

**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): August 14, 2019 (August 12, 2019)

SEQUENTIAL BRANDS GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-37656 (Commission File Number)	47-4452789 (I.R.S. Employer Identification No.)
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601 West 26th Street, 9th Floor, New York, NY 10001
(Address of Principal Executive Offices/Zip Code)

(646) 564-2577
(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:

- 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
Common stock, par value \$0.01 per share	SQBG	NASDAQ Capital Market

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 12, 2019, Sequential Brands Group, Inc. and certain of its subsidiaries (“Sequential” or the “Company”) amended its Third Amended and Restated Credit Agreement (the “Amended KKR/FS Credit Agreement”) with Wilmington Trust, National Association, as administrative agent and collateral agent and the lenders party thereto. Pursuant to the Amended KKR/FS Credit Agreement, no mandatory amortization payments are required until September 30, 2020. Thereafter, the loans under the Amended KKR/FS Credit Agreement will be subject to quarterly amortization payments of \$1.0 million.

Pursuant to the Amended KKR/FS Credit Agreement, no payment with proceeds of any consolidated excess cash flow will be required to be made prior to the fiscal year ending December 31, 2020. The Amended KKR/FS Credit Agreement modifies the calculation of Consolidated EBITDA (as defined in the agreement) by permitting additional addbacks and specifying the EBITDA amounts for the quarters ended September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019. The Amended KKR/FS Credit Agreement allows for the netting of up to \$5 million in cash of the Company and its subsidiaries for purposes of calculating the leverage ratio covenants. The Amended KKR/FS Credit Agreement reduces the maximum amount of new indebtedness that is allowed to be borrowed under the Bank of America Revolving Credit Facility to \$30 million.

The Second and Third Amended and Restated Credit Agreements are attached hereto as Exhibits 10.1 and 10.2 and are incorporated herein by reference. The foregoing description of the Amended KKR/FS Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full agreement attached hereto.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information included in Item 1.01 above is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Second Amendment to Third Amended and Restated Credit Agreement, dated as of June 10, 2019, between Sequential Brands Group, Inc., certain subsidiaries of Sequential Brands Group, Inc. named therein, Wilmington Trust, National Association, as administrative agent and collateral agent and the lenders party thereto.</u>
10.2	<u>Third Amendment to Third Amended and Restated Credit Agreement, dated as of August 12, 2019, between Sequential Brands Group, Inc., certain subsidiaries of Sequential Brands Group, Inc. named therein, Wilmington Trust, National Association, as administrative agent and collateral agent and the lenders party thereto.</u>

SIGNATURE

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.

Sequential Brands Group, Inc.

Date: August 14, 2019

By: /s/ Peter Lops

Name: Peter Lops

Title: Chief Financial Officer

SECOND AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") dated as of June 10, 2019 between SEQUENTIAL BRANDS GROUP, INC., a Delaware corporation (the "Borrower"), the Guarantors party hereto, the Lenders party hereto, and WILMINGTON TRUST, NATIONAL ASSOCIATION, as administrative agent and collateral agent (the "Agent"), in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Lenders and the Agent are party to that certain Third Amended and Restated Credit Agreement dated as of July 1, 2016 (as amended, restated, supplemented or modified and in effect as of the date hereof, the "Existing Credit Agreement"; the Existing Credit Agreement as amended hereby, the "Amended Credit Agreement");

WHEREAS, the Borrower has entered into an Equity Purchase Agreement, dated as of April 16, 2019 (the "MSLO Purchase Agreement") by and among the Borrower, as the Seller and Marquee Brands, LLC, a Delaware limited liability company, as the Buyer, pursuant to which the Borrower intends to sell all of the issued and outstanding Equity Interests (collectively, the "MSLO Shares") of Martha Stewart Living Omnimedia, Inc. (collectively together with its subsidiaries, the "MSLO Entities") as more fully described in the MSLO Purchase Agreement (the "MSLO Disposition"); and

WHEREAS, in connection with the MSLO Disposition, the Borrower, the Guarantors, the Required Lenders and the Agent (at the direction of the Required Lenders) have agreed to amend the Existing Credit Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties hereto hereby agree as follows:

1. Incorporation of Terms. All capitalized terms not otherwise defined herein shall have the same meaning as in the Amended Credit Agreement.
2. Representations and Warranties. The Borrower hereby represents and warrants that (i) no Default or Event of Default exists under the Existing Credit Agreement or under any other Loan Document on and as of the date hereof, and (ii) after giving effect to this Amendment, all representations and warranties contained in the Amended Credit Agreement and the other Loan Documents are true and correct, in all material respects, on and as of the date hereof, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and (ii) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects.
3. Amendments to Existing Credit Agreement.

