

**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): November 14, 2022

QSAM BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-55148
(Commission File
Number)

20-1602779
(IRS Employer
Identification Number)

9442 Capital of Texas Hwy N, Plaza 1, Suite 500
(Address of principal executive offices)

78759
(Zip Code)

Registrant's telephone number, including area code

(512) 343-4558

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 (see General Instruction A.2. below):

- 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
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 3.02 Unregistered Sales of Equity Securities

On November 14, 2022, QSAM Biosciences Inc. (the "Company") entered into agreements with its four executive officers to issue 168,611 unregistered shares of common stock in lieu of an aggregate deferred cash compensation under their respective employment agreements of approximately \$0.6 million. These securities have not been issued as of the date of this Form 8-K, and will be issued in reliance on Regulation D or Section 4(a)(2) of the Securities Act of 1933. See Item 5.02 below and the Exhibits filed herewith for further details of this agreement.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On November 14, 2022, the Company entered into amendments to the employment agreements (the "Amendments") with its four key executive employees, including its Executive Chairman, CEO, General Counsel and VP Operations (the "Executives"). The purpose of the Amendments was to eliminate liabilities on the Company's balance sheet by converting deferred salary into restricted and forfeitable common stock, to reduce future overhead expenses to allow the Company to utilize cash resources more efficiently towards clinical trials and technology development, and to further align the Executive's compensation structure with building long term shareholder value. The Amendments were reviewed and approved by the independent Chairman of the Compensation Committee of the Company's Board of Directors.

Pursuant to the Amendments, the Executives agreed to convert an aggregate of approximately \$0.6 million in deferred salaries which have accrued since December 2021, into 168,611 shares of common stock (the "Stock Compensation"), subject to the following restrictions and forfeiture provisions: Until such time that the Company successfully closes \$5 million in a single fundraising (the "Trigger Event"), as defined therein, the Stock Compensation may not be sold, transferred or otherwise disposed by the Executives; and further provided, if the Trigger Event does not occur within 36 months of the date of the Amendments, the Stock Compensation shall be forfeited and returned to the Company.

Additionally, pursuant to the Amendments, each of the Executives agreed to reduce their contracted base salaries set forth in their employment agreements by approximately

25%, which amended base salary would only start accruing and being paid when the Company successfully completes an equity offering in excess of \$7.5 million. Until such milestone is achieved, each of the Executives have agreed to accept an additional interim base salary reduction between approximately 45% and 60% below their original contracted base salaries. Further, the Company's VP Operations received a 50% increase in her bonus in the instance of a successful exit for the Company or its technology.

The summary of material terms set forth herein is qualified in its entirety by the Amendments which are filed as Exhibits 10.1 through 10.4 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit Number	Description
10.1	<u>Amendment to Employment Agreement for the Company's Executive Chairman dated November 14, 2022</u>
10.2	<u>Amendment to Employment Agreement for the Company's CEO dated November 14, 2022</u>
10.3	<u>Amendment to Employment Agreement for the Company's General Counsel dated November 14, 2022</u>
10.4	<u>Amendment to Employment Agreement for the Company's VP Operation dated November 14, 2022</u>
104	Cover Page Interactive Data File (the cover page XBRL tags are 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: November 18, 2022

QSAM Biosciences, Inc.

By: /s/ Douglas Baum
Douglas Baum
Chief Executive Officer

**AMENDMENT #1 TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDMENT #1 dated November 14, 2022 (the "Amendment") to the AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") dated as of December 6, 2021, by and between QSAM Biosciences, Inc. (the "Company"), and C. Richard Piazza (the "Executive").

