

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

American Electric Technologies Inc

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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): May 8, 2019

AMERICAN ELECTRIC TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
or incorporation)

6575 West Loop South, Suite 500, Bellaire, TX
(Address of principal executive offices)

000-24575
(Commission
File Number)

77401
(Zip Code)

Registrant's telephone number, including area code 832-241-6330

Title of each class
Common Stock, \$.001 par value per share

Trading symbol
AETI

Name of each exchange on which registered
The NASDAQ Stock Market

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))

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 May 8, 2019, American Electric Technologies, Inc. (the "Company") entered into an amendment (the "Amendment"), filed herewith as Exhibit 2.1, to the previously-announced share exchange agreement (the "Share Exchange Agreement") dated December 17, 2018 relating to a business combination (the "Transaction") with Stabilis Energy, LLC and its subsidiaries (hereinafter referred to as "Stabilis"), which are Texas-based privately-held small scale liquefied natural gas (LNG) producers and distributors.

The parties to the Share Exchange Agreement and the Amendment are the Company, LNG Investment Company, LLC, a Texas limited liability company, AEGIS NG LLC, a Texas limited liability company, Stabilis Energy, LLC, a Texas limited liability company, PEG Partners, LLC, a Delaware limited liability company, and Prometheus Energy Group, Inc., a Delaware corporation. Casey Crenshaw, a director of the Company, is manager and beneficial owner of LNG Investment Company, LLC.

Pursuant to the Amendment: (1) Stabilis will reimburse the Company for up to \$650,000 of the Company's fees and expenses of counsel, investment bankers and accountants in connection with the Share Exchange Agreement and the Transaction; (2) the number of shares of common stock that the Company will issue to acquire Stabilis and its subsidiaries will increase to an aggregate amount equal to 90% of the outstanding shares of the Company's common stock upon completion of the Transaction; (3) the date on or after which the Share Exchange Agreement may be terminated if the closing of the Transaction has not occurred is extended to September 30, 2019, subject to certain exceptions; and (4) the Company will adhere to an agreed upon budget until the termination or closing of the Share Exchange Agreement, as amended.

The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the full text of the Amendment which is filed herewith as Exhibit 2.1 and incorporated herein by reference.

Item 8.01 Other Events.

On May 9, 2019 the Company issued a press release which announced that it has filed a preliminary proxy statement with the U.S. Securities and Exchange Commission (the "SEC") related to the proposed business combination with Stabilis. The information in the preliminary proxy statement is not complete and may be changed. The press release also announced the entry into the Amendment of the Share Exchange Agreement.

A copy of the Company's press release dated May 9, 2019 is attached as Exhibit 99.1 and is incorporated herein by reference.

Additional Information About the Transaction and Where to Find it

The proposed Transaction has been approved by the board of directors of the Company and the owners of Stabilis and its subsidiaries, and will be submitted to stockholders of the Company for approval of the issuance of the Company common stock in connection with the Transaction and other Transaction related matters at a Special Meeting of stockholders. In connection with that Special Meeting, the Company has filed with the SEC a preliminary proxy statement containing information about the proposed Transaction and the respective businesses of Stabilis and the Company. The Company will file with the SEC and mail a definitive proxy statement and other relevant documents to its stockholders entitled to vote.

Company stockholders are urged to read the preliminary proxy statement, any amendments thereto, the definitive proxy statement AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY in connection with the Company's solicitation of proxies for the Special Meeting to approve the Transaction-related matters, because these documents will contain important information about Stabilis, the Company and the proposed Transaction. The definitive proxy statement will be mailed to stockholders of the Company as of a record date to be established for voting on the matters related to the proposed Transaction.

Stockholders will also be able to obtain a free copy of the proxy statement, as well as other filings containing information about the Company, without charge, at the SEC's website (www.sec.gov). Copies of the Company's proxy statement can also be obtained free of charge by directing a request to Peter Menikoff, CEO of the Company, at (832) 241-6330 or by e-mail to investorrelations@aeti.com.

Participants in the Solicitation

The Company and its directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies from the Company's stockholders with respect to the proposed Share Exchange Transaction. Information regarding the Company's directors and executive officers is available in its annual report on Form 10-K/A for the fiscal year ended December 31, 2018, filed with the SEC on April 30, 2019. Additional information regarding the participants in the proxy solicitation relating to the proposed transaction and a description of their direct and indirect interests will be contained in the proxy statement when it becomes available.

Stabilis and its managers, directors and executive officers may also be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the proposed transaction. A list of the names of such managers, directors and executive officers and information regarding their interests in the proposed transaction will be included in the proxy statement for the Company's Special Meeting of stockholders related to the proposed Share Exchange Transaction when available.