- a. Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following new definitions in appropriate alphabetical order:
- “**MSLO Disposition**” has the meaning given to such term in the Second Amendment.
- “**MSLO Purchase Agreement**” has the meaning given to such term in the Second Amendment.
- “**MSLO Shares**” has the meaning given to such term in the Second Amendment.
- “**Second Amendment**” means that certain Second Amendment to Third Amended and Restated Credit Agreement dated as of June 10, 2019.
- “**Second Amendment Effective Date**” means the date that all conditions precedent as set forth in Section 4 of the Second Amendment have been satisfied.
- b. The definition of “**Net Proceeds**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by deleting each reference to “or MSLO Key Man Policy” and “or policy” therein.
- c. The definition of “**Permitted Disposition**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by deleting “and” at the end of clause (f) thereof, by re-lettering clause (g) as clause (h), and by adding the following new clause (g):
- “(g) subject to the prepayment requirements of Section 2.04(c)(ii), the MSLO Disposition; and”
- d. The definition of “**Permitted Indebtedness**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following proviso at the end of clause (i)(A):
- “provided, further, in no event from and after the Second Amendment Effective Date shall Indebtedness be permitted to be borrowed, extended or incurred under the BoA Facility other than Revolving Credit Extensions (as defined in the BoA Credit Agreement as in effect on the Second Amendment Effective Date) in an aggregate amount not to exceed \$5,000,000.”
- e. Section 1.01 of the Existing Credit Agreement is hereby amended by deleting the definitions of “MSLO” and “MSLO Key Man Policy” in their respective entirety.
- f. Section 2.04 of the Existing Credit Agreement is hereby amended as follows:
- i. by deleting clause (c) thereof in its entirety and by substituting the following in its stead:

“(c) In connection with (i) any Disposition of any Collateral (other than Permitted Dispositions of the type referred to in clauses (d), (e) and (f) of the definition thereof, other than with respect to Dispositions of Intellectual Property as set forth in clause (b) above and other than with respect to the MSLO Disposition as set forth in subclause (ii) below) in any Fiscal Year in excess of the Threshold Amount, the Borrower shall apply the aggregate Net Proceeds received in excess of the Threshold Amount to prepay the Loans (including L/C Borrowings) up to an amount which is equal to 100% of the Net Proceeds from the Disposition of such Collateral; provided however, that the Borrower shall have the right to reinvest such Net Proceeds, if such Net Proceeds are reinvested (or committed to be reinvested) or used to consummate an Acquisition of the type described in clause (ii)(a) of the definition of “Permitted Acquisition”, in each case, within 365 days and, if so committed to be reinvested or to consummate such Permitted Acquisition, so long as such reinvestment or Permitted Acquisition is actually completed within 180 days thereafter and (ii) the receipt of the Net Proceeds of the MSLO Disposition, the Borrower shall apply such Net Proceeds (x) received on the Second Amendment Effective Date (in each case in an amount as was separately agreed in writing by the Borrower and the Agent (at the direction of the Required Lenders)) as follows: (1) first, to the BoA Agent, with such Net Proceeds being used to repay Revolving Loans (as defined in the BoA Credit Agreement), (2) second, to BoA Agent, with such Net Proceeds being used to repay Tranche A-1 Term Loans (as defined in the BoA Credit Agreement) and (3) third, to the Borrower and (y) received after the Second Amendment Effective Date, within one Business Day of receipt thereof, to BoA Agent, with such Net Proceeds being used to repay Tranche A-1 Term Loans (as defined in the BoA Credit Agreement).”

- g. Section 5.10 of the Existing Credit Agreement is hereby amended by deleting the reference to “and MSLO Key Man Policy are” and substituting with “is”.
- h. Section 6.07 of the Existing Credit Agreement is hereby amended as follow:
 - i. by deleting “(i)” at the beginning of clause (a) thereof,
 - ii. by deleting the reference to “and (ii) MSLO Key Man Policy” in clause (a) thereof, and
 - iii. by deleting clause (d) in its entirety.
- i. Section 7.03(a) of the Existing Credit Agreement is hereby amended by adding the following proviso immediately after “Permitted Indebtedness”

“; provided, however, that from and after the Second Amendment Effective Date the only Permitted Indebtedness that may be incurred by the Borrower shall be

pursuant to clause (a) thereof but subject to the proviso added to clause (i)(A) in accordance with the Second Amendment.”

- j. Section 7.06 of the Existing Credit Agreement is hereby amended by deleting the last paragraph at the end of such Section beginning with the prepositional phrase “Notwithstanding the foregoing”.