RECITALS

WHEREAS, the Company and the Executive agree that it is in the best interest of the Company and its shareholders to settle accrued liabilities and temporarily reduce overhead expenses of the Company; and

WHEREAS, the Company and the Executive desire to amend the Executive's amended and restated employment agreement dated December 6, 2021 to help achieve these goals.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the parties, each intending to be legally bound hereby, agree as follows:

1. *Deferred Salary Paid in Restricted Stock.*

(a) As of September 30, 2022, the Executive has deferred a total of \$239,583.33 in Base Salary (the "Deferred Salary"). The Executive agrees hereby to accept as payment in full for the Deferred Salary a cash amount of \$47,917 and 53,241 shares of common stock (the "Stock Compensation"), subject to the restrictions and forfeiture provisions set forth below. The Stock Compensation represents 125% of the total amount of the Deferred Salary as of September 30, 2022 not being paid in cash to the Executive, as converted into common shares at \$4.50 per share, representing the price paid by unaffiliated third parties for common shares in the Company's current private placement offering.

(b) The Stock Compensation shall be restricted and subject to forfeiture as follows: Until such time that the Company successfully closes \$5 million in a single fundraising (the "Trigger Event"), which may be completed in one or more closings over a period of no more than 90 days, the Stock Compensation may not be sold, transferred or otherwise disposed by the Executive. Upon the occurrence of a Trigger Event, the Stock Compensation shall be fully vested and may be sold or transferred by the Executive, subject to applicable SEC rules and regulations. If the Trigger Event does not occur within 36 months of the date of this Amendment, the Stock Compensation shall be forfeited and returned to the Company. The Stock Compensation shall not terminate or be forfeited upon death or disability of the Executive, or his termination without cause or for good reason, as defined in the Agreement.

(c) Upon the occurrence of a timely Trigger Event, the Company shall withhold a number of shares equal to the Executive's tax liability related to the payment of the Stock Compensation, based on a price equal to the higher of \$4.50 per share or the closing price of the Company's common stock as of the date of public announcement of the Trigger Event. The Company shall pay such taxes through normal payroll procedures on behalf of the Executive.

2. *Future Base Compensation*

(a) Effective as of October 1, 2022, the Executive accepts as his interim base salary an amount of \$125,000 per year, which shall increase to \$160,000 per year as of the next payroll period after the Company completes \$2 million in funding in its current private placement (the "Interim Base Salary", which is further defined in Section 2.b., below).

(b) Upon the occurrence of a Trigger Event, as defined in Section 1 above, the Executive's Interim Base Salary shall automatically be increased to \$225,000 per year. .

(c) Upon the Company raising a minimum of \$7.5 million in a single equity financing round, the Executive's Interim Base Salary shall automatically be set to the Base Salary rate of \$300,000 per year, and the definition of Base Salary as set forth in Section 4.1 of the Agreement is amended hereby. Until such time, the difference between the Base Salary and the Interim Base Salary shall not accrue nor be owed to the Executive.

(d) The existence and payment of the Interim Base Salary shall not change the Executive's termination and severance terms, as set forth in Sections 7 and 8 of the Agreement, which shall continue to provide the Executive the protection of receiving a multiple of his full contracted Base Salary, as amended hereby, in the event of termination without cause or termination for good reason.

3. *Miscellaneous Terms*

(a) All terms not defined herein shall have the meanings given to them in the Agreement. To the extent that terms and provisions herein conflict with those in the Agreement, this Amendment shall govern.

(b) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns; provided that the Executive's duties hereunder are of a personal nature and may not be assigned.

(c) This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

(d) This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Amended and Restated Employment Agreement as of the date and year first above written.

QSAM Biosciences, Inc.

By: /s/ Douglas Baum
Name: Douglas Baum
Title: CEO

THE EXECUTIVE

/s/ C. Richard Piazza
C. Richard Piazza

**AMENDMENT #1 TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDMENT #1 dated November 14, 2022 (the "Amendment") to the AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") dated as of December 6, 2021, by and between QSAM Biosciences, Inc. (the "Company"), and **Douglas R. Baum** (the "Executive").

