

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): January 13, 2023

PARTS iD, Inc.  
(Exact name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-38296  
(Commission File Number)

81-3674868  
(IRS Employer  
Identification No.)

1 Corporate Drive  
Suite C  
Cranbury, New Jersey 08512  
(Address of Principal Executive Offices, including Zip Code)

(609) 642-4700  
(Registrant's Telephone Number, Including Area Code)

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 Instructions 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	Name of exchange on which registered
Class A Common Stock	ID	NYSE American

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.**

As previously disclosed on a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on October 26, 2022, on October 21, 2022 (the "Issue Date"), PARTS iD, Inc. (the "Company") entered into a Loan and Security Agreement (the "Loan Agreement") with JGB Collateral, LLC, a Delaware limited liability company, in its capacity as collateral agent (the "Agent") and the several financial institutions or entities that from time to time become parties to the Loan Agreement as lenders (collectively, the "Lender").

As previously disclosed on a Current Report on Form 8-K filed with the SEC on January 6, 2023, PARTS iD, Inc. (the "Company") notified the Agent and the Lender that it will not be in compliance with the Consolidated Quarterly Net Revenue Covenant (as defined in the Loan Agreement) for the calendar quarter ended December 31, 2022 (the "Subject Default"). As a result of the Subject Default, an Event of Default (as defined in the Loan Agreement) was triggered under the Loan Agreement and the Company had \$5,507,333.33 immediately due and payable under the Loan Agreement, unless a forbearance agreement was reached with the Agent and the Lender.

On January 17, 2023, the Company entered into a Forbearance Agreement and Reservation of Rights (the "Forbearance Agreement") with the Agent and the Lender with respect to the Subject Default. The Forbearance Agreement provides that both the Agent and the Lender will not exercise or pursue any rights or remedies under the Loan Agreement or any other Loan Document (as defined in the Loan Agreement) until the earlier of (i) April 30, 2023 or (ii) that certain date when the Lender or Agent become aware that any Event of Default (other than the Subject Default) has occurred and is continuing, in exchange for certain forbearance payments in the aggregate amount of \$50,000 to be paid by the Company to the Lender pursuant to Section 3.3 of the Forbearance Agreement.

The foregoing description of the Forbearance Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Forbearance

Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

**Item 8.01 Other Events.**

On January 17, 2023, the Company issued a press release announcing the engagement of Canaccord Genuity, Inc., as its advisor, in connection with the exploration and evaluation of strategic alternatives. The full text of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

On January 17, 2023, the Company and the Lender agreed to extend the period in which the Company has to register for resale the shares of common stock underlying the warrant issued to the Lender in connection with the Loan Agreement from 90 days following the Issue Date to February 3, 2023.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are filed as part of this report:

<b>Exhibit No.</b>	<b>Description</b>
10.1	<a href="#">Forbearance Agreement and Reservation of Rights, dated as of January 17, 2023, by and among PARTS iD, Inc., PARTS iD, LLC, the Lenders party thereto and JGB Collateral LLC, as agent.</a>
99.1	<a href="#">PARTS iD, Inc. News Release dated January 17, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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 thereunto duly authorized.

PARTS ID, INC.

Date: January 17, 2023

By: /s/ Antonino Ciappina

Name: Antonino Ciappina

Title: Chief Executive Officer

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## FORBEARANCE AGREEMENT AND RESERVATION OF RIGHTS

This FORBEARANCE AGREEMENT, dated as of January 17, 2023 (this “*Agreement*”), is made by and among PARTS ID, INC., a corporation organized under the laws of Delaware, and PARTS ID, LLC, a limited liability company organized under the laws of Delaware (collectively, the “*Borrower*”), and JGB CAPITAL, LP, JGB PARTNERS, LP and JGB (CAYMAN) GLENEGEDALE LTD. (each, a “*Lender*” and collectively, the “*Lenders*”) and JGB COLLATERAL LLC, as agent (together with its successors and permitted assigns in such capacity, the “*Agent*”).