4 . Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the satisfaction of the Agent (at the direction of the Required Lenders):

- a. This Amendment shall have been duly executed and delivered by the Borrower, the other Loan Parties, and the Required Lenders, and the Agent shall have received evidence thereof.
- b. All action on the part of the Borrower and the other Loan Parties necessary for the valid execution, delivery and performance by the Borrower and the other Loan Parties of this Amendment and the other Loan Documents shall have been duly and effectively taken.
- c. The Agent and the Required Lenders shall have received a copy of the final MSLO Purchase Agreement and all schedules, exhibits and annexes thereto, and such other documents, instruments, and certificates relating to the MSLO Disposition as may be reasonably requested by the Required Lenders, and the MSLO Purchase Agreement shall not be amended in a manner that would be materially adverse to the Agent and the Required Lenders without the consent of the Agent and the Required Lenders.
- d. Prior to or contemporaneously with the effectiveness of this Amendment, the Borrower shall consummate the MSLO Disposition substantially in accordance with the terms and conditions set forth in the MSLO Purchase Agreement, without any amendment, modification or waiver of any of the terms or conditions thereof that would be materially adverse to the Agent and the Required Lenders without the consent of the Agent and the Required Lenders.
- e. The Agent shall have received an updated business plan giving pro forma effect to the MSLO Disposition.
- f. The Agent shall have received a fully executed copy of the Second Amendment to the BoA Credit Agreement, dated as of the Second Amendment Effective Date (the “BoA Amendment”), providing consent to the MSLO Disposition and otherwise in form and substance reasonably satisfactory to the Agent (at the direction of the Required Lenders).
- g. After giving effect to this Amendment and the MSLO Disposition, no Default or Event of Default shall have occurred and be continuing.

- h. The Borrower shall have paid in full all fees and expenses of the Agent (including the reasonable and documented fees and expenses of counsel for the Agent) due and payable on or prior to the Second Amendment Effective Date, and in the case of expenses, to the extent invoiced at least one (1) Business Day prior to the Second Amendment Effective Date.
- 5 . Release of the MSLO Entities. The Agent hereby acknowledges and agrees that, upon the consummation of the MSLO Disposition, without representation, warranty or recourse, (a) the Agent's security interest in the Collateral pledged by the MSLO Entities shall be released and terminated, (b) the Agent is hereby authorized by the undersigned Lenders to deliver the release letter to the Borrower and the Buyer with respect to the release of the MSLO Entities, dated as of the date hereof, by and among the Loan Parties and the Agent and (c) the Agent or its counsel hereby agrees to file and/or deliver, all at the sole cost and expense of the Loan Parties, (i) the UCC-3 termination statements with respect to the MSLO Entities and (ii) a release in relation to the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement, granted by the MSLO Entities in favor of the Agent, in each case all in such form as prepared and agreed to by the Agent at the direction of the Required Lenders.
- 6 . Additional Amendment. After the Second Amendment Effective Date, the Agent (at the direction of the Required Lenders), the KKR Representative, the Required Lenders and the Borrower shall use commercially reasonable efforts to further amend the Amended Credit Agreement and the BoA Credit Agreement (if necessary) to reflect certain adjustments and/or addbacks to be made to the definition of Consolidated EBITDA as a result of the MSLO Disposition, which such amounts shall be permitted only to the extent agreed, in writing, by the Borrower, the Agent and the Required Lenders on or prior to the date on which the applicable Compliance Certificate in respect of the applicable measurement period is delivered by the Borrower, and such other amendments as may reasonably be agreed between the parties thereto.
- 7 . Amendment Fee. On the Second Amendment Effective Date, the Borrower will pay an amendment fee to the Agent for the benefit of each Lender in the amount set forth in that side letter entered into between the Agent (at the direction of the Required Lenders) and the Borrower on the Second Amendment Effective Date.
- 8 . Consent to BoA Amendment. The Agent, on behalf of itself and the Secured Parties, hereby consents to the terms and conditions of the BoA Amendment, and acknowledges and agrees that, on and after the Second Amendment Effective Date, all references in the Amended Credit Agreement and the Intercreditor Agreement to the "BoA Credit Agreement" or the "BofA Credit Agreement" shall mean and refer to the BoA Credit Agreement, as amended by the BoA Amendment.
- 9 . Binding Effect. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, representatives, successors and assigns.
- 10 . Reaffirmation of Obligations. The Borrower hereby ratifies the Loan Documents and acknowledges and reaffirms (a) that it is bound by all terms of the Loan Documents

applicable to it and (b) that it is responsible for the observance and full performance of its respective Obligations.

11. Loan Document. This Amendment shall constitute a Loan Document under the terms of the Amended Credit Agreement.
12. Multiple Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Amendment.
13. Governing Law. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.
14. Consent to Jurisdiction; Service of Process; Waiver of Jury Trial. The jurisdiction, service of process and waiver of jury trial provisions set forth in Sections 10.14 and 10.15 of the Amended Credit Agreement are hereby incorporated by reference, *mutatis mutandis*.
15. Agent Authorization. Each of the undersigned Lenders hereby authorizes Agent to execute and deliver this Amendment and the side letter referenced in Section 7 on its behalf and, by its execution below, each of the undersigned Lenders agrees to be bound by the terms and conditions of this Amendment.