Disclaimer

This Current Report on Form 8-K is for informational purposes only and is not a proxy statement or a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed Transaction. This Current Report shall also not constitute an offer to sell or the solicitation of an offer to buy any securities.

Item 9.01 Financial Statements and Exhibits.

The following exhibits are filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
2.1	Amendment dated May 8, 2019 to the Share Exchange Agreement concerning the business combination with of Stabilis.*
99.1	Company press release dated May 9, 2019 announcing the filing of a preliminary proxy statement related to business combination with Stabilis and the entry into the Amendment of the Share Exchange Agreement.

*Exhibits and schedules to the Amendment have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Registrant hereby undertakes to supplementally furnish copies of any of the omitted exhibits and schedules upon request by the SEC.

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.

AMERICAN ELECTRIC TECHNOL

Date: May 9, 2019

By: /s/ Peter Menikoff
Peter Menikoff
Chairman and CEO

**AMENDMENT NO. 1 TO
SHARE EXCHANGE AGREEMENT**

THIS AMENDMENT NO. 1 TO SHARE EXCHANGE AGREEMENT (this "Amendment") is made and entered into as of May 8, 2019, by and among American Electric Technologies, Inc., a Florida corporation ("AETI"), LNG Investment Company, LLC, a Texas limited liability company ("Holdings"), AEGIS NG LLC, a Texas limited liability company ("AEGIS"), Stabilis Energy, LLC, a Texas limited liability company ("Stabilis"), PEG Partners, LLC, a Delaware limited liability company ("PEG"), Prometheus Energy Group, Inc., a Delaware corporation ("Prometheus"), and JCH Crenshaw Holdings, LLC ("JCH"). Each of AETI, Holdings, AEGIS, Stabilis, PEG, Prometheus and JCH is individually referred to herein as a "Party" and, collectively, the "Parties."

RECITALS

- A. The Parties have heretofore executed and delivered that certain Share Exchange Agreement dated as of December 17, 2018 (the "SEA").
- B. Section 11.11 of the SEA provides that the SEA may be amended by the Parties at any time by execution of an instrument in writing signed on behalf of each of the Parties.
- C. The Parties desire to amend the SEA as set forth herein.

NOW, THEREFORE, in consideration of the covenants, promises and representations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1.1 Certain Defined Terms. Defined terms used in this Amendment and not otherwise defined herein have the respective meanings given to such terms in the SEA.

1.2 Amendment to Recital B. Recital B to the SEA is hereby amended to delete the reference therein to "89%" and replace it with a reference to "90%."

1.3 Amendments to Section 1.1. Sections 1.1(a)(iii) and 1.1(b)(ii) of the SEA are hereby amended to delete the references therein to "89%" and replace them with references to "90%."

1.4 Amendments to Section 7.2.

(a) The first sentence of Section 7.2 of the SEA is hereby amended and restated to read as set forth below:

"During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, AETI shall, and shall

cause its Subsidiaries to, except to the extent that Holdings shall otherwise consent in writing (not to be unreasonably withheld, conditioned or delayed) or as contemplated by this Agreement or the AETI Disclosure Schedule, carry on its business in the ordinary course consistent with past practice and in compliance with (1) Applicable Legal Requirements and (2) the budget set forth in Exhibit 7.2 hereto (the "Budget"). AETI agrees to furnish Stabilis with monthly detailed expense reports showing all expenditures within 15 days after the end of each calendar month

(b) A new subsection (y) is hereby added to Section 7.2 of the SEA to follow subsection (x) thereunder and to read as set forth below:

"(y) Notwithstanding anything herein to the contrary, expend or commit to expend any amounts other than those expressly set forth in the Budget; or"

(c) Former subsection (y) under Section 7.2 of the SEA is hereby designated subsection (z) thereunder and amended to read as set forth below:

"(z) agree in writing or otherwise agree, commit or resolve to take any of the actions described in Section (a) through (y) above."

1.5 Amendment to Section 10.1(b). Section 10.1(b) of the SEA is hereby amended to delete the reference therein to "June 30, 2019" and replace it with a reference to "September 30, 2019"

1.6 Amendments to Section 10.3.

(a) The first sentence of Section 10.3(a) of the SEA is hereby amended and restated to read as set forth below:

"(a) Except as otherwise set forth in this Agreement, all fees and expenses incurred in connection with this Agreement and the Transactions shall be paid by the Party incurring such expenses whether or not the Transactions are consummated; provided that Stabilis shall reimburse AETI, within one Business Day following delivery by AETI to Stabilis of supporting documentation in respect of same, for up to \$650,000 of the fees and expenses of counsel, investment bankers and accountants incurred by AETI in connection with this Agreement and the Transactions."

