all common shares, allocation shares, and each other class or series that is not expressly made senior to or on parity with the series C senior convertible preferred shares; (ii) on parity with the series D senior convertible preferred shares and each other class or series that is not expressly subordinated or made senior to the series C senior convertible preferred shares; and (iii) junior to the series A senior convertible preferred shares, all indebtedness and other liabilities with respect to assets available to satisfy claims against the Company and each other class or series that is expressly made senior to the series C senior convertible preferred shares.

*Dividend Rights.* Holders of series C senior convertible preferred shares are entitled to dividends at a rate per annum of 6.0% of the stated value (\$10.00 per share). Dividends shall accrue from day to day, whether or not declared, and shall be cumulative. Dividends shall be payable only upon the liquidation of the Company or upon conversion.

*Liquidation Rights.* Subject to the rights of creditors and the holders of any senior securities or parity securities (in each case, as defined in the Share Designation), upon any liquidation of the Company or its subsidiaries, before any payment or distribution of the assets of the Company (whether capital or surplus) shall be made to or set apart for the holders of securities that are junior to the series C senior convertible preferred shares as to the distribution of assets on any liquidation of the Company, including the common shares and allocation shares, each holder of outstanding series C senior convertible preferred shares shall be entitled to receive an amount of cash equal to 100% of the stated value (\$10.00 per share) plus an amount of cash equal to all accumulated accrued and unpaid dividends thereon (whether or not declared) to, but not including the date of final distribution to such holders. If, upon any liquidation, the assets, or proceeds thereof, distributable among the holders of the series C senior convertible preferred shares shall be insufficient to pay in full the preferential amount payable to the holders of the series C senior convertible preferred shares and liquidating payments on any other shares of any class or series of parity securities as to the distribution of assets on any liquidation, then such assets, or the proceeds thereof, shall be distributed among the holders of series C senior convertible preferred shares and any such other parity securities ratably in accordance with the respective amounts that would be payable on such series C senior convertible preferred shares and any such other parity securities if all amounts payable thereon were paid in full.

*Voting Rights.* The series C senior convertible preferred shares do not have any voting rights; provided that, so long as any series C senior convertible preferred shares are outstanding, the affirmative vote of holders of a majority of series C senior convertible preferred shares, voting as a separate class, shall be necessary for approving, effecting or validating any amendment, alteration or repeal of any of the provisions of the Share Designation.

*Conversion Rights.* Each series C senior convertible preferred share, plus all accrued and unpaid dividends thereon, shall be convertible, at the option of the holder thereof, at any time and from time to time, into such number of fully paid and nonassessable common shares determined by dividing the stated value (\$10.00 per share), plus the value of the accrued, but unpaid, dividends thereon, by the conversion price of \$10.00 per share (subject to standard adjustments in the event of any share splits, share combinations, share reclassifications, dividends paid in common shares, sales of substantially all of the Company's assets, mergers, consolidations or similar transactions); provided that in no event shall the holder of any series C senior convertible preferred shares be entitled to convert any number of series C senior convertible preferred shares that upon conversion the sum of (i) the number of common shares beneficially owned by the holder and its affiliates and (ii) the number of common shares issuable upon the conversion of the series C senior convertible preferred shares with respect to which the determination of this proviso is being made, would result in beneficial ownership by the holder and its affiliates of more than 4.99% of the then outstanding common shares. This limitation may be waived (up to a maximum of 9.99%) by the holder and in its sole discretion, upon not less than sixty-one (61) days' prior notice to the Company.

*Other Rights.* Holders of series C senior convertible preferred shares have no redemption, preemptive or subscription rights for additional securities of the Company.

The foregoing description of the Settlement Agreement, the Purchase Agreement and the Share Designation does not purport to be complete and is qualified in its entirety by reference to the full text of those documents filed as Exhibits 10.1, 10.2 and 4.1, respectively, to this report, which are incorporated herein by reference.

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

The information set forth under Item 1.01 regarding the issuance the Shares is incorporated by reference into this Item 3.02. The issuance of these securities is being made in reliance upon an exemption from the registration requirements of Section 5 of the Securities Act.

### **Item 3.03 Material Modification to Rights of Security Holders.**

The information set forth under Item 1.01 regarding the terms of the series C senior convertible preferred shares set forth in the Share Designation is incorporated by reference into this Item 3.02.

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
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4.1	<a href="#">Share Designation of Series C Senior Convertible Preferred Shares</a>
10.1	<a href="#">Settlement and Release Agreement, dated August 19, 2024, among 1847 Holdings LLC, 1847 Asien Inc. and Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992</a>
10.2	<a href="#">Series C Preferred Shares Stock Purchase Agreement, dated August 22, 2024, between 1847 Holdings LLC and Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992</a>
104	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.

Date: August 23, 2024

1847 HOLDINGS LLC

/s/ Ellery W. Roberts

Name: Ellery W. Roberts

Title: Chief Executive Officer



**1847 HOLDINGS LLC**  
**SHARE DESIGNATION**  
**OF**  
**SERIES C SENIOR CONVERTIBLE PREFERRED SHARES**  
**(no par value per share)**

The undersigned duly authorized officer of 1847 Holdings LLC, a Delaware limited liability company (the “**Company**”), hereby certifies, pursuant to the authority conferred upon the board of directors of the Company (the “**Board**”) by Section 3.3(b) of the Second Amended and Restated Operating Agreement of the Company, dated January 19, 2018 (as such may be amended, modified or restated from time to time, the “**Operating Agreement**”), that the Board adopted a resolution on August 16, 2024 which creates a series of preferred shares of the Company as follows:

**RESOLVED**, that pursuant to the authority vested in the Board in accordance with the provisions Section 3.3(b) of the Operating Agreement, a series of preferred shares is hereby created and that the designation and number of shares of such series and the voting powers, designations, preferences, and relative, participating, optional or other rights and the qualifications, limitations, and restrictions thereof, are as set forth in the Operating Agreement and this Share Designation, as it may be amended from time to time, as follows:

1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

“**Allocation Shares**” means any of the Company’s Allocation Shares, as defined in the Operating Agreement.

“**Business Day**” means a day on which the New York Stock Exchange is open for trading and which is not a Saturday, Sunday, or other day on which banks in New York City are authorized or required by law to close.

“**Common Shares**” means any of the Company’s Common Shares, as defined in the Operating Agreement.

“**Liquidation**” means any liquidation, dissolution or winding up of the Company’s affairs, whether voluntary or involuntary; provided, however, that none of (i) a consolidation or merger of the Company with one or more Persons, individually or in a series of transactions, (ii) a sale, lease or transfer of all or substantially all of the Company’s assets or (iii) a statutory share exchange shall be deemed to be a Liquidation.

“**Person**” means natural persons, companies, limited liability companies, unlimited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

“**Requisite Holders**” means the holders of a majority of Series C Preferred Shares.

“**Series A Preferred Shares**” means the Company’s Series A Senior Convertible Preferred Shares.

“**Series B Preferred Shares**” means the Company’s Series B Senior Convertible Preferred Shares.

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2. Designation and Number of Shares; Admission as Member.