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by each of the parties hereto as of the date first above written.

BORROWER:

SEQUENTIAL BRANDS GROUP, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

GUARANTORS:

SQBG, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

SEQUENTIAL LICENSING, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

WILLIAM RAST LICENSING, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

HEELING SPORTS LIMITED

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

B@ND MATTER, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

SBG FM, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

SBG UNIVERSE BRANDS, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

GALAXY BRANDS LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

**THE BASKETBALL MARKETING COMPANY,
INC.**

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

AMERICAN SPORTING GOODS CORPORATION

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

LNT BRANDS LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

JOE'S HOLDINGS LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

GAIAM BRAND HOLDCO, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

GAIAM AMERICAS, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

SBG-GAIAM HOLDINGS, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Agent**

By: /s/ Andrew Lennon
Name: Andrew Lennon
Title: Banking Officer

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

LENDERS:

FS KKR CAPITAL CORP

By: /s/ Jeffrey M. Smith

Name: Jeffrey M. Smith

Title: Authorized Signatory

DARBY CREEK LLC

By: /s/ Jeffrey M. Smith

Name: Jeffrey M. Smith

Title: Authorized Signatory

FS INVESTMENT CORPORATION II

By: /s/ Jeffrey M. Smith

Name: Jeffrey M. Smith

Title: Authorized Signatory

DUNLAP FUNDING LLC

By: /s/ Jeffrey M. Smith

Name: Jeffrey M. Smith

Title: Authorized Signatory

FS INVESTMENT CORPORATION III

By: /s/ Jeffrey M. Smith

Name: Jeffrey M. Smith

Title: Authorized Signatory

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

APOLLO CENTRE STREET PARTNERSHIP, L.P.

By: Apollo Centre Street Advisors (APO DC), L.P., its
general partner

By: Apollo Centre Street Advisors (APO DC-GP),
LLC, its general partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO UNION STREET PARTNERS, L.P.

By: Apollo Union Street Advisors, L.P., its General
Partner

By: Apollo Union Street Capital Management, LLC, its
General Partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO KINGS ALLEY CREDIT FUND, LP

By: Apollo Kings Alley Credit Advisors, L.P., its
general partner

By: Apollo Kings Alley Credit Capital Management,
LLC, its general partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO MOULTRIE CREDIT FUND, L.P.

By: Apollo Moultrie Credit Fund Management, LLC, its
investment manager

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

**APOLLO TACTICAL VALUE SPN
INVESTMENTS, L.P.**

By: Apollo Tactical Value SPN Advisors (APO DC),
L.P., its General Partner

By: Apollo Tactical Value SPN Capital Management
(APO DC-GP), LLC, its General Partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO INVESTMENT CORPORATION

By: Apollo Investment Management, L.P., as Advisor

By: ACC Management, LLC, as its General Partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

[Signature Page to Second Amendment to Third Amended and Restated Credit Agreement]

THIRD AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this “Amendment”) dated as of August 12, 2019 between SEQUENTIAL BRANDS GROUP, INC., a Delaware corporation (the “Borrower”), the Guarantors party hereto, the Lenders party hereto, and WILMINGTON TRUST, NATIONAL ASSOCIATION, as administrative agent and collateral agent (the “Agent”), in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Lenders and the Agent are party to that certain Third Amended and Restated Credit Agreement dated as of July 1, 2016 (as amended, restated, supplemented or modified and in effect as of the date hereof, the “Existing Credit Agreement”; the Existing Credit Agreement as amended hereby, the “Amended Credit Agreement”);

WHEREAS, the Borrower, the Guarantors, the Required Lenders and the Agent (at the direction of the Required Lenders) have agreed to amend the Existing Credit Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties hereto hereby agree as follows:

1. Incorporation of Terms. All capitalized terms not otherwise defined herein shall have the same meaning as in the Amended Credit Agreement.
2. Representations and Warranties. The Borrower hereby represents and warrants that (i) no Default or Event of Default exists under the Existing Credit Agreement or under any other Loan Document on and as of the date hereof, and (ii) after giving effect to this Amendment, all representations and warranties contained in the Amended Credit Agreement and the other Loan Documents are true and correct, in all material respects, on and as of the date hereof, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and (ii) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects.
3. Amendments to Existing Credit Agreement.
 - a. Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following new definitions in appropriate alphabetical order:

“**Third Amendment**” means that certain Third Amendment to Third Amended and Restated Credit Agreement dated as of August 12, 2019.

“**Third Amendment Add-backs**” has the meaning set forth in the definition of “Consolidated EBITDA”.

“**Third Amendment Effective Date**” means the date that all conditions precedent as set forth in Section 4 of the Third Amendment have been satisfied.

“**Third Amendment Permitted Debt Basket**” has the meaning set forth in clause (a) of the definition of “Permitted Indebtedness”.