## WITNESSETH

WHEREAS, the Borrower, the Lenders and Agent entered into that certain Loan and Security Agreement (the “*Loan Agreement*”), dated October 21, 2022, whereby, subject to the terms and conditions thereof, Lenders have made a term loan available to the Borrower;

WHEREAS, it has come to the attention of the Lenders and the Agent that an Event of Default has occurred and is continuing under the Loan Agreement as a result of the Borrower’s failure to comply with the requirements of Section 7.2 (*EBITDA; Revenue*) of the Loan Agreement with respect to calendar quarter ended December 31, 2022 (collectively, the “*Subject Default*”); and

WHEREAS, subject to the terms and conditions of this Agreement, the Lenders and Agent are willing to forbear from exercising their respective rights and remedies arising as a result of such Subject Default.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE I  
DEFINITIONS

SECTION 1.1. Certain Terms. Capitalized terms used in this Agreement (including the preamble and recitals) but not otherwise defined herein shall have the respective meanings given such terms in the Loan Agreement.

ARTICLE II  
FORBEARANCE, ETC.

SECTION 2.1. Forbearance, etc.

(a) The Borrower acknowledges and agrees that the Subject Default has occurred and is continuing.

(b) From and after the Forbearance Effective Date, Each Lender and Agent hereby agrees, with respect to the Subject Default (but only the Subject Default), that it will refrain and forebear from exercising or pursuing any rights or remedies under the Loan Agreement or any other Loan Document (including imposing a default rate of interest) until (but only until) the Termination Date (defined below). Any term or provision hereof to the contrary notwithstanding, neither the Lenders nor the Agent is waiving any of its rights or remedies under the Loan Agreement or any other Loan Document, but instead is simply agreeing not to take remedial action with respect to the Subject Default until the Termination Date.

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(c) The “*Termination Date*” shall mean the earlier of (i) April 30, 2023, and (ii) the date when the Lenders or Agent become aware that any Event of Default (other than the Subject Default) has occurred and is continuing. Upon the occurrence of the Termination Date the Lenders and Agent may pursue any rights and remedies available to it under the Loan Agreement or any other Loan Document, or pursuant to law or otherwise, with respect to any Event of Defaults that have then occurred and are outstanding (including the Subject Default), including, but not limited to, declaring all or any portion of the Secured Obligations to be immediately due and payable, imposing a default rate of interest in respect of the Secured Obligations, or pursuing any or all other rights and remedies of the Lenders and Agent as secured parties.

ARTICLE III  
CONDITIONS PRECEDENT

This Agreement shall become effective upon, and shall be subject to, the prior or simultaneous satisfaction of each of the following conditions in a manner reasonably satisfactory to the Lenders and Agent (the date when all such conditions are so satisfied being the “*Forbearance Effective Date*”):

SECTION 3.1. Counterparts. The Agent shall have received counterparts of this Agreement executed on behalf of the Borrower.

SECTION 3.2. Representations and Warranties. The representations and warranties of the Borrower contained in this Agreement shall be true and correct in all respects.

SECTION 3.3. Forbearance Payment. The Borrower shall have delivered a forbearance payment to each lender as set forth in the table below:

Lender	Forbearance Payment
JGB Capital LP	\$ 5,000
JGB Partners LP	\$ 25,000
JGB (Cayman) Glenegedale Ltd.	\$ 20,000

ARTICLE IV  
REPRESENTATIONS AND WARRANTIES

To induce the Lenders and the Agent to enter into this Agreement, the Borrower represents and warrants to the Lenders and the Agent as set forth below.

SECTION 4.1. Validity, etc. This Agreement, the Loan Agreement and each of the other Loan Documents each constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its respective terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, general equitable principles (whether considered in a proceeding in equity or at law). The Secured Obligations are not subject to setoff, deduction, claim, counterclaim or defense of any character whatsoever.

SECTION 4.2. Liens. Agent has valid and enforceable perfected, first priority security interest in and liens on all assets and properties of the Borrower (except for the Excluded Collateral) in accordance with the terms of the Loan Agreement. Except as expressly contained herein, nothing contained herein shall impair or limit the continuation of Agent’s liens and security interests in such properties and assets or the continued perfection or priority thereof.