(a) There is hereby created a new series of shares of the Company that are designated as the “Series C Senior Convertible Preferred Shares” (the “**Series C Preferred Shares**” and each such share individually a “**Series C Preferred Share**”). The number of shares constituting such series shall be eighty-three thousand six hundred three (83,603). Each Series C Preferred Share shall have a stated value of Ten Dollars (\$10.00) per share, subject to adjustments as described herein (the “**Stated Value**”). Each Series C Preferred Share shall be identical in all respects to every other Series C Preferred Share.

(b) A Person shall be admitted as a Member (as defined in the Operating Agreement) and shall become bound by the terms of the Operating Agreement, including this Share Designation if such Person purchases or otherwise lawfully acquires any Series C Preferred Share and becomes the record holder of such shares in accordance with the provisions of this Share Designation and the Operating Agreement. A Person may become a record holder without the consent or approval of any of the Members of the Company.

3. Ranking. The Series C Preferred Shares shall, with respect to the payment of dividends and the distribution of assets upon Liquidation of the Company, be deemed to rank:

(a) senior to all Common Shares, Allocation Shares, and to each other class or series of Additional Securities (as defined in the Operating Agreement) of the Company that is established in accordance with the Operating Agreement after the date of this Share Designation and that is not expressly made senior to or on parity with the Series C Preferred Shares as to the payment of dividends and as to the distribution of assets upon Liquidation of the Company (the “**Junior Securities**”);

(b) on parity with each other class or series of Additional Securities of the Company that is established in accordance with the Operating Agreement after the date of this Share Designation and that is not expressly subordinated or made senior to the Series C Preferred Shares as to the payment of dividends and as to the distribution of assets upon Liquidation of the Company, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof differ from those of the Series C Preferred Shares (the “**Parity Securities**”); and

(c) junior to the Series A Preferred Shares and Series B Preferred Shares, all of the Company’s indebtedness and other liabilities with respect to assets available to satisfy claims against the Company and to each other class or series of Additional Securities of the Company that is expressly made senior to the Series C Preferred Shares as to the payment of dividends and as to the distribution of assets upon Liquidation of the Company (“**Senior Securities**”).

4. Dividends. From and after the date of the issuance of any Series C Preferred Share, dividends at the rate per annum of 6.0% of the Stated Value, subject to adjustment as provided herein (the “**Stated Dividend Rate**”) shall accrue on such Series C Preferred Share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Shares) (the “**Accruing Dividends**”). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative. Accruing Dividends shall be payable only upon (i) liquidation of the Company in accordance with the Operating Agreement; or (ii) conversion in accordance with Section 5 hereof (each, a “**Dividend Payment Date**”). Any calculation of the amount of Accruing Dividends shall be made based on a 365-day year, the actual number of days elapsed, to the extent permitted by law.

## 5. Conversion.

(a) Each Series C Preferred Share, plus all accrued and unpaid dividends thereon, shall be convertible, at the option of the holder thereof or the Company, at any time and from time to time after the issuance of such share, into such number of fully paid and nonassessable Common Shares (calculated as to each conversion to the whole share) determined by dividing the aggregate Stated Value of the shares for which conversion is being requested, plus the value of the Accruing Dividends on such shares, by the Conversion Price. The “**Conversion Price**” is Ten Dollars (\$10.00), subject to adjustments described herein.

(b) The holders of any Series C Preferred Shares may exercise their conversion rights as to all such shares or any part thereof by delivering to the Company during regular business hours at the office of any transfer agent of the Company for the Series C Preferred Shares, if any, or at the principal office of the Company, or at such other place as may be designated by the Company, the certificate or certificates for the shares to be converted, if any, duly endorsed for transfer to the Company (if required by the Company), accompanied by written notice stating that the holder elects to convert such shares. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the “**Conversion Date**.” As promptly as practicable after the Conversion Date, but not later than three (3) Business Days thereafter, the Company shall issue the Common Shares to which such holder is entitled and deliver to such holder an account statement from the Company’s transfer agent evidencing such issuance. The holder shall be deemed to have become a shareholder of record on the Conversion Date. Provided the Company is participating in the Depository Trust Company (“**DTC**”) Fast Automated Securities Transfer program, upon request of any holder of outstanding Series C Preferred Shares, the Company shall use its best efforts to cause its transfer agent to electronically transmit the Common Shares issuable upon conversion to such holder by crediting the account of such holder’s Prime Broker with DTC through its Deposit Withdrawal Agent Commission system.

(c) No fractional Common Shares or scrip shall be issued upon conversion of Series C Preferred Shares. The number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of Series C Preferred Shares. Any fractional Common Shares that would otherwise be issuable upon conversion of the Series C Preferred Shares will be rounded up to the next whole share.

(d) The Company shall pay any and all issuance, delivery, and transfer taxes in respect of the issuance or delivery of Common Shares on conversion of the Series C Preferred Shares pursuant hereto.

(e) If the Company at any time after the date of issue of the Series C Preferred Shares (i) declares a dividend or makes a distribution on Common Shares payable in Common Shares, (ii) subdivides or splits the outstanding Common Shares, (iii) combines or reclassifies the outstanding Common Shares into a smaller number of shares, (iv) issues any shares of its capital stock in a reclassification of Common Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), (v) effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, or (vi) consolidates with, merges with or into or is converted into any other Person, the Conversion Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, split, combination, consolidation, conversion, sale, merger or reclassification shall be adjusted so that the conversion of the Series C Preferred Shares after such time shall entitle the holder to receive the aggregate number of Common Shares or other securities of the Company (or shares of any security into which such Common Shares have been combined, consolidated, converted, merged or reclassified) which, if the Series C Preferred Shares had been converted immediately prior to such time, such holder would have owned upon such conversion and been entitled to receive by virtue of such dividend, distribution, subdivision, split, combination, consolidation, conversion, merger or reclassification. Such adjustment shall be made successively whenever any event listed above shall occur.

(f) The Company shall not, through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, including amending this Share Designation, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series C Preferred Shares against impairment.

(g) All Common Shares which may be issued upon conversion of the Series C Preferred Shares will, upon issuance by the Company, be validly issued, fully paid and nonassessable, and free from all taxes, liens, and charges with respect to the issuance thereof.

(h) The Company shall at all times reserve and keep available, free from preemptive rights, such number of its authorized but unissued Common Shares as may be required to effect conversions of the Series C Preferred Shares.

(i) In no event shall the holder of any Series C Preferred Shares be entitled to convert any number of Series C Preferred Shares, that upon conversion the sum of (1) the number of Common Shares beneficially owned by the holder and its affiliates (other than Common Shares which may be deemed beneficially owned through the ownership of any unconverted Series C Preferred Shares, or the unexercised or unconverted portion of any other security of the Company subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of Common Shares issuable upon the conversion of the Series C Preferred Shares with respect to which the determination of this proviso is being made, would result in beneficial ownership by the holder and its affiliates of more than 4.99% of the then outstanding Common Shares of the Company. For purposes of the proviso set forth in the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulations 13D-G thereunder. However, the limitations on conversion or exercise detailed herein may be waived (up to a maximum of 9.99%) by the holder and in its sole discretion, not less than sixty-one (61) days prior notice to the Company, and the provisions of the limitations herein shall continue to apply until such 61<sup>st</sup> day (or such later date, as determined by the holder, as may be specified in such notice of waiver).