“**Transformative Acquisition**” shall mean any acquisition, series of acquisitions, Investment or series of Investments in which the aggregate consideration is at least \$125,000,000 and (i) that is not permitted by the terms of this Agreement immediately prior to the consummation of such acquisition or (ii) that would not provide the Borrower and its Subsidiaries with adequate flexibility under the Loan Documents for the continuation and/or expansion of their combined operations following such consummation, as determined by the Borrower acting in good faith.

- b. The definition of “**Consolidated EBITDA**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following paragraphs immediately to the end thereof:

“Notwithstanding the foregoing or anything set forth in this Agreement to the contrary, Consolidated EBITDA for the Fiscal Quarter set forth below shall be deemed to be the amount set forth below opposite such Fiscal Quarter:

<u>Fiscal Quarter</u>	Consolidated EBITDA
Fiscal Quarter Ended September 30, 2018	\$20,948,673.84
Fiscal Quarter Ended December 31, 2018	\$27,402,489.75
Fiscal Quarter Ended March 31, 2019	\$16,866,352.62
Fiscal Quarter Ended June 30, 2019	\$18,272,063.38

With respect to the calculation of Consolidated EBITDA for any Fiscal Quarter (or the specified Fiscal Quarters set forth below) and without duplication of any add-backs otherwise included above for such period, the following amounts shall be added back to Consolidated EBITDA: (I) fees, costs and expenses related to, or in incurred in connection with, the Loan Documents and the BoA Credit Agreement, all amendments thereto and all Permitted Refinancing thereof (including without limitations, fees paid to the lenders thereunder), (II) fees, costs, expenses and reserves incurred or established in connection with settlements, litigations, claims or similar actions, in an amount not to exceed \$250,000 in any Fiscal Year, (III) fees, costs, expenses and reserves incurred or established in connection with the Specified Matter (as defined in the fee letter, dated as of the date hereof, by and among the Borrower and the Agent) in an amount not to exceed the Specified Amount (as defined in the fee letter, dated as of the date hereof, by and among the Borrower and the Agent), (IV) (x) fees, costs, expenses, losses and charges related

to, or in incurred in connection with, amendments to or termination of any Lease or sub-lease, in an amount not to exceed \$800,000 for any period of twelve (12) month and (y) subject to the consent of the KKR Representative (such consent not be unreasonably delayed, withheld or conditioned (it being acknowledged that such consent shall not be deemed “unreasonably withheld” if the amount of the add-back is unacceptable to the KKR Credit Representative in its good faith credit judgment)), all fees, costs, expenses, losses and charges related to, or incurred in connection with a buy-out of any Lease or sub-lease by the Borrower or any other Loan Party so long as immediately before and after giving pro forma effect to such buy-out, (a) no Default or Event of Default shall have occurred and be continuing, (b) the Borrower and its Subsidiaries can demonstrate that (1) the Consolidated Total Leverage Ratio, as of the last day of the four Fiscal Quarter period most recently ended for which financial statements have been provided in accordance with Section 6.01, is no greater than 0.50x less than the applicable covenant level set forth in Section 7.15(a) for such period and (2) the Consolidated First Lien/First Out Leverage Ratio, as of the last day of the four Fiscal Quarter period most recently ended for which financial statements have been provided in accordance with Section 6.01 is no greater than 0.50x less than the applicable covenant level set forth in Section 7.15(b), in each case as if such buy out occurred on the first day of such period and before giving effect to the add-back contemplated in this clause (IV) (y) and (c) the sum of unrestricted cash on hand of the Borrower and its Subsidiaries plus Availability shall be greater than \$10,000,000, (V) with respect to the calculation of Consolidated EBITDA for the Fiscal Quarter ended March 31, 2020, fees, costs and expenses related to, or incurred in connection with, the MSLO Transaction (including, without limitations, transaction costs, severance and other employment-related payments), in an amount not to exceed \$800,000.00 and (VI) with respect to the calculation of Consolidated EBITDA for each of the Fiscal Quarters ended September 30, 2019, December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, pro forma cost savings, operating expense reductions, operating improvements, synergies and business optimization (including, without limitations, reductions in lease or sub-lease payments and employment-related payments) that are reasonably identifiable, reasonably factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) on or before September 30, 2020, in an amount not to exceed, (a) for the Fiscal Quarter ended September 30, 2019, \$2,744,329.54, (b) for the Fiscal Quarter ended December 31, 2019, \$2,267,353.58, (c) for the Fiscal Quarter ended March 31, 2020, \$612,000.00, (d) for the Fiscal quarter ended June 30, 2020, \$250,000.00 and (e) for the Fiscal Quarter ended September 30, 2020, \$100,000.00; provided further, that up to 10% of the aggregate amount of the amounts set forth in this paragraph that were not added back to Consolidated EBITDA of the Fiscal Quarter specified with respect to such amounts may be added back to Consolidated EBITDA of the next following Fiscal Quarter. The add-backs set forth in this paragraph are collectively referred to as the “*Third Amendment Add-backs*”.

