

Q2 Holdings, Inc.
Form 8-K
August 08, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 6, 2018

Q2 HOLDINGS, INC.

(Exact name of registrant as specified in charter)

Delaware
(State or Other Jurisdiction of

Incorporation)

001-36350
(Commission

File Number)
13785 Research Blvd, Suite 150

20-2706637
(I.R.S. Employer

Identification Number)

Austin, Texas 78750

(512) 275-0072

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Not Applicable

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

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

On August 6, 2018, Q2 Holdings, Inc., a Delaware corporation (the *Company*), entered into an Agreement and Plan of Merger (the *Merger Agreement*) pursuant to which the Company has agreed to acquire Cloud Lending, Inc., a Delaware corporation (*Target*), for a closing purchase price of \$105,000,000, plus potential additional consideration that may become payable at certain measurement dates in the future upon the achievement by the acquired business of certain financial metrics on such dates. Pursuant to the Merger Agreement, Target will be merged with and into a wholly owned subsidiary of the Company (*Merger Sub*), with Target surviving as a wholly owned subsidiary of the Company. The purchase price is subject to adjustment based on Target's net working capital amount and other customary adjustments at closing. In addition, a portion of the purchase price (\$10,500,000) will be placed into escrow to secure certain post-closing indemnification obligations in the Merger Agreement. The closing is subject to customary closing conditions and is currently expected to occur in the fourth quarter of 2018.

Each of the Company, Merger Sub and Target made customary representations and warranties and agreed to customary covenants in the Merger Agreement. The assertions embodied in those representations and warranties were made solely for purposes of the contract among the parties and may be subject to important qualifications and limitations agreed to by the parties in connection with the negotiated terms. Moreover, some of those representations and warranties (a) may not be accurate or complete as of any specified date, (b) may be subject to a contractual standard of materiality different from those generally applicable to stockholders or (c) may have been used for purposes of allocating risk among the parties rather than establishing matters as facts. Accordingly, the Merger Agreement is included with this filing only to provide investors with information regarding the terms of the Merger Agreement, and not to provide investors with any factual information regarding the Company or its business. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of its subsidiaries or affiliates.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is filed as Exhibit 2.1 and is incorporated into this report by reference.

Item 7.01 Regulation FD Disclosure.

On August 8, 2018, the Company issued a press release announcing the merger. The press release is attached as Exhibit 99.1 hereto.

Item 9.01.

Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
2.1	<u>Agreement and Plan of Merger, dated August 6, 2018, by and among the Company, Merger Sub, Target and Fortis Advisors, LLC as a representative of Target's equity holders thereunder.</u>
99.1	<u>Press Release, dated August 8, 2018, issued by the Company.*</u>

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- * In accordance with general instruction B.2 to Form 8-K, the information in this Form 8-K under Item 7.01 (Regulation FD Disclosure) shall be deemed furnished and not filed with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

SIGNATURES

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

Q2 HOLDINGS, INC.

Date: August 8, 2018

By: /s/ Jennifer N. Harris
Jennifer N. Harris
Chief Financial Officer