## 6. Liquidation Preference.

(a) Subject to the rights of the Company's creditors and the holders of any Senior Securities or Parity Securities, upon any Liquidation of the Company or its subsidiaries, before any payment or distribution of the assets of the Company (whether capital or

surplus) shall be made to or set apart for the holders of Junior Securities as to the distribution of assets on any Liquidation of the Company, each holder of outstanding Series C Preferred Shares shall be entitled to receive an amount of cash equal to one hundred percent (100%) of the Stated Value, plus an amount of cash equal to all accumulated accrued and unpaid dividends thereon (whether or not declared) to, but not including the date of final distribution to such holders. If, upon any Liquidation of the Company, the assets of the Company, or proceeds thereof, distributable among the holders of the Series C Preferred Shares shall be insufficient to pay in full the preferential amount payable to the holders of the Series C Preferred Shares as described in this Section 6(a) and liquidating payments on any other shares of any class or series of Parity Securities as to the distribution of assets on any Liquidation of the Company, then such assets, or the proceeds thereof, shall be distributed among the holders of Series C Preferred Shares and any such other Parity Securities ratably in accordance with the respective amounts that would be payable on such Series C Preferred Shares and any such other Parity Securities if all amounts payable thereon were paid in full.

(b) Subject to the rights of the Company's creditors and the holders of any Senior Securities or Parity Securities, upon any Liquidation of the Company, after payment shall have been made in full to the holders of the Series C Preferred Shares in accordance with this Section 5, the holders of any other series or class or classes of Junior Securities shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series C Preferred Shares shall not be entitled to share therein or have any other right or claim to such assets.

(c) Written notice of any such Liquidation of the Company, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage prepaid, not less than twenty (20) nor more than sixty (60) days prior to the payment date stated therein, to each record holder of the Series C Preferred Shares at the respective address of such holders as the same shall appear on the stock transfer records of the Company.

#### 7. Voting Rights.

(a) The Series C Preferred Shares shall not have any relative, participating, optional or other voting rights or powers of any type, and the consent of the holders thereof shall not be required for the taking of any corporate action, except as set forth in this Section 7 or as otherwise provided by the Operating Agreement of the Company or the Delaware Limited Liability Company Act.

(b) Notwithstanding the foregoing, so long as any Series C Preferred Shares are outstanding, the affirmative vote of the Requisite Holders at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for approving, effecting or validating any amendment, alteration or repeal of any of the provisions of this Share Designation.

(c) For purposes of this Section 7, with respect to any matter as to which the holders of Series C Preferred Shares are entitled to vote as a class, such holders shall be entitled to one vote per share.

8. Record Holders. The Company and its transfer agent shall deem and treat the record holder of any Series C Preferred Shares as the true and lawful owner thereof for all purposes, and neither the Company nor its transfer agent shall be affected by any notice to the contrary.

9. No Sinking Fund. The holders of Series C Preferred Shares shall not be entitled to (i) payment of a principal amount at any particular date, (ii) the benefits of any retirement or sinking fund, or (iii) require the Company to set aside funds to secure the Company's obligations under the Series C Preferred Shares.

10. Additional Issuances. The Board may only authorize and issue additional Series C Preferred Shares from time to time in one or more series with the written consent of the Requisite Holders.

#### 11. Miscellaneous.

(a) Any and all notices or other communications or deliveries to be provided by the holders of Series C Preferred Shares hereunder shall be in writing and delivered by facsimile, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to the Company at 590 Madison Avenue, 21st Floor, New York, NY 10022, attention: Chief Financial Officer, e-mail address [vhoward@1847holdings.com](mailto:vhoward@1847holdings.com), or such other facsimile number, e-mail address or address as the Company may specify for such purposes by notice to the holders delivered in accordance with this Section 11(a). Any and all notices or other communications or deliveries to be

provided by the Company hereunder shall be in writing and delivered by facsimile, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to each holder of Series C Preferred Shares at the facsimile number, e-mail address or address of such holder appearing on the books of the Company, or if no such facsimile number, email address or address appears on the books of the Company, at the principal place of business of such holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission if such notice or communication is delivered via facsimile or electronic mail prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or electronic mail on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

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(b) All questions concerning the construction, validity, enforcement, and interpretation of this Share Designation shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflict of laws thereof.

(c) This Share Designation may be amended, or any provision of this Share Designation may be waived by the Company solely with the affirmative vote at a duly held meeting or written consent of the Requisite Holders. Any waiver by the Company or a holder of Series C Preferred Shares of a breach of any provision of this Share Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Share Designation or a waiver by any other holders, except that a waiver by the Requisite Holders will constitute a waiver of all holders. The failure of the Company or a holder to insist upon strict adherence to any term of this Share Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Share Designation on any other occasion. Any waiver by the Company or a holder must be in writing.

(d) If any provision of this Share Designation is invalid, illegal, or unenforceable, the balance of this Share Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(e) The headings contained herein are for convenience only, do not constitute a part of this Share Designation, and shall not be deemed to limit or affect any of the provisions hereof.

\* \* \* \* \*

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IN WITNESS WHEREOF, this Share Designation, which shall be made effective pursuant to Article III of the Operating Agreement, is executed by the undersigned this 19th day of August, 2024.

**1847 HOLDINGS LLC**

By: /s/ Ellery W. Roberts  
Name: Ellery W. Roberts  
Title: Chief Executive Officer

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**SETTLEMENT AND RELEASE AGREEMENT**

This SETTLEMENT AND RELEASE AGREEMENT (the “Agreement”) is hereby made and entered into as of August 19, 2024 (the “Effective Date”), by and between, on the one hand, 1847 Holdings, LLC (“EFSH”) and 1847 Asien Inc. (“Asien” and, with EFSH, the “EFSH Parties,” with each being individually an “EFSH Party”) and, on the other hand, Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992 (the “Trust”). EFSH, Asien, and the Trust are referred to herein individually as a “Party” and together as the “Parties.”

**Recitals:**

A. WHEREAS, the Trust is the holder of a 6% Amortizing Promissory Note, dated July 29, 2020 (as amended, the “Note”) issued by Asien, a subsidiary of EFSH;

B. WHEREAS, under the Note’s terms, Asien was to make payments to the Trust in certain amounts and at certain intervals as provided in the Note;

C. WHEREAS, on or about February 26, 2024, Asien’s subsidiary, Asien’s Appliance, Inc., effectuated an assignment for the benefit of its creditors;

D. WHEREAS, thereafter, the Trust alleged that EFSH and/or its other affiliates were liable to the Trust on the Note and pursuant to other potential claims on a theory of alter ego liability, and EFSH denied that it or any of its affiliates were liable to the Trust for any of the Trust’s alleged claims and under any theory of liability. The dispute described in this Recital is referred to herein as the “Dispute”;

E. WHEREAS, as of August 19, 2024, the total amount due on the Note, including principal and accrued interest, totals eight hundred thirty-one thousand twenty-seven and zero/100 Dollars (\$831,027.00) (the “Outstanding Balance”); and,

F. WHEREAS, notwithstanding any of the foregoing, the Parties have agreed, among other things, to resolve the Dispute amicably, pursuant to the terms set forth in this Agreement.

