



Edgar Filing: Steel Connect, Inc. - Form 8-K

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 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On November 2, 2018, Steel Connect, Inc. (the “Company”) received a notification letter (the “Notice”) from the Listing Qualifications Department of the Nasdaq Stock Market LLC (“Nasdaq”) stating that the Company is not in compliance with Nasdaq Listing Rule 5250(c)(1), which requires the timely filing of all required periodic financial reports with the Securities and Exchange Commission (the “SEC”). The Notice was sent as a result of the Company’s delay in filing its Annual Report on Form 10-K for fiscal year 2018 (the “Form 10-K”). The Form 10-K was due on October 15, 2018. The Notice has no immediate effect on the listing or trading of the Company’s common stock.

The Company filed a Form 12b-25 on October 16, 2018, the effect of which was to extend the due date for the Form 10-K to October 30, 2018. The Company was unable to file the Form 10-K by October 30, 2018, for the reasons reported in the Form 12b-25 and as further described below. The Notice stated that, under Nasdaq rules, the Company has 60 calendar days to submit a plan to regain compliance with Nasdaq’s listing rules, and that if such plan is submitted and accepted, Nasdaq can grant the Company an exception of up to 180 calendar days from the Form 10-K filing’s due date, or until April 29, 2019, to regain compliance. If Nasdaq does not accept the Company’s plan, the Company will have the opportunity to appeal that decision to a Nasdaq hearings panel.

As previously disclosed by the Company, additional time is needed for the Company to finalize its Accrued Pricing liability, which has remained unadjusted since the fiscal period ended July 31, 2015. This delay relates to a non-cash liability of \$18.9 million, which, if reversed, may cause a restatement of prior period earnings as an increase to other income. Questions regarding this matter, as well as certain other items, have delayed the completion of the audit of the Company’s consolidated financial statements for the fiscal period ended July 31, 2018. The Company is continuing to work with its auditors to resolve these matters and finalize the audit.

On November 7, 2018 the Company issued a press release announcing the receipt of the Notice. A copy of the press release is attached as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01.**

**Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
<u>99.1</u>	<u>Press Release</u>

**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.

November 7, 2018 Steel Connect, Inc.

By: /s/ Louis J. Belardi  
Name: Louis J. Belardi  
Title: Chief Financial Officer