SECTION 4.3. Event of Default. No Event of Default has occurred and is continuing except for the Subject Default.

ARTICLE V  
MISCELLANEOUS

SECTION 5.1. No Waiver. The Lenders’ and Agent’s agreement not to pursue their respective rights and remedies until the occurrence of the Termination Date as described in Article II herein is temporary and limited in nature. Nothing contained herein shall be deemed to constitute an amendment or modification of or waiver of compliance with any term or condition contained in the Loan Agreement or any of the other Loan Documents or constitute a course of conduct or dealing among the parties. The Lenders and the Agent reserve all rights, privileges and remedies under the Loan Agreement and the other Loan Documents.

SECTION 5.2. Severability. In case any provision of or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 5.3. Integration. This Agreement, together with the other Loan Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof. This Agreement is a Loan Document.

SECTION 5.4. Cross-References: Headings. References in this Agreement to any Article or Section are, unless otherwise specified, to such Article or Section of this Agreement. Headings and captions used in this Agreement are included for convenience of reference only and shall not be given any substantive effect.

SECTION 5.5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

SECTION 5.6. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page to this Agreement by facsimile (or other electronic transmission) shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 5.7. Governing Law. Sections 10.8, 10.9 and 10.10 of the Loan Agreement are incorporated herein by reference and made a part hereof.

SECTION 5.8. Full Force and Effect. The Borrower agrees that all of the representations, warranties, terms, covenants, conditions and other provisions of the Loan Documents shall remain unmodified and shall continue to be, and shall remain, in full force and effect in all respects. The terms of this Agreement shall be limited precisely as provided for herein and shall not be deemed to be an amendment to, waiver of, consent to or modification of any other term or provision of the Loan Documents or of any transaction or further or future action on the part of the Borrower which would require the consent of any Lender or the Agent under the Loan Documents.

SECTION 5.9. Releases. In further consideration of the Lenders’ and Agent’s execution of this Agreement, the Borrower, on behalf of itself and its successors, assigns, parents, subsidiaries, affiliates, officers, directors, employees, agents and attorneys, hereby forever, fully, unconditionally and irrevocably waives and releases each Lender and the Agent and their respective successors, assigns, parents, subsidiaries, affiliates, officers, directors, employees, attorneys and agents (collectively, the “Releasees”) from any and all claims, liabilities, obligations, debts, causes of action (whether at law or in equity or otherwise), defenses, counterclaims, setoffs, of any kind, whether known or unknown, whether liquidated or unliquidated, matured or unmatured, fixed or contingent, directly or indirectly arising out of, connected with, resulting from or related to any act or omission by any Releasee, on or prior to the date hereof, with respect to the Loan Documents or the transactions contemplated thereby (collectively, the “Claims”). The Borrower further agrees that it shall not commence, institute, or prosecute any lawsuit, action or other proceeding, whether judicial, administrative or otherwise, to prosecute, collect or enforce any Claim.

SECTION 5.10. Termination. This Agreement shall automatically terminate, and shall be of no further force and effect, if the Forbearance Effective Date has not occurred by 5:00 p.m. on January 13, 2023.

*[Signature pages to follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**BORROWER:**

**PARTS ID INC.**

By: /s/ John Pendleton  
Name: John Pendleton  
Title: EVP, Corporate and Legal Affairs

**PARTS ID LLC**

By: /s/ John Pendleton  
Name: John Pendleton  
Title: EVP, Corporate and Legal Affairs

**AGENT:**

**JGB COLLATERAL LLC**

By: /s/ Brett Cohen

Name: Brett Cohen

Title: President

**LENDERS:**

**JGB CAPITAL, LP**

By: /s/ Brett Cohen

Name: Brett Cohen

Title: President

**JGB PARTNERS, LP**

By: /s/ Brett Cohen

Name: Brett Cohen

Title: President

**JGB (CAYMAN) GLENEGEDALE LTD.**

By: /s/ Brett Cohen

Name: Brett Cohen

Title: President

**PARTS iD Announces Review of Strategic Alternatives**

CRANBURY, N.J., January 17, 2023 -- PARTS iD, Inc. (NYSE American: ID) (“PARTS iD” or “Company”), the owner and operator of, among other verticals, “CARiD.com,” a leading digital commerce platform for the automotive aftermarket, today announced that its Board of Directors, led by its Finance & Business Development Committee, is evaluating potential strategic alternatives to maximize shareholder value. As part of the process, the Board is considering a full range of strategic alternatives, which may include financing alternatives, merger, reverse merger, other business combinations, sale of assets, licensing, or other transactions.