- c. The definition of “**Consolidated Excess Cash Flow**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by replacing clause (D) set forth therein in its entirety to read as follows:
- “(D) the amount of cash payments made during such period and added back to Consolidated EBITDA pursuant to clauses (iv) and (vii) of the definition of “Consolidated EBITDA” and the cash payments made during such period and added back to the Consolidated EBITDA pursuant to the Third Amendment Add-backs.
- d. The definition of “**Consolidated First Lien/First Out Leverage Ratio**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following paragraph immediately to the end thereof:
- “For purposes of calculating the Consolidated First Lien/First Out Leverage Ratio, unrestricted cash equivalents and cash and cash equivalents restricted in favor of the Agent or the BoA Agent pursuant to one or more Blocked Account Agreements, in an aggregate amount not to exceed \$5,000,000, will in each case be excluded from Indebtedness.”
- e. The definition of “**Consolidated Total Leverage Ratio**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following paragraph immediately to the end thereof:
- “For purposes of calculating the Consolidated Total Leverage Ratio, unrestricted cash equivalents and cash and cash equivalents restricted in favor of the Agent or the BoA Agent pursuant to one or more Blocked Account Agreements, in an aggregate amount not to exceed \$5,000,000, will in each case be excluded from Indebtedness.”
- f. Clause (a) of the definition of “**Permitted Indebtedness**” as set forth in Section 1.01 of the Existing Credit Agreement is hereby amended and restated to read as follows:
- “(a) (i) Indebtedness in respect of the BoA Credit Agreement and any Permitted Refinancing thereof (collectively, the “**BoA Facility**”); provided that (A) the aggregate outstanding principal amount of any Indebtedness in respect of the BoA Facility shall not exceed \$350,000,000 in the aggregate (as such amount may be increased by up to an amount that would not result in the Consolidated First Lien/First Out Leverage Ratio as of the last day of the most recently ended Fiscal Quarter of the Borrower for which financial statements are required to have been delivered hereunder by the Borrower to exceed 3.00:1.00, after giving pro forma effect to the incurrence of such incremental loans under the BoA Facility, pursuant to the incremental provisions therein as in effect on the First Amendment Effective Date) at any time; provided further that in no event from and after the Third Amendment Effective Date shall Indebtedness be permitted to be borrowed, extended or incurred under the BoA Facility other than (x) Revolving Credit Extensions (as defined in the BoA Credit Agreement as in effect on the Second

Amendment Effective Date) in an amount not to exceed \$30,000,000 and (y) any Permitted Refinancing (which may be in form of Revolving Credit Extensions or other forms of Indebtedness under the BoA Credit Agreement that are permitted hereunder and under the Intercreditor Agreement) of Indebtedness in respect of the BoA Facility outstanding as of the Third Amendment Effective Date (clause (x) and (y) collectively referred to as the “**Third Amendment Permitted Debt Basket**”) and (B) any Indebtedness in respect of the BoA Facility shall not have an earlier maturity date than the Maturity Date or a Weighted Average Life to Maturity shorter than that of the BoA Facility in effect on the First Amendment Effective Date and (ii) any other Indebtedness outstanding on the Third A&R Effective Date and listed on Schedule 7.03 hereto and, in the case of the foregoing clause (ii), any Permitted Refinancing thereof.”

- g. Section 2.04(d) of the Existing Credit Agreement is hereby amended by adding the following to the end thereof:

“Notwithstanding the foregoing, no payment under this Section 2.04(d) shall be required with respect to Consolidated Excess Cash Flow for the Fiscal Year ending December 31, 2019.”

- h. Section 2.06(a) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

“(a) In addition to the mandatory prepayment provisions set forth in Section 2.04 above, commencing on September 30, 2020 (and, for the avoidance of doubt, no such mandatory prepayments under this clause (a) shall be required to be made from the Third Amendment Effective Date until September 30, 2020), the Borrower shall repay the Initial Term Loan in an amount equal to, \$1,000,000 on each of March 31, June 30, September 30 and December 31 of each calendar year.”