**Agreed Terms:**

NOW, THEREFORE, in consideration of the mutual promises, covenants, and representations contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which is hereby acknowledged by each Party, and with each Party intending to be legally bound hereby, the Parties agree as follows:

1. Surrender, Forgiveness, and Cancellation of Note. Upon the Effective Date:

(a) the Trust hereby (i) surrenders the Note to Asien free and clear of all claims, charges, liens, contracts, rights, options, security interests, mortgages, encumbrances, and restrictions of every kind and nature and (ii) forgives the entire Outstanding Balance of the Note in its entirety, as well as all other amounts to which the Trust is or may have been entitled to collect under the Note, including without limitation attorneys’ fees and all costs of enforcing the Trust’s rights under the Note, such that neither Asien nor any of its affiliates or related companies (including but not limited to EFSH), agents, or employees, as the case may be, shall have any further obligation to the Trust with respect to the Note; and

(b) the Note is hereby discharged in full, canceled, void, and of no further force or effect.

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2. Issuance of Series C Preferred Shares. No later than ten (10) business days after the Effective Date (the “Issuance Deadline”), EFSH shall issue to the Trust eighty-three thousand six hundred three (83,603) Series C Senior Convertible Preferred Shares in EFSH, with a stated value of Ten Dollars (\$10.00) per share (the “Series C Preferred Shares”), provided that the Trust has executed and delivered to the Company the Series C Preferred Shares Stock Purchase Agreement substantially in the form attached hereto as Exhibit 1 (the “Series C Preferred SPA”) before the Issuance Deadline. The Series C Preferred Shares, and Company’s issuance of them to the Trust,

shall be subject to the terms and conditions in the Series C Preferred SPA, as well as all applicable terms and conditions in this Agreement, as well as the Company's articles of formation, bylaws, and operating, all as may be amended from time to time. The Series C Preferred Shares are subject to splits and other adjustments, as provided in the 1847 Holdings, LLC's Share Designation of Series C Senior Convertible Preferred Shares attached as Exhibit A to the Series C Preferred SPA.

3. (a) General Release of Claims. The Trust, on behalf of its itself and the other Trust Releasors (as that term is defined below), hereby releases, waives and forever discharges EFSH, Asien, and each of the other 1847 Releasees (as that term is defined below) from all actions, claims, causes of action (whether in tort or contract), demands, invoices, warranties, damages, penalties, objections, promises, liabilities, suits, debts, dues, costs, expenses, accounts, covenants, reckonings, bills, controversies, agreements, injunctive relief, fees, variances, liens, extents, executions, obligations, rights to subrogation, rights to contribution, claims for attorney's fees, interest, expenses and costs, judgments and executions of any kind, in law admiralty or equity, in any kind of forum, and compensations of any nature whatsoever, and liabilities of any kind whatsoever, whether known or unknown, accrued, liquidated or unliquidated, suspected or unsuspected, contingent or otherwise, that each of the Trust Releasors, whether individually or collectively, or any of them, ever had, now has or have, or hereafter may have against EFSH, Asien, and each of the 1847 Releasees, whether individually or collectively, or any of them, up to and including the Effective Date, including, without limitation, all claims that are related to either (i) the Dispute, (ii) the Note, (iii) any investment of the Trust in Asien's Appliance, Inc. or Asien, (iv) the assignment for the benefit of creditors of Asien's Appliance, Inc., or (v) piercing of the corporate or organizational veil of Asien's Appliance, Inc., Asien, or EFSH to impose liability or collect from their owners, members, or shareholders. The claims released by this Section 3(a) are referred to collectively as the "Trust Released Claims." Notwithstanding any of the provisions in this Section 3(a) to the contrary, the general release of claims provided in this Section 3(a) does not include any claims, actions, or rights arising under or to enforce the terms of this Agreement or the Series C Preferred SPA.

(b) Covenant Not to Sue. The Trust, on behalf of its itself and the other Trust Releasors hereby agrees not to conduct, commence, or initiate any action or proceeding in any court, arbitration forum, or regulatory or administrative agency against any of the 1847 Releasees on the basis of any of the Trust Released Claims.

4. Acknowledgment of Nature and Scope of Release of Claims. The Trust, on behalf of itself and the other Trust Releasors, acknowledges and agrees that the release of claims provided in Section 3(a) above is a general release of claims and expressly waives and assumes the risk of any and all claims which exist as of the effective date of the release of claims provided in Section 3(a) above, but which it does not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, may have materially affected its decision to enter into this Agreement. The Trust, on behalf of itself and the other Trust Releasors, intends to release all claims that now exist, may exist, or previously existed, as set out in the release of claims contained in Section 3(a) above, whether those claims are known or unknown, foreseen or unforeseen, or suspected or unsuspected, and the release of claims provided in Section 3(a) is and will remain in effect, notwithstanding the discovery or existence of such additional or different facts or claims. The Trust, on behalf of itself and the other Trust Releasors, hereby waives any right or claim that might arise as a result of such different or additional claims or facts. The Trust has been made aware of, and understands, the provisions of California Civil Code Section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM, WOULD HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

5. Waiver of Rights Under California Civil Code Section 1542. The Trust, on behalf of itself and the other Trust Releasors, knowingly, voluntarily, and intentionally waives any and all rights, benefits, and protections of California Civil Code Section 1542 that might limit the scope of the release of claims provided in Section 3(a) above.

6. Communications With Securities Regulators About Possible Securities Law Violations. Nothing in this Agreement, including but not limited to any of the terms in its Sections 3 or 9, limits or waives, or is intended to limit or waive, any Trust Releasor's right to communicate with the staff of the United States Securities and Exchange Commission ("SEC") or with any state securities regulatory agency about a possible violation of a federal or state securities law or regulation or to apply for or receive an award from the SEC under the federal Securities Whistleblower Incentives program or from a state securities regulatory agency under a substantially similar state incentive program in connection with reporting a possible violation of a federal or state securities law.

7. Definitions of Trust Releasors and 1847 Releasees. As used in this Agreement:

(a) The term “Trust Releasors” means, collectively: (i) the Wilhelmsen Family Trust, U/D/T dated May 1, 1992 and each predecessor, replacement, and successor trust to the Wilhelmsen Family Trust, U/D/T dated May 1, 1992; (ii) all of the past, present and future beneficiaries, managers, employees, attorneys, consultants, representatives, agents, attorneys, insurers, heirs, executors, administrators, and trustees (including but not limited to Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen) of each of the persons and entities described in part (i) of this definition; and (iii) all of the successors and assigns of each of the persons and entities described in part (i) or (ii) of this definition, with each of the Trust Releasors being individually a “Trust Releasor.”

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(b) The term “1847 Releasees” means, collectively: (i) 1847 Asien Inc., 1847 Holdings, LLC, and each of their predecessors, parent companies, and affiliated companies (including, without limitation, subsidiaries); (ii) all of the past, present and future directors, officers, members, shareholders, owners, investors, managers, employees, attorneys, consultants, representatives, agents, attorneys, and insurers of each of the entities described in part (i) of this definition; and (iii) all of the successors and assigns of each of the persons and entities described in part (i) or (ii) of this definition, with each of the 1847 Releasees being individually an “1847 Releasee.”