RECITALS

WHEREAS, the Company and the Executive agree that it is in the best interest of the Company and its shareholders to settle accrued liabilities and temporarily reduce overhead expenses of the Company; and

WHEREAS, the Company and the Executive desire to amend the Executive's amended and restated employment agreement dated December 6, 2021 to help achieve these goals.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the parties, each intending to be legally bound hereby, agree as follows:

4. *Deferred Salary Paid in Restricted Stock.*

(d) As of September 30, 2022, the Executive has deferred a total of \$229,166.67 in Base Salary (the "Deferred Salary"). The Executive agrees hereby to accept as payment in full for the Deferred Salary a cash amount of \$45,833 and 50,926 shares of common stock (the "Stock Compensation"), subject to the restrictions and forfeiture provisions set forth below. The Stock Compensation represents 125% of the total amount of the Deferred Salary as of September 30, 2022 not being repaid in cash to the Executive, as converted into common shares at \$4.50 per share, representing the price paid by unaffiliated third parties for common shares in the Company's current private placement offering.

(e) The Stock Compensation shall be restricted and subject to forfeiture as follows: Until such time that the Company successfully closes \$5 million in a single fundraising (the "Trigger Event"), which may be completed in one or more closings over a period of no more than 90 days, the Stock Compensation may not be sold, transferred or otherwise disposed by the Executive. Upon the occurrence of a Trigger Event, the Stock Compensation shall be fully vested and may be sold or transferred by the Executive, subject to applicable SEC rules and regulations. If the Trigger Event does not occur within 36 months of the date of this Amendment, the Stock Compensation shall be forfeited and returned to the Company. The Stock Compensation shall not terminate or be forfeited upon death or disability of the Executive, or his termination without cause or for good reason, as defined in the Agreement.

(f) Upon the occurrence of a timely Trigger Event, the Company shall withhold a number of shares equal to the Executive's tax liability related to the payment of the Stock Compensation, based on a price equal to the higher of \$4.50 per share or the closing price of the Company's common stock as of the date of public announcement of the Trigger Event. The Company shall pay such taxes through normal payroll procedures on behalf of the Executive.

5. *Future Base Compensation*

(e) Effective as of October 1, 2022, the Executive accepts as his interim base salary an amount of \$125,000 per year, which shall increase to \$160,000 per year as of the next payroll period after the Company completes \$2 million in funding in its current private placement (the "Interim Base Salary", which is further defined in Section 2.b., below).

(f) Upon the occurrence of a Trigger Event, as defined in Section 1 above, the Executive's Interim Base Salary shall automatically be increased to \$225,000 per year.

(g) Upon the Company raising a minimum of \$7.5 million in a single equity financing round, the Executive's Interim Base Salary shall automatically be set to the Base Salary rate of \$300,000 per year, and the definition of Base Salary as set forth in Section 4.1 of the Agreement is amended hereby. Until such time, the difference between the Base Salary and the Interim Base Salary shall not accrue nor be owed to the Executive.

(h) The existence and payment of the Interim Base Salary shall not change the Executive's termination and severance terms, as set forth in Sections 7 and 8 of the Agreement, which shall continue to provide the Executive the protection of receiving a multiple of his full contracted Base Salary, as amended hereby, in the event of termination without cause or termination for good reason.

6. *Miscellaneous Terms*

(e) All terms not defined herein shall have the meanings given to them in the Agreement. To the extent that terms and provisions herein conflict with those in the Agreement, this Amendment shall govern.

(f) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns; provided that the Executive's duties hereunder are of a personal nature and may not be assigned.

(g) This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

(h) This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Amended and Restated Employment Agreement as of the date and year first above written.

QSAM Biosciences, Inc.

By: /s/ C. Richard Piazza

Name: C. Richard Piazza

Title: Executive Chairman

THE EXECUTIVE

/s/ Douglas Baum

Douglas Baum



**AMENDMENT #1 TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDMENT #1 dated November 14, 2022 (the "Amendment") to the AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") dated as of December 6, 2021, by and between QSAM Biosciences, Inc. (the "Company"), and **Christopher Nelson** (the "Executive").