- i. Section 2.08(b) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

“(b) Early Termination Fee. In the event that the Borrower prepays or repays all or part of the Loans pursuant to Section 2.04 (unless such prepayment or repayment is made pursuant to Section 2.04(b), 2.04(c), 2.04(d) (in each case, regardless of whether any prepayment or repayment is required to be made pursuant to Section 2.04 of the BoA Credit Agreement (as in effect on the Third Amendment Effective Date) at such time from the applicable proceeds) or 2.06(a)) or as a result of an acceleration of the Loans pursuant to Section 8.02, then the Borrower shall pay to the Agent, for the ratable benefit of the Lenders, a fee (the “**Early Termination Fee**”) equal to (i) if such prepayment or repayment occurs on or after the Third Amendment Effective Date and prior to the twelfth (12th) month anniversary of the Third Amendment Effective Date, three percent (3%) of the outstanding principal amount of the Loans prepaid or repaid at such time, (ii) if such prepayment or repayment occurs on or after the twelfth (12th) month anniversary of the Third Amendment Effective Date and prior to the twenty-fourth

(24th) month anniversary of the Third Amendment Effective Date, two percent (2%) of the outstanding principal amount of the Loans prepaid or repaid at such time or (iii) if such prepayment or repayment occurs on or after the twenty-fourth (24th) month anniversary of the Third Amendment Effective Date and prior to the thirty-sixth (36th) month anniversary of the Third Amendment Effective Date, one percent (1%) of the outstanding principal amount of the Loans prepaid or repaid at such time; provided, that if such prepayment or repayment occurs on or after the thirty-sixth (36th) month anniversary of the Third Amendment Effective Date, no Early Termination Fee shall be due and payable; provided further, that if such prepayment or repayment is made in connection with or immediately following a Change of Control or Transformative Acquisition, the Early Termination Fee shall instead be (i) if such prepayment or repayment occurs on or after the Third Amendment Effective Date and prior to the twelfth (12th) month anniversary of the Third Amendment Effective Date, two percent (2%) of the outstanding principal amount of the Loans prepaid or repaid at such time, (ii) if such prepayment or repayment occurs on or after the twelfth (12th) month anniversary of the Third Amendment Effective Date and prior to the twenty-fourth (24th) month anniversary of the Third Amendment Effective Date, one percent (1%) of the outstanding principal amount of the Loans prepaid or repaid at such time or (iii) if such prepayment or repayment occurs on or after the twenty-fourth (24th) month anniversary of the Third Amendment Effective Date, no Early Termination Fee shall be due and payable. All parties to this Agreement agree and acknowledge that the Lenders will have suffered damages on account of the prepayment of the Loans during such timeframe set forth in this Section 2.08(b) and that, in view of the difficulty in ascertaining the amount of such damages, the Early Termination Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof.”

- j. Section 7.03(a) of the Existing Credit Agreement is hereby amended by replacing the proviso that follows immediately after “Permitted Indebtedness” with the following:

“; provided, however, that from and after the Third Amendment Effective Date the only Permitted Indebtedness that may be incurred by the Borrower shall be pursuant to clause (a) thereof but subject to Third Amendment Permitted Debt Basket.”

- 4 . Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the satisfaction of the Agent (at the direction of the Required Lenders):
- a. This Amendment shall have been duly executed and delivered by the Borrower, the other Loan Parties, and the Required Lenders, and the Agent shall have received evidence thereof.
- b . All action on the part of the Borrower and the other Loan Parties necessary for the valid execution, delivery and performance by the Borrower and the other Loan

Parties of this Amendment and the other Loan Documents shall have been duly and effectively taken.

- c. After giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.
 - d. The Borrower shall have paid in full all fees and expenses of the Agent (including the reasonable and documented fees and expenses of counsel for the Agent) due and payable on or prior to the Third Amendment Effective Date, and in the case of expenses, to the extent invoiced at least one (1) Business Day prior to the Third Amendment Effective Date.
5. Consent to BoA Amendment. The Agent, on behalf of itself and the Secured Parties, hereby consents to the terms and conditions of an amendment to the BoA Credit Agreement (the "BoA Amendment"; the effective date on which such BoA Amendment is effective, the "BoA Amendment Effective Date") consisting of the amendments and modifications set forth in Annex I hereto and the payment of any fees in connection therewith, and acknowledges and agrees that, on and after the BoA Amendment Effective Date, all references in the Amended Credit Agreement and the Intercreditor Agreement to the "BoA Credit Agreement" or the "BofA Credit Agreement" shall mean and refer to the BoA Credit Agreement, as amended by the BoA Amendment.
 6. Amendment Fee. On the Third Amendment Effective Date, the Borrower will pay an amendment fee to the Agent for the benefit of each Lender in the amount set forth in that side letter entered into between the Agent (at the direction of the Required Lenders) and the Borrower on the Third Amendment Effective Date.
 7. Binding Effect. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, representatives, successors and assigns.
 8. Reaffirmation of Obligations. The Borrower hereby ratifies the Loan Documents and acknowledges and reaffirms (a) that it is bound by all terms of the Loan Documents applicable to it and (b) that it is responsible for the observance and full performance of its respective Obligations.
 9. Loan Document. This Amendment shall constitute a Loan Document under the terms of the Amended Credit Agreement.
 10. Multiple Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Amendment.
 11. Governing Law. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE BASED UPON, ARISING OUT OF OR

RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

- 1 2 . Consent to Jurisdiction; Service of Process; Waiver of Jury Trial. The jurisdiction, service of process and waiver of jury trial provisions set forth in Sections 10.14 and 10.15 of the Amended Credit Agreement are hereby incorporated by reference, *mutatis mutandis*.
- 1 3 . Agent Authorization. Each of the undersigned Lenders hereby authorizes Agent to execute and deliver this Amendment and the side letter referenced in Section 6 on its behalf and, by its execution below, each of the undersigned Lenders agrees to be bound by the terms and conditions of this Amendment.