PARTS iD has retained Canaccord Genuity as its financial advisor and DLA Piper as its legal counsel to assist in evaluating potential strategic alternatives.

There can be no assurance that the evaluation of strategic alternatives will result in any potential transaction, or any assurance as to its outcome or timing. PARTS iD has not set a timetable for completion of the process and does not intend to disclose developments related to the process unless and until PARTS iD executes a definitive agreement with respect thereto, or the Board otherwise determines that further disclosure is appropriate or required.

**About PARTS iD, Inc.**

PARTS iD is a technology-driven, digital commerce company focused on creating custom infrastructure and unique user experiences within niche markets. Founded in 2008 with a vision of creating a one-stop eCommerce destination for the automotive parts and accessories market, we believe that PARTS iD has since become a market leader and proven brand-builder, fueled by its commitment to delivering a revolutionary shopping experience; comprehensive, accurate and varied product offerings; and continued digital commerce innovation.

**Cautionary Note Regarding Forward-Looking Statements**

All statements made in this press release relating to future financial or business performance, conditions, plans, prospects, trends, or strategies and other such matters, including without limitation, expected future performance, consumer adoption, anticipated success of our business model or the potential for long term profitable growth, are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In addition, when or if used in this press release, the words “may,” “could,” “should,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “predict,” “potential,” “confident,” “look forward,” “optimistic” and similar expressions and their variants, as they relate to us may identify forward-looking statements. We operate in a changing environment where new risks emerge from time to time and it is not possible for us to predict all risks that may affect us, particularly those associated with the COVID-19 pandemic and the conflict in Ukraine, which have had wide-ranging and continually evolving effects. We caution that these forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time, often quickly and in unanticipated ways.

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Important factors that may cause actual results to differ materially from the results discussed in the forward-looking statements include risks and uncertainties, including without limitation: the ongoing conflict between Ukraine and Russia has affected and may continue to affect our business; competition and our ability to counter competition, including changes to the algorithms of Google and other search engines and related impacts on our revenue and advertisement expenses; the impact of health epidemics, including the COVID-19 pandemic, on our business and the actions we may take in response thereto; disruptions in the supply chain and associated impacts on demand, product availability, order cancellations and cost of goods sold including inflation; difficulties in managing our international business operations, particularly in the Ukraine, including with respect to enforcing the terms of our agreements with our contractors and managing increasing costs of operations; changes in our strategy, future operations, financial position, estimated revenues and losses, product pricing, projected costs, prospects and plans; the outcome of actual or potential litigation, complaints, product liability claims, or regulatory proceedings, and the potential adverse publicity related thereto; the implementation, market acceptance and success of our business model, expansion plans, opportunities and initiatives, including the market acceptance of our planned products and services; developments and projections relating to our competitors and industry; our expectations regarding our ability to obtain and maintain intellectual property protection and not infringe on the rights of others; our ability to maintain and enforce intellectual property rights and ability to maintain technology leadership; our future capital requirements; our ability to raise capital and utilize sources of cash; our ability to obtain funding for our operations; changes in applicable laws or regulations; the effects of current and future U.S. and foreign trade policy and tariff actions; disruptions in the marketplace for online purchases of aftermarket auto parts; costs related to operating as a public company; and the possibility that we may be adversely affected by other economic, business, and/or competitive factors.

Further information on the factors and risks that could cause actual results to differ from any forward-looking statements are contained in our filings with the United States Securities and Exchange Commission (SEC), which are available at <https://www.sec.gov> (or at <https://www.partsidinc.com>). The forward-looking statements represent our estimates as of the date hereof only, and we specifically disclaim any duty or obligation to update forward-looking statements.

**Investors:**

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