8. Representations and Warranties.

(a) By signing this Agreement, the Trust represents, warrants, and acknowledges, as of the date it signs this Agreement, that: (i) there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims released in Section 3(a) of this Agreement and no authorization of a third-party is needed to release any of the claims released in Section 3(a); (ii) it has not assigned, hypothecated, conveyed, transferred, or otherwise granted or given any interest in the claims, demands, damages, rights, actions, causes of action, suits, contracts, agreements, obligations, accounts, defenses, offsets and liabilities released under Section 3(a) of this Agreement; (iii) it has full power and authority to release the claims that are being released in Section 3(a); (iv) it, through an authorized representative, has read this Agreement and had the opportunity to consult with legal counsel of its own choosing before executing this Agreement; (v) it understands the provisions of this Agreement, including those in Section 3 regarding its release of claims and covenant not to sue; (vi) none of the EFSH Parties nor any agent or attorney of any of the EFSH Parties has made any representation, promise, or warranty whatsoever, express or implied, written or oral, not contained in this Agreement concerning the subject matter of this Agreement to induce the Trust to execute this Agreement; and (vii) it has not executed this Agreement in reliance on any representation, promise, or warranty not contained herein.

(b) By signing this Agreement, each of the EFSH Parties represents, warrants, and acknowledges, as of the date it signs this Agreement, that: (i) it, through an authorized representative, has read this Agreement and had the opportunity to consult with legal counsel of its own choosing before executing the Agreement; (ii) it understands the provisions of this Agreement; (iii) neither the Trust nor any agent or attorney of the Trust has made any representation, promise, or warranty whatsoever, express or implied, written or oral, not contained in this Agreement concerning the subject matter of this Agreement to induce the EFSH Party to execute this Agreement; and (iv) it has not executed this Agreement in reliance on any representation, promise, or warranty not contained herein.

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9. Confidentiality. The Trust may not disclose the existence of this Agreement or its contents to anyone, except: (a) to its beneficiaries and trustees, attorneys, accountants, or licensed tax advisors, provided they agree to keep it confidential, and (b) to government authorities, but only to the extent necessary or required. Section 6 above and Section 10 below contain important limitations on the provisions in this Section 9.

10. Communications with Law Enforcement About Unlawful Conduct. Notwithstanding anything to the contrary in this Agreement (including, without limitation, anything in its Sections 3 or 9), nothing in this Agreement prohibits, restricts, or limits, or is intended to prohibit, restrict, or limit the right or ability of a Party to report or communicate about any possible unlawful conduct, regardless of when it occurred, by another Party, its affiliated companies, or any of its successors, assigns, officers, directors, or employees (including any employment harassment, assault, or discrimination) to the appropriate federal or state law enforcement authorities or regulatory agencies or from speaking with the Party’s own attorney about such conduct.

11. Severability. If at any time after the Effective Date any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void, or unenforceable, such provision shall be of no force and effect. The holding that such provision is illegal, void, or unenforceable shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement; *provided, however*, that if:

(a) Section 3 is held to be illegal, void, or unenforceable in whole or in part, the Trust agrees to promptly execute a legal, valid, and enforceable general release and waiver of claims and covenant not to sue in favor of the EFSH Parties and the other 1847 Releasees equal in scope to the general release and waiver of claims and covenant not to sue provided in Section 3 and, in the event that such a legal, valid, and enforceable general release and waiver of claims and covenant to sue cannot be or is not obtained, then the Trust and other Trust Releasers shall be deemed to have assigned, transferred, and conveyed the Trust Released Claims as described in Section 3 to the EFSH Parties.

12. No Admission of Wrongdoing. Among other reasons, the Parties have entered into this Agreement as a compromise and final settlement of the Dispute, and, therefore, this Agreement is not intended, and thus it shall not be construed, as an admission by any Party as to liability or wrongdoing of any kind whether related to the Dispute or any other matter.

13. Further Assurances and Delivery of Documents. The Parties agree to take all actions and to make, deliver, and sign any other documents and instruments that are necessary to carry out the terms, provisions, purpose, and intent of this Agreement.

14. Legally Binding Agreement. The Parties intend that this Agreement be legally binding upon and shall inure to the benefit of each of them and their respective successors and assigns.

15. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and agreements, proposed or otherwise, written or oral, concerning the subject matter of this Agreement. No modification of this Agreement shall be binding unless in writing and signed by each of the Parties hereto.

16. No Waiver. The failure of any Party to this Agreement at any time to enforce any provision of this Agreement will in no way constitute or be construed as a waiver of such provision or of any other provision hereof, or in any way affect the validity of, or the right thereafter to enforce, each and every provision of this Agreement.

17. Interpretation. Each Party acknowledges that it has shared equally in the drafting of this Agreement. Therefore, should any provision of this Agreement require interpretation or construction, the court, judge, tribunal or other person or body interpreting or construing this Agreement shall not apply a presumption against one Party over the other Party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document. The section headings and sub-headings in this Agreement have been inserted for convenience only and shall be disregarded in construing or interpreting this Agreement.

18. Governing Law; Choice of Forum; Jury Trial Waiver. This Agreement shall be deemed to have been made and delivered in the State of Delaware and shall be governed as to validity, interpretation, construction, effect and in all other respects by the internal laws of the State of Delaware without regard to principles of conflicts of law thereof. Each Party to this Agreement hereby irrevocably submits to the exclusive jurisdiction and venue of the state and federal courts sitting in Rockland County, New York, for the adjudication of any dispute arising under or related to this Agreement or in connection with any transaction contemplated hereby (each a “Controversy”) and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each Party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action, or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such Party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. *Each Party to this Agreement waives its right to trial by jury for lawsuit regarding a Controversy.*

19. Costs of Enforcement. The Parties agree that if any Party hereto brings an action to enforce or for breach of the terms of this Agreement, the prevailing Party in such proceeding shall be reimbursed by the non-prevailing Party for all reasonable attorneys’ fees, costs, and expenses incurred as a result of any breach, including such reasonable attorneys’ fees, costs, and expenses incurred in enforcing this Agreement.

20. Notices.

(a) Any and all notices or other communications or deliveries to be provided hereunder by the Trust to any of the EFSH Parties shall be in writing and delivered by facsimile, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to the EFSH Party in question at 1847 Holdings, LLC 590 Madison Avenue, 21st Floor, New York, NY 10022, attention: Chief Financial Officer, e-mail address \_\_\_\_\_, or such other facsimile number, e-mail address or address as the Company may specify for such purposes by notice to the Trust delivered in accordance with this Section 20(b), with a copy, which shall not constitute notice, to Joseph D. Wilson, Esq., Bevilacqua PLLC, 1050 Connecticut Ave., N.W., Suite 500, Washington, DC 20036, \_\_\_\_\_.

(b) Any and all notices or other communications or deliveries to be provided hereunder by an EFSH Party to the Trust shall be in writing and delivered by facsimile, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992, \_\_\_\_\_, or such other facsimile number, e-mail address or address as the Trust may specify for such purposes by notice to the EFSH Parties delivered in accordance with this Section 20(a), with a copy, which shall not constitute notice, to Clayton W. Kent, Esq., Kent Law, 575 Lincoln Ave., Suite 205, Napa, CA 94558, \_\_\_\_\_.

(c) Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission if such notice or communication is delivered via facsimile or electronic mail prior to 5:30 p.m. (New York City time) on any date, (ii) the next business day after the date of transmission, if such notice or communication is delivered via facsimile or electronic mail on a day that is not a business day or later than 5:30 p.m. (New York City time) on any business day, (iii) the second business day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

21. Condition on Agreement Becoming Effective. In addition to any other conditions stated in this Agreement for it to become effective, for this Agreement to become effective, each Party to it must execute it and return a copy of the Agreement as executed by such Party to the other Parties hereto. Subject to the conditions described in the immediately preceding sentence being satisfied, this Agreement will be effective as of the Effective Date.