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by each of the parties hereto as of the date first above written.

BORROWER:

SEQUENTIAL BRANDS GROUP, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

GUARANTORS:

SQBG, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

SEQUENTIAL LICENSING, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

WILLIAM RAST LICENSING, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

HEELING SPORTS LIMITED

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

B®AND MATTER, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

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SBG FM, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

SBG UNIVERSE BRANDS, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

GALAXY BRANDS LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

**THE BASKETBALL MARKETING COMPANY,
INC.**

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

AMERICAN SPORTING GOODS CORPORATION

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

LNT BRANDS LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

JOE'S HOLDINGS LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

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GAIAM BRAND HOLDCO, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

GAIAM AMERICAS, INC.

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

SBG-GAIAM HOLDINGS, LLC

By: /s/ Peter Lops
Name: Peter Lops
Title: Chief Financial Officer

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**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Agent**

By: /s/ Andrew Lennon
Name: Andrew Lennon
Title: Banking Officer

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LENDERS:

FS KKR CAPITAL CORP

By: /s/ Jessica Woolf

Name: Jessica Woolf

Title: Authorized Signatory

DARBY CREEK LLC

By: /s/ Jessica Woolf

Name: Jessica Woolf

Title: Authorized Signatory

FS INVESTMENT CORPORATION II

By: /s/ Jessica Woolf

Name: Jessica Woolf

Title: Authorized Signatory

DUNLAP FUNDING LLC

By: /s/ Jessica Woolf

Name: Jessica Woolf

Title: Authorized Signatory

FS INVESTMENT CORPORATION III

By: /s/ Jessica Woolf

Name: Jessica Woolf

Title: Authorized Signatory

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APOLLO CENTRE STREET PARTNERSHIP, L.P.

By: Apollo Centre Street Advisors (APO DC), L.P., its
general partner

By: Apollo Centre Street Advisors (APO DC-GP),
LLC, its general partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO UNION STREET PARTNERS, L.P.

By: Apollo Union Street Advisors, L.P., its General
Partner

By: Apollo Union Street Capital Management, LLC, its
General Partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO KINGS ALLEY CREDIT FUND, LP

By: Apollo Kings Alley Credit Advisors, L.P., its
general partner

By: Apollo Kings Alley Credit Capital Management,
LLC, its general partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO MOULTRIE CREDIT FUND, L.P.

By: Apollo Moultrie Credit Fund Management, LLC, its
investment manager

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

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**APOLLO TACTICAL VALUE SPN
INVESTMENTS, L.P.**

By: Apollo Tactical Value SPN Advisors (APO DC),
L.P., its General Partner

By: Apollo Tactical Value SPN Capital Management
(APO DC-GP), LLC, its General Partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

APOLLO INVESTMENT CORPORATION

By: Apollo Investment Management, L.P., as Advisor

By: ACC Management, LLC, as its General Partner

By: /s/ Joseph D. Glatt

Name: Joseph D. Glatt

Title: Vice President

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ANNEX I to Third Amendment

Definition of “Consolidated EBITDA” – amendments and modifications conforming to the amendments and modifications set forth in this Amendment with respect to “Consolidated EBITDA”.

Definition of “Consolidated First Lien Leverage Ratio” – amendments and modifications conforming to the amendments and modifications set forth in this Amendment with respect to “Consolidated First Lien/First Out Leverage Ratio”.

Definition of “Revolver Commitment” – permanent reduction of the commitments to an aggregate amount of \$30,000,000 (and deletion of any ability to incur additional Revolving Commitments under Section 2.14 of the BoA Credit Agreement or otherwise).

Section 2.06(a) and (b) – amendments to reduce the prepayment obligations set forth therein to no less than \$2,500,000 per fiscal quarter.

Inclusion of a consent by (i) the BoA Agent to this Amendment and (ii) the lenders under the BoA Facility to this Amendment and to an amendment to the Intercreditor Agreement which amends the definition of “Maximum BofA Facility Amount” to (x) amend the amount set forth in clause (a) thereof to be no greater than 110% of the aggregate amount of the Indebtedness in respect of the BofA Credit Agreement outstanding as of the Third Amendment Effective Date plus an additional \$33,000,000 and (y) delete clause (b) of such definition in its entirety.

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