RECITALS

WHEREAS, the Company and the Executive agree that it is in the best interest of the Company and its shareholders to settle accrued liabilities and temporarily reduce overhead expenses of the Company; and

WHEREAS, the Company and the Executive desire to amend the Executive's amended and restated employment agreement dated December 6, 2021 to help achieve these goals.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the parties, each intending to be legally bound hereby, agree as follows:

7. Deferred Salary Paid in Restricted Stock.

(g) As of September 30, 2022, the Executive has deferred a total of \$166,666.67 in Base Salary (the "Deferred Salary"). The Executive agrees hereby to accept as payment in full for the Deferred Salary a cash amount of \$33,333 and 37,037 shares of common stock (the "Stock Compensation"), subject to the restrictions and forfeiture provisions set forth below. The Stock Compensation represents 125% of the total amount of the Deferred Salary as of September 30, 2022 not being paid in cash to the Executive, as converted into common shares at \$4.50 per share, representing the price paid by unaffiliated third parties for common shares in the Company's current private placement offering.

(h) The Stock Compensation shall be restricted and subject to forfeiture as follows: Until such time that the Company successfully closes \$5 million in a single fundraising (the "Trigger Event"), which may be completed in one or more closings over a period of no more than 90 days, the Stock Compensation may not be sold, transferred or otherwise disposed by the Executive. Upon the occurrence of a Trigger Event, the Stock Compensation shall be fully vested and may be sold or transferred by the Executive, subject to applicable SEC rules and regulations. If the Trigger Event does not occur within 36 months of the date of this Amendment, the Stock Compensation shall be forfeited and returned to the Company. The Stock Compensation shall not terminate or be forfeited upon death or disability of the Executive, or his termination without cause or for good reason, as defined in the Agreement.

(i) Upon the occurrence of a timely Trigger Event, the Company shall withhold a number of shares equal to the Executive's tax liability related to the payment of the Stock Compensation, based on a price equal to the higher of \$4.50 per share or the closing price of the Company's common stock as of the date of public announcement of the Trigger Event. The Company shall pay such taxes through normal payroll procedures on behalf of the Executive.

8. Future Base Compensation

(i) Effective as of October 1, 2022, the Executive accepts as his interim base salary an amount of \$100,000 per year, which shall increase to \$125,000 per year as of the next payroll period after the Company completes \$2 million in funding in its current private placement (the "Interim Base Salary", which is further defined in Section 2.b., below).

(j) Upon the occurrence of a Trigger Event, as defined in Section 1 above, the Executive's Interim Base Salary shall automatically be increased to \$170,000 per year.

(k) Upon the Company raising a minimum of \$7.5 million in a single equity financing round, the Executive's Interim Base Salary shall automatically be set to the Base Salary rate of \$225,000 per year, and the definition of Base Rate set forth in Section 4.1 of the Agreement is amended hereby. Until such time, the difference between the Base Salary and the Interim Base Salary shall not accrue nor be owed to the Executive.

(l) The existence and payment of the Interim Base Salary shall not change the Executive's termination and severance terms, as set forth in Sections 7 and 8 of the Agreement, which shall continue to provide the Executive the protection of receiving a multiple of his full contracted Base Salary, as amended hereby, in the event of termination without cause or termination for good reason.

9. Miscellaneous Terms

(i) All terms not defined herein shall have the meanings given to them in the Agreement. To the extent that terms and provisions herein conflict with those in the Agreement, this Amendment shall govern.

(j) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns; provided that the Executive's duties hereunder are of a personal nature and may not be assigned.

(k) This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

(l) This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Amended and Restated Employment Agreement as of the date and year first above written.

QSAM Biosciences, Inc.

By: /s/ Douglas Baum

Name: Douglas Baum

Title: CEO

THE EXECUTIVE

/s/ Christopher Nelson

Christopher Nelson

**AMENDMENT #1 TO
EMPLOYMENT AGREEMENT**

THIS AMENDMENT #1 dated November 14, 2022 (the “Amendment”) to the EMPLOYMENT AGREEMENT (the “Agreement”) dated as of December 6, 2021, by and between QSAM Biosciences, Inc. (the “Company”), and **Namrata Chand** (the “Executive”).