22. Counterparts. This Agreement may be executed by the Parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signatures by PDF or other electronic signatures (e.g., by DocuSign) to this Agreement are authentic and have the same force and effect as original, manual signatures.

*[The remainder of this page is purposefully blank; the execution page follows.]*

IN WITNESS WHEREOF, and intending to be legally bound, each Party hereto has caused this Settlement and Release Agreement to be executed on the date set forth below in that Party's signature block.

**1847 HOLDINGS LLC**

**JOERG CHRISTIAN WILHEMSEN, AS TRUSTEE OF  
THE WILHELMSEN FAMILY TRUST, U/D/T DATED  
MAY 1, 1992**

By: /s/ Ellery W. Roberts  
Name: Ellery W. Roberts  
Title: Executive Chairman

Signature: /s/ Joerg Christian Wilhelmsen

Date Signed: August 22, 2024

Date Signed: August 22, 2024

1847 ASIEN INC.

**SUSAN KAY WILHEMSEN, AS TRUSTEE OF THE  
WILHEMSEN FAMILY TRUST, U/D/T DATED MAY 1,  
1992**

By: /s/ Ellery W. Roberts

Signature: /s/ Susan Kay Wilhemsen

Name: Ellery W. Roberts

Title: Executive Chairman

Date Signed: August 22, 2024

Date Signed: August 22, 2024

**SERIES C PREFERRED SHARES STOCK PURCHASE AGREEMENT**

This SERIES C PREFERRED SHARES STOCK PURCHASE AGREEMENT (this “**Agreement**” or “**Series C Preferred SPA**”) is made and entered into as of August 22, 2024 (the “**Series C Preferred SPA Effective Date**”) by and between 1847 Holdings LLC, a Delaware limited liability company (the “**Company**” or “**EFSH**”), and Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992 (the “**Trust**”) The Company and the Trust are referred to herein individually as a “**Party**” and together as the “**Parties.**”

**Recitals:**

A. WHEREAS, the Trust is the holder of a 6% Amortizing Promissory Note, dated July 29, 2020 (as amended, the “**Note**”) issued by 1847 Asien Inc. (“**Asien**”), a subsidiary of EFSH.

B. WHEREAS, under the Note’s terms, Asien was to make payments to the Trust in certain amounts and at certain intervals as provided in the Note.

C. WHEREAS, on or about February 26, 2024, Asien’s subsidiary, Asien’s Appliance, Inc., effectuated an assignment for the benefit of its creditors.

D. WHEREAS, thereafter, the Trust alleged that EFSH and/or its other affiliates were liable to the Trust on the Note and pursuant to other potential claims on a theory of alter ego liability, and EFSH denied that it or any of its affiliates were liable to the Trust for any of the Trust’s alleged claims and under any theory of liability. The dispute described in this Recital is referred to herein as the “**Dispute.**”

E. WHEREAS, the Parties, among other entities, have entered in a Settlement and Release Agreement dated on or about August 14, 2024 (the “**Settlement Agreement**”) pursuant to which the Parties and the other entities named therein have agreed, among other things, to resolve the Dispute amicably, pursuant to the terms set forth in the Settlement Agreement;

F. WHEREAS, among other things, the Settlement Agreement provides that, as of the effective date of the Settlement Agreement, the Trust forgives the entire Outstanding Balance (defined in the Settlement Agreement) of the Note in its entirety, as well as all other amounts to which the Trust is or may have been entitled to collect from any party thereto, including without limitation attorneys’ fees and all costs of enforcing the Trust’s rights under the Note, such that neither Asien nor any of its affiliates or related companies (including but not limited to EFSH), agents, or employees, as the case may be, shall have any further obligation to the Trust with respect to the Note; and,

G. WHEREAS, EFSH and the Trust are entering into this Series C Preferred SPA because, among other things, the Settlement Agreement provides that no later than the Issuance Deadline (as defined in the Settlement Agreement), EFSH shall issue to the Trust eighty-three thousand six hundred three (83,603) Series C Senior Convertible Preferred Shares in EFSH, with a stated value of Ten Dollars (\$10.00) per share, subject to splits, provided that the Trust has executed and delivered to the Company this Series C Preferred SPA before the Issuance Deadline.

**Agreed Terms:**

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and representations contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which is hereby acknowledged by each Party, and with each Party intending to be legally bound hereby, the Parties agree as follows:

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**1. ISSUANCE.** On the Closing Date (defined in Section 2 below), and subject to the terms and conditions set forth in this Series C Preferred SPA, the Company will issue to the Trust eighty-three thousand six hundred three (83,603) Series C Senior Convertible Preferred Shares in EFSH, with a stated value of Ten Dollars (\$10.00) per share (the “**Series C Preferred Shares**”), and the rights and entitlements set forth in the 1847 Holdings, LLC’s Share Designation of Series C Senior Convertible Preferred Shares attached hereto as Exhibit A (the “**Designation**”). Among other things, the Designation provides that the Series C Preferred Shares are subject to splits and

other adjustments. EFSH is issuing the Series C Preferred Shares to the Trust as consideration for, among other things, the Trust's entry into the Settlement Agreement and the covenants and agreements provided by the Trust therein, including its forgiveness of the Note and its release of claims and covenant not to sue.

**2. CLOSING.** Subject to the satisfaction (or written waiver) of the conditions set forth in Section 5 below the date and time of the issuance of the Series C Preferred Shares pursuant to this Series C Preferred SPA shall be 4:00 PM, Eastern Standard Time, on the tenth business day following the Settlement Agreement's Effective Date (as defined in the Settlement Agreement) or such other mutually agreed upon earlier date and time (the "**Closing Date**"). The closing of the transactions contemplated by this Series C Preferred SPA (the "**Closing**") shall occur on the Closing Date at such location as may be agreed to by the Parties (including via exchange of electronic signatures). At the Closing, EFSH shall deliver the Series C Preferred Shares to the Trust, and the Trust shall deliver to the EFSH any other documents or agreements, in form and substance reasonably satisfactory to EFSH and the Trust, as may be required to give effect to this Series C Preferred SPA.

**3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company hereby makes the following representations and warranties as of the date hereof and as of the Closing Date to the Trust:

(a) **Organization, Good Standing and Qualification.** The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization. The Company has the requisite limited liability company power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation or limited liability company in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not have or reasonably be expected to result in (a) a material adverse effect on the legality, validity or enforceability of any Subscription Document (as defined below), (b) a material adverse effect on the results of operations, assets, business or financial condition of the Company, taken as a whole, or (c) adversely impair the Company's ability to perform in any material respect on a timely basis its obligations under any Subscription Document (any of (a), (b) or (c), a "**Material Adverse Effect**"); provided, however, that none of the following, either alone or taken together with other changes, events, results, occurrences, developments or effects, will constitute, or be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) changes, events, occurrences or developments in, or effects or results arising from or relating to, general business or economic conditions affecting the industry in which the Company or its affiliates or subsidiaries operate, (ii) changes, events, occurrences or developments in, or effects or results arising from or relating to, national or international political or social conditions, including the engagement by the United States in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military, cyber or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, asset, equipment or personnel of the United States, (iii) changes, events, occurrences or developments in, or effects or results arising from or relating to, financial, banking, or securities markets (including any disruption of any of the foregoing markets, any change in currency exchange rates, and any decline or rise in the price of any security, commodity, contract or index), (iv) changes in, or effects arising from or relating to, any earthquake, hurricane, tsunami, tornado, flood, mudslide or other natural disaster, pandemic (including COVID-19), weather condition, explosion or fire or other force majeure event or act of God, or (v) any change in, or effect arising from or related to changes in, GAAP (as defined below) or other accounting requirements or principles or the interpretation thereof.