(b) Section 10.3(a) is hereby further amended to insert a new sentence between the first and second sentences therein to read as set forth below:

"For purposes of the forgoing, any payment of the fees and expenses of AETI by Stabilis shall be treated for federal tax purposes as a deemed contribution to AETI under Section 351 of the Code for which Holdings shall be entitled to receive the additional shares of AETI common stock that result from the increase in the exchange ratio from 89% to 90% as contemplated by that certain Amendment No. 1 to this Agreement, dated as of May 8, 2019."

1.7 Amendment to Section 10.3(g). Section 10.3(g) of the SEA is hereby amended to insert the following sentence after the first sentence therein:

"In the event that the Expense Reimbursement becomes payable by Stabilis to AETI pursuant to Section 10.3(d), the amount due to AETI thereunder shall be reduced by any amounts previously paid by Stabilis on behalf of AETI pursuant to Section 10.3(a)."

1.8 Exhibit 7.2. Exhibit 7.2 attached hereto is hereby appended to the SEA as Exhibit 7.2 thereto.

1.9 Amendment to Schedule B. Schedule B to the SEA is hereby amended and restated in its entirety as set forth in Schedule B attached hereto.

1.10 Miscellaneous. The provisions of Article XI of the SEA are incorporated into this Amendment, *mutatis mutandis*. Except as expressly set forth herein, this Amendment does not amend, waive or otherwise affect any provision of the SEA, the Exhibits thereto or the Disclosure Schedules, which shall continue in full force and effect in all respects in accordance with the terms of the SEA.

Signature Page Follows.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed as of the date first written above.

AETI:

AMERICAN ELECTRIC TECHNOLOGIES, INC.

By: s/ Peter Menikoff
Name: Peter Menikoff
Title: President and Chief Executive Officer

TARGET COMPANIES:

STABILIS ENERGY, LLC

By: s/James Reddinger
Name: James Reddinger
Title: Chief Executive Officer

PROMETHEUS ENERGY GROUP, INC.

By: s/ James G. Aivalis
Name: James G. Aivalis
Title: President and Chief Executive Officer

PEG PARTNERS, LLC

By: s/ Casey Crenshaw
Name: Casey Crenshaw
Title: Manager

EXCHANGING OWNERS:

LNG INVESTMENT COMPANY, LLC

By: /s Casey Crenshaw
Name: Casey Crenshaw
Title: Manager

AEGIS NG LLC

By: s/ James G. Aivalis
Name: James G. Aivalis
Title: Managing Member

JCH:

JCH CRENSHAW HOLDINGS, LLC

By: s/ Casey Crenshaw
Name: Casey Crenshaw
Title: President

AMERICAN ELECTRIC TECHNOLOGIES ANNOUNCES FILING OF PRELIMINARY PROXY STATEMENT RELATED TO SHARE EXCHANGE TRANSACTION WITH STABILIS ENERGY AND AMENDMENT TO SHARE EXCHANGE AGREEMENT

May 9, 2019. American Electric Technologies, Inc. (the "Company" or "AETI") (NASDAQ: AETI) today announced that it has filed a preliminary proxy statement with the U.S. Securities and Exchange Commission (the "SEC") related to its business combination with Stabilis Energy, LLC ("Stabilis") and its subsidiaries (the "Transaction") announced on December 17, 2018. The information in the preliminary proxy statement is not complete and may be changed. The combined business will include Stabilis' small-scale liquefied natural gas ("LNG") production and distribution business as well as AETI's existing international businesses. The transaction is expected to close during the third quarter of 2019, subject to approval by the AETI stockholders and other customary closing conditions. AETI also announced that it has amended the terms of its share exchange agreement with Stabilis dated December 17, 2018 (the "Share Exchange Agreement").

Peter Menikoff, Chairman and Chief Executive Officer of AETI, commented, "The Board of Directors believes that the Transaction continues to be in the best interests of both AETI and its Shareholders."

Jim Reddinger, President and CEO of Stabilis, added, "We are pleased to proceed with this transaction to create a public company growth platform in the small-scale LNG industry. We believe that small-scale LNG has significant growth potential in North America and beyond, and that this transaction will give us the opportunity to become a leader in that market."

Pursuant to the amendment to the Share Exchange Agreement dated May 8, 2019 (the "Amendment"): (1) Stabilis will reimburse the Company for up to \$650,000 of the Company's fees and expenses of counsel, investment bankers and accountants in connection with the Share Exchange Agreement and the Transaction; (2) the number of shares of common stock that the Company will issue to acquire Stabilis and its subsidiaries will increase to an aggregate amount equal to 90% of the outstanding shares of the Company's common stock upon completion of the Transaction; (3) the date on or after which the Share Exchange Agreement may be terminated if the closing of the Transaction has not occurred is extended to September 30, 2019, subject to certain exceptions; and (4) the Company will adhere to an agreed upon budget until the termination or closing of the Share Exchange Agreement, as amended.