RECITALS

WHEREAS, the Company and the Executive agree that it is in the best interest of the Company and its shareholders to settle accrued liabilities and temporarily reduce overhead expenses of the Company; and

WHEREAS, the Company and the Executive desire to amend the Executive’s employment agreement dated December 6, 2021 to help achieve these goals.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the parties, each intending to be legally bound hereby, agree as follows:

10. *Deferred Salary Paid in Restricted Stock.*

(j) As of September 30, 2022, the Executive has deferred a total of \$123,333.33 in Base Salary (the “Deferred Salary”). The Executive agrees hereby to accept as payment in full for the Deferred Salary a cash amount of \$24,667 and 27,407 shares of common stock (the “Stock Compensation”), subject to the restrictions and forfeiture provisions set forth below. The Stock Compensation represents 125% of the total amount of the Deferred Salary as of September 30, 2022 not being repaid in cash to the Executive, as converted into common shares at \$4.50 per share, representing the price paid by unaffiliated third parties for common shares in the Company’s current private placement offering.

(k) The Stock Compensation shall be restricted and subject to forfeiture as follows: Until such time that the Company successfully closes \$5 million in a single fundraising (the “Trigger Event”), which may be completed in one or more closings over a period of no more than 90 days, the Stock Compensation may not be sold, transferred or otherwise disposed by the Executive. Upon the occurrence of a Trigger Event, the Stock Compensation shall be fully vested and may be sold or transferred by the Executive, subject to applicable SEC rules and regulations. If the Trigger Event does not occur within 36 months of the date of this Amendment, the Stock Compensation shall be forfeited and returned to the Company. The Stock Compensation shall not terminate or be forfeited upon death or disability of the Executive, or her termination without cause or for good reason, as defined in the Agreement.

(l) Upon the occurrence of a timely Trigger Event, the Company shall withhold a number of shares equal to the Executive’s tax liability related to the payment of the Stock Compensation, based on a price equal to the higher of \$4.50 per share or the closing price of the Company’s common stock as of the date of public announcement of the Trigger Event. The Company shall pay such taxes through normal payroll procedures on behalf of the Executive.

11. *Future Base Compensation*

(m) Effective as of October 1, 2022, the Executive accepts as her interim base salary an amount of \$120,000 per year, which shall increase to \$125,000 per year as of the next payroll period after the Company completes \$2 million in funding in its current private placement (the “Interim Base Salary”, which is further defined in Section 2.b., below).

(n) Upon the occurrence of a Trigger Event, as defined in Section 1 above, the Executive’s Interim Base Salary shall automatically be increased to \$170,000 per year.

(o) Upon the Company raising a minimum of \$7.5 million in a single equity financing round, the Executive’s Interim Base Salary shall automatically be set to the Base Salary rate of \$225,000 per year, and the definition of Base Salary as set forth in Section 4.1 of the Agreement is amended hereby. Until such time, the difference between the Base Salary and the Interim Base Salary shall not accrue nor be owed to the Executive.

(p) The existence and payment of the Interim Base Salary shall not change the Executive’s termination and severance terms, as set forth in Sections 7 and 8 of the Agreement, which shall continue to provide the Executive the protection of receiving a multiple of her full contracted Base Salary, as amended hereby, in the event of termination without cause or termination for good reason.

12. *Increased Transaction Bonus.*

(a) In consideration for the agreed upon reduced compensation set forth in Section 2 of this Amendment, the Transaction Bonus set forth in Section 4.3 of the Agreement shall be increased hereby to point five percent (0.5%).

(b) All other terms and conditions in Section 4.3 of the Agreement shall remain the same and unchanged.

13. *Miscellaneous Terms*

(m) All terms not defined herein shall have the meanings given to them in the Agreement. To the extent that terms and provisions herein conflict with those in the Agreement, this Amendment shall govern.

(n) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns; provided that the Executive’s duties hereunder are of a personal nature and may not be assigned.

(o) This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

(p) This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Employment Agreement as of the date and year first above written.

QSAM Biosciences, Inc.

By: /s/ Douglas Baum

Name: Douglas Baum

Title: CEO

THE EXECUTIVE

/s/ Namrata Chand

Namrata Chand