(b) **Power.** The Company has all requisite limited liability company power to issue the Series C Preferred Shares and to execute and deliver this Series C Preferred SPA, the Designation, and any other instruments, documents, and agreements being entered into at the Closing as part of this Series C Preferred SPA (each a "**Subscription Document**" and collectively, the "**Subscription Documents**") and to carry out and perform its obligations under the terms of the Subscription Documents.

(c) **Authorization.** All limited liability company action on the part of the Company, its directors, its officers, and its shareholders necessary for the authorization of the Subscription Documents and the execution, delivery, and performance of all obligations of the Company under the Subscription Documents, including the issuance and delivery of the Series C Preferred Shares and the reservation of the common shares of the Company (the "**Common Shares**") issuable upon conversion of the Series C Preferred Shares (the "**Underlying Securities**") has been taken or will be taken prior to the issuance of such Underlying Securities, if at all. The Subscription Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws. The Underlying Securities, when issued in compliance with the provisions of the Subscription Documents, will be validly issued, fully paid, non-assessable, and free of any lien, pledge,

mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance (“**Lien**”) and issued in compliance with all applicable federal and securities laws.

(d) [purposefully omitted]

(e) **Disclosures.** Neither the Company nor any person acting on its behalf has provided the Trust or its agents or counsel with any information that constitutes or might constitute material, non-public information other than the terms of the transactions contemplated hereby. The written materials delivered to the Trust in connection with the transactions contemplated by the Subscription Documents do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

**4. REPRESENTATIONS AND WARRANTIES OF THE TRUST.** The Trust hereby makes the following representations and warranties as of the date hereof and as of the Closing Date to the Company:

(a) **Acquisition for Own Account.** The Trust represents that it is acquiring the Series C Preferred Shares for its own account and not with the view to transfer the Series C Preferred Shares or otherwise distribute them except in compliance with the Securities Act of 1933, as amended (the “**Securities Act**”).

(b) **Information and Sophistication.** The Trust hereby: (a) acknowledges that it has received all the information it has requested from the Company that it considers necessary or appropriate for deciding whether to acquire the Series C Preferred Shares, (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Series C Preferred Shares and to obtain any additional information necessary to verify the accuracy of the information given to the Trust and (c) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

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(c) **Ability to Bear Economic Risk.** The Trust acknowledges that an investment in the Series C Preferred Shares involves a high degree of risk and represents that it is able, without materially impairing its financial condition, to hold the Series C Preferred Shares for an indefinite period of time and to suffer a complete loss of its investment.

(d) **Accredited Investor Status.** The Trust is an “accredited investor” as such term is defined in Rule 501 under the Securities Act.

(e) **Existence; Authorization.** The Trust is a trust, validly existing and in good standing under the laws of the state of its organization, having full power and authority to own its properties and to carry on its business as conducted. The Trust has the requisite power and authority to deliver this Agreement, perform its obligations set forth herein, and consummate the transactions contemplated hereby. The Trust has duly executed and delivered this Agreement and has obtained the necessary authorization to execute and deliver this Series C Preferred SPA and to perform its obligations herein and to consummate the transactions contemplated hereby. This Series C Preferred SPA, assuming the due execution and delivery hereof by the Company, is a legal, valid, and binding obligation of the Trust enforceable against the Trust in accordance with its terms.

(f) **No Regulatory Approval.** The Trust understands that no state or federal authority has scrutinized this Series C Preferred SPA or the Series C Preferred Shares offered pursuant hereto, has made any finding or determination relating to the fairness for investment in the Series C Preferred Shares, or has recommended or endorsed the Series C Preferred Shares, and that the Series C Preferred Shares have not been registered or qualified under the Securities Act or any state securities laws, in reliance upon exemptions from registration thereunder. The Series C Preferred Shares may not, in whole or in part, be resold, transferred, assigned, or otherwise disposed of unless they are registered under the Securities Act or an exemption from registration is available and unless the proposed disposition is in compliance with the restrictions on transferability under federal and state securities laws.

(g) **Independent Advice.** The Trust confirms that the Trust has been advised to consult with the Trust’s independent attorney regarding legal matters concerning the Company and to consult with independent tax advisers regarding the tax consequences of investing in the Company. The Trust acknowledges that Trust understands that any anticipated United States federal or state income tax benefits may not be available and, further, may be adversely affected through the adoption of new laws or regulations or amendments to existing laws or regulations. The Trust acknowledges and agrees that the Company is providing no warranty or assurance regarding the ultimate availability of any tax benefits to the Trust by reason of the subscription.

(h) **Agreement to be Bound by Operating Agreement.** The Trust acknowledges receipt of a true and correct copy of the Second Amended and Restated Operating Agreement of the Company, dated January 19, 2018 (as such may be amended, modified or restated from time to time, the “**Operating Agreement**”), and further acknowledges that Trust has read the Operating Agreement and understands and agrees to abide by all terms, covenants, conditions, limitations, restrictions and provisions contained in the Operating Agreement. By execution of this Series C Preferred SPA, the Trust agrees to be bound by the Operating Agreement and agrees that the Operating Agreement is binding upon and inures to the benefit of the heirs, legatees, devisees, legal representatives, successors, and permitted assigns of the Trust.

(i) **Legends.** The Trust understands that until such time as the Series C Preferred Shares and, upon the conversion of the Series C Preferred Shares, the Underlying Securities have been registered under the Securities Act, of which the Company is under no obligation to effect, or may be sold pursuant to Rule 144, Rule 144A under the Securities Act or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Securities may bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such Securities):

**“NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE OR EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE TRUST), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144, RULE 144A OR REGULATION S UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.”**

**5. CONDITIONS TO THE COMPANY’S OBLIGATIONS.** The obligation of the Company hereunder to issue the Series C Preferred Shares to the Trust at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company’s sole benefit and may be waived by the Company at any time in its sole discretion: (a) the Trust shall have executed this Series C Preferred SPA and delivered the same to the Company; (b) the Trust shall have fulfilled its obligations under [Section 2](#); (c) the representations and warranties of the Trust shall be true and correct in all material respects as of the date when made and as of the Closing Date, as though made at that time (except for representations and warranties that speak as of a specific date); (d) the Trust shall have performed, satisfied and complied in all material respects with the covenants, agreements, and conditions required by this Series C Preferred SPA to be performed, satisfied or complied with by the Trust at or prior to the Closing Date; and (e) no litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated, or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Series C Preferred SPA.

**6. CONDITIONS TO THE TRUST’S OBLIGATIONS.** The obligation of the Trust hereunder to acquire the Series C Preferred Shares at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Trust’s sole benefit and may be waived by the Trust at any time in its sole discretion: (a) the Company shall have executed this Series C Preferred SPA and delivered the same to the Trust; (b) the Company shall have delivered the Series C Preferred Shares to the Trust in accordance with [Section 2](#) above; (c) the Company shall have delivered executed Subscription Documents, or such other instruments as contemplated by this Series C Preferred SPA; (d) the representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of Closing Date, as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Series C Preferred SPA to be performed, satisfied or complied with by the Company at or prior to the Closing Date; and (e) no litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Series C Preferred SPA.