Mr. Menikoff commented, "The board determined that it was in the best interest of AETI and its shareholders to adjust the equity consideration in the Transaction in order to receive the

substantial contribution by Stabilis towards AETI's fees and expenses incurred in connection with the Transaction."

The foregoing description of the amendment to the Share Exchange Agreement is not complete and is qualified in its entirety by reference to the full text of the amendment which will be filed with the Securities and Exchange Commission on Form 8-K in the near future.

Cautionary Note Concerning Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 and within the meaning of Section 27a of the Securities Act of 1933, as amended, and Section 21e of the Securities Exchange Act of 1934, as amended. Any actual results may differ from expectations, estimates and projections presented or implied and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "believe," "expected," "will," "plan," "may," "could," "should," "predicts," "potential" and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, AETI's expectations with respect to future performance of the combined company, anticipated financial impacts of the proposed business combination, approval of the transaction-related matters by AETI's shareholders, the satisfaction of the closing conditions to the transaction and the completion of the share exchange transaction.

Such forward-looking statements relate to future events or future performance, but reflect the parties' current beliefs, based on information currently available. Most of these factors are outside the parties' control and are difficult to predict. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. Factors that may cause such differences include, among other things: the possibility that the business combination does not close or that the closing may be delayed because conditions to the closing may not be satisfied, including the receipt of requisite AETI shareholder and other approvals, the performance of Stabilis and AETI, future demand for and price of LNG, availability and price of natural gas, unexpected costs, liabilities or delays in the business combination transaction, the outcome of any legal proceedings related to the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the share exchange agreement; and general economic conditions.

The foregoing list of factors is not exclusive. Additional information concerning these and other risk factors are contained in the preliminary proxy statement filed by AETI with the SEC on May 9, 2019 and its Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on November 14, 2018. All subsequent written and oral forward-looking statements concerning AETI and Stabilis, the business combination transactions described herein or other matters and attributable to AETI, Stabilis, or any person acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. Readers are cautioned

not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Neither AETI nor Stabilis undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in their expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

Additional Information About the Stabilis Transaction and Where to Find it

The proposed Transaction has been approved by the board of directors of the Company and the owners of Stabilis and its subsidiaries, and will be submitted to stockholders of the Company for approval of the issuance of the Company common stock in connection with the Transaction and other Transaction related matters at a Special Meeting of stockholders. In connection with that Special Meeting, the Company has filed with the SEC a preliminary proxy statement containing information about the proposed Transaction and the respective businesses of Stabilis and the Company. The Company will file with the SEC and mail a definitive proxy statement and other relevant documents to its stockholders entitled to vote.

COMPANY STOCKHOLDERS ARE URGED TO READ THE PRELIMINARY PROXY STATEMENT, ANY AMENDMENTS THERETO, THE DEFINITIVE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY IN CONNECTION WITH THE COMPANY'S SOLICITATION OF PROXIES FOR THE SPECIAL MEETING TO APPROVE THE TRANSACTION-RELATED MATTERS, BECAUSE THESE DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION ABOUT STABILIS, THE COMPANY AND THE PROPOSED TRANSACTION. The definitive proxy statement will be mailed to stockholders of the Company as of a record date to be established for voting on the matters related to the proposed Transaction. Stockholders will also be able to obtain a free copy of the proxy statement, as well as other filings containing information about the Company, without charge, at the SEC's website (www.sec.gov). Copies of the Company's proxy statement can also be obtained free of charge by directing a request to Peter Menikoff, CEO of the Company, at (832) 241-6330 or by e-mail to investorrelations@aeti.com.

Participants in the Solicitation

The Company and its directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies from the Company's stockholders with respect to the proposed Transaction. Information regarding the Company's directors and executive officers is available in its annual report on Form 10-K/A for the fiscal year ended December 31, 2018, filed with the SEC on April 30, 2019. Additional information regarding the participants in the proxy solicitation relating to the proposed transaction and a description of their direct and indirect interests will be contained in the proxy statement when it becomes available.

Stabilis and its managers, directors and executive officers may also be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the proposed transaction. A list of the names of such managers, directors and executive officers and information regarding their interests in the proposed transaction will be included in the proxy statement for the Company's Special Meeting of stockholders related to the proposed Transaction when available.

Disclaimer

This press release is not a proxy statement or a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed Transaction. This press release shall also not constitute an offer to sell or the solicitation of an offer to buy any securities.