## 7. MISCELLANEOUS.

(a) **Binding Agreement.** The terms and conditions of this Series C Preferred SPA shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Series C Preferred SPA, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Series C Preferred SPA, except as expressly provided in this Agreement.

(b) **Governing Law; Choice of Forum; Jury Trial Waiver.** This Series C Preferred SPA shall be deemed to have been made and delivered in the State of Delaware and shall be governed as to validity, interpretation, construction, effect and in all other respects by the internal laws of the State of Delaware without regard to principles of conflicts of law thereof. Each Party to this Series C Preferred SPA hereby irrevocably submits to the exclusive jurisdiction and venue of the state and federal courts sitting in Rockland County, New York, for the adjudication of any dispute arising under or related to this Agreement or in connection with any transaction contemplated hereby (each a “**Controversy**”) and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each Party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action, or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such Party at the address in effect for notices to it under this Series C Preferred SPA and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. *Each Party to this Series C Preferred SPA waives its right to trial by jury for lawsuit regarding a Controversy.*

(c) **Counterparts.** This Series C Preferred SPA may be executed by the Parties hereto in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signatures by PDF or other electronic signatures (e.g., by DocuSign) to this Series C Preferred SPA are authentic and have the same force and effect as original, manual signatures.

(d) **Interpretation.** Each Party acknowledges that it has shared equally in the drafting of this Series C Preferred SPA. Therefore, should any provision of this Series C Preferred SPA require interpretation or construction, the court, judge, tribunal or other person or body interpreting or construing this Series C Preferred SPA shall not apply a presumption against one Party over the other Party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document. The section headings and sub-headings in this Series C Preferred SPA have been inserted for convenience only and shall be disregarded in construing or interpreting this Series C Preferred SPA.

### (e) Notices.

- Any and all notices or other communications or deliveries to be provided hereunder by the Trust to the Company shall be in writing and delivered by facsimile, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to the Company at 590 Madison Avenue, 21st Floor, New York, NY 10022, attention: Chief Financial Officer, e-mail address \_\_\_\_\_, or such other facsimile number, e-mail address or address as the Company may specify for such purposes by notice to the Trust delivered in accordance with this Section 7(e)(i), with a copy, which shall not constitute notice, to Joseph D. Wilson, Esq., Bevilacqua PLLC, 1050 Connecticut Ave., N.W., Suite 500, Washington, DC 20036, \_\_\_\_\_.
- (i)

- Any and all notices or other communications or deliveries to be provided hereunder by the Company to the Trust shall be in writing and delivered by facsimile, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to Joerg Christian Wilhelmsen and Susan Kay Wilhelmsen, as Trustees of the Wilhelmsen Family Trust, U/D/T dated May 1, 1992, \_\_\_\_\_, or
- (ii)

such other facsimile number, e-mail address or address as the Trust may specify for such purposes by notice to the EFSH Parties delivered in accordance with this Section 7(e)(ii), with a copy, which shall not constitute notice, to Clayton W. Kent, Esq., Kent Law, 575 Lincoln Ave., Suite 205, Napa, CA 94558,

Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (1) the date of transmission if such notice or communication is delivered via facsimile or electronic mail prior to 5:30 p.m. (New York City time) on any date, (2) the next business day after the (iii) date of transmission, if such notice or communication is delivered via facsimile or electronic mail on a day that is not a business day or later than 5:30 p.m. (New York City time) on any business day, (3) the second business day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (4) upon actual receipt by the party to whom such notice is required to be given.

(f) **Modification; Waiver.** No modification or waiver of any provision of this Series C Preferred SPA or consent to departure therefrom shall be effective except upon the written consent thereto of the Company and the Trust.

(g) **Expenses.** The Company and the Trust shall each bear its respective expenses and legal fees incurred with respect to this Series C Preferred SPA and the transactions contemplated herein.

(h) **Remedies Cumulative.** No remedy herein conferred upon any Party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now, or hereafter existing at law or in equity or by statute or otherwise.

(i) **Attorneys' Fees.** In the event that any Party hereto institutes any legal suit, action, or proceeding, including arbitration, against another Party in respect of a matter arising out of or relating to this Series C Preferred SPA, the prevailing Party in the suit, action, or proceeding shall be entitled to receive, in addition to all other damages to which it may be entitled, the costs incurred by such Party in conducting the suit, action or proceeding, including reasonable attorneys' fees and expenses, and court costs.

(j) **Condition on this Series C Preferred SPA Becoming Effective.** In addition to any other conditions stated in this Series C Preferred SPA for it to become effective, for this Series C Preferred SPA to become effective: (1) each Party to it must execute it and return a copy of this Series C Preferred SPA as executed by such Party to the other Parties hereto, and (2) the Settlement Agreement must go into effect according to its terms. Subject to the conditions described in the immediately preceding sentence being satisfied, this Series C Preferred SPA will be effective as of the Series C Preferred SPA Effective Date.

(k) **Entire Agreement.** With the exception of the Settlement Agreement, this Series C Preferred SPA and exhibit hereto constitute the full and entire understanding and agreement between the Parties with regard to the subject matter of this Series C Preferred SPA, and no Party shall be liable or bound to the other Party in any manner by any representations, warranties, covenants, and agreements except as specifically set forth herein.

[Signature Page Follows]

**IN WITNESS WHEREOF**, and intending to be legally bound, each Party hereto has caused this Series C Preferred Shares Stock Purchase Agreement to be executed on the date set forth below in that Party's signature block.

**1847 HOLDINGS LLC**

**JOERG CHRISTIAN WILHEMSEN, AS TRUSTEE OF  
THE WILHEMSEN FAMILY TRUST, U/D/T DATED  
MAY 1, 1992**

By: /s/ Ellery W. Roberts  
Name: Ellery W. Roberts  
Title: Executive Chairman

Signature: /s/ Joerg Christian Wilhemsen

Date Signed: August 22, 2024

Date Signed: August 22, 2024

**SUSAN KAY WILHEMSEN, AS TRUSTEE OF THE  
WILHEMSEN FAMILY TRUST, U/D/T DATED MAY 1,  
1992**

Signature: /s/ Susan Kay Wilhemsen

Date Signed: August 22, 2024

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Cover

Aug. 19, 2024

Cover [Abstract]

<u>Document Type</u>	8-K
<u>Amendment Flag</u>	false
<u>Document Period End Date</u>	Aug. 19, 2024
<u>Entity File Number</u>	001-41368
<u>Entity Registrant Name</u>	1847 Holdings LLC
<u>Entity Central Index Key</u>	0001599407
<u>Entity Tax Identification Number</u>	38-3922937
<u>Entity Incorporation, State or Country Code</u>	DE
<u>Entity Address, Address Line One</u>	590 Madison Avenue
<u>Entity Address, Address Line Two</u>	21st 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>	10022
<u>City Area Code</u>	212
<u>Local Phone Number</u>	417-9800
<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 Shares
<u>Trading Symbol</u>	EFSH
<u>Security Exchange Name</u>	NYSEAMER
<u>Entity Emerging Growth Company</u>	false







