
**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 17, 2023

MARPAI, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40904
(Commission File Number)

86-1916231
(IRS Employer
Identification No.)

5701 East Hillsborough Avenue, Suite 1417
Tampa, Florida
(Address of Principal Executive Offices)

33610
(Zip Code)

Registrant's Telephone Number, Including Area Code: 646 303-3483

(Former Name or Former Address, if Changed Since Last Report)

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
Class A Common Stock, par value \$0.0001 per share	MRAI	The Nasdaq Stock Market LLC

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

On August 16, 2023, Marpai, Inc. (the “Company”) executed a Separation Agreement (the “Agreement”) with Mr. Lutz Finger, the Company’s President of Product and Development, pursuant to which Mr. Finger’s position was terminated effective as of August 15, 2023. In addition, the Company executed a consulting agreement (the “Consulting Agreement”) with Mr. Finger pursuant to which Mr. Finger will continue to provide services to the Company.

Pursuant to the terms of the Consulting Agreement, the Company agreed to retain Mr. Finger for a set term through December 31, 2023, and commencing on January 1, 2024, the Consulting Agreement will continue and may be terminated by either party with thirty (30) days’ prior written notice. As consideration for his services thereunder, the Company has agreed to pay Mr. Finger a monthly retainer fee in the amount of \$27,086 until December 31, 2023, increasing to \$27,912 on January 1, 2024. In addition, the Company agreed to issue Mr. Finger 400,000 restricted stock units under the Company’s 2021 Global Stock Incentive Plan which will fully vest on September 7, 2023. In addition, 96,154 restricted stock units previously issued to Mr. Finger will have their vesting changed to September 7, 2023.

If the market value of the 496,154 restricted stock units calculated based on the closing price on Nasdaq on September 6, 2023, will be less than \$1,000,000, then the Company will pay Mr. Finger such difference in cash (the “Shortfall”). The Company will pay the Shortfall in three equal installments, on September 28, 2023, October 28, 2023 and November 28, 2023. If the market value of the 496,154 restricted stock units based on the close price on Nasdaq on September 6, 2023 will exceed \$1,000,000 (the “Excess”), then restricted stock units equal to the value of the Excess will be cancelled by the Company on September 6, 2023, so that the total number of shares that vest on September 7, 2023 will equal \$1,000,000.

The foregoing description of the terms of the Agreement and the Consulting Agreement are not intended to be complete and are qualified in their entirety by reference to the Agreement and the Consulting Agreement, copies of which are attached hereto as Exhibits 10.1 and 10.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit Number	Description
10.1	Separation Agreement, executed by and between Marpai, Inc. and Lutz Finger, dated August 16, 2023
10.2	Consulting Agreement, executed by and between Marpai, Inc. and Lutz Finger, dated August 16, 2023
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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.

MARPAI, INC.

Date: August 17, 2023

By: /s/ Edmundo Gonzalez
Name: Edmundo Gonzalez
Title: Chief Executive Officer

Marpai, Inc.

Effective date: August 15, 2023

Via Electronic Mail

Lutz Finger

Re: Employment Termination Agreement

Dear Lutz:

You and Marpai, Inc. (the “**Company**”) are parties to an employment agreement dated January 1, 2022 (as amended to date, the “**Employment Agreement**”), and a Confidentiality and Intellectual Property Assignment Agreement dated as of January 21, 2022 (the “**Confidentiality Agreement**”).

Further to our recent discussions, this letter sets forth our mutual agreement concerning your separation from employment with the Company (“**Separation Agreement**”). Your last day of employment with the Company (“**Separation Date**”) is August 15, 2023. You will receive a notice setting forth information concerning continuation of health benefits under COBRA.

The Company is delivering you under separate cover an Advisory Agreement, to take effect on August 16, 2023 (the “**Advisory Agreement**”). You acknowledge that the Advisory Agreement includes a termination provision entitling you to a termination fee equal to six months of your consulting fees subject to your release of claims against the Company.

You acknowledge and confirm that the Company has paid all amounts due to you through the Separation Date (excluding the last payroll and accrued PTO, that will be paid to you prior to August 19, 2023). No bonus or incentive compensation is owed to you. You agree to forgo all equity awards stated as Year 2 to which you would otherwise be eligible under the Employment Agreement, except for the equity awards included in the Advisory Agreement. All the terms relating to your equity awards (including currently outstanding awards and other awards due to the you) are included in the terms of the Advisory Agreement.

In consideration for the Advisory Agreement, including the termination fee, you release and waive any claim to the severance benefits described in Section 16 of the Employment Agreement. You are aware of, and understand, the provisions of California Civil Code Section 1542 (“Section 1542”), which provides: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.” You expressly, knowingly, and intentionally waive any and all rights, benefits, and protections of Section 1542 and of any other state or federal statute or common law principle limiting the scope of a general release.

For the avoidance of doubt, you are not waiving your right to claims related to any breach of the Advisory Agreement or your rights to any indemnification and/or coverage by the Company's D&O insurance to which you are entitled due to your employment with the Company.

Your duty to maintain the confidentiality of confidential and proprietary information of the Company, its affiliates, and their respective customers will remain in effect after the Separation Date. With respect to any expenses incurred by you prior to the date hereof and relating to your employment, but have yet to be submitted for reimbursement, please submit immediately to the Company with applicable receipts and the Company shall reimburse you in accordance with Company policies. Any expense incurred but not submitted within thirty (30) days from the date hereof shall not be reimbursed by the Company.

You will be entitled to keep any equipment the Company purchased for you for purposes of your employment.

The Company thanks you for your service. If you should have any questions, please do not hesitate to contact me. Please counter-sign this letter agreement to indicate your agreement with its terms.

Very truly yours,

Edmundo Gonzalez, CEO
Marpai, Inc.

ACKNOWLEDGED AND AGREED:

Lutz Finger

ADVISORY AGREEMENTS

This Advisory Agreement (this “**Agreement**”) is entered into as of August 16, 2023 (“**Effective Date**”), between Lutz Finger, an individual (“**Advisor**”) and Marpai, Inc., a Delaware corporation (the “**Company**”).

The parties agree as follows:

1. SCOPE OF SERVICES

1.1 The Company hereby retains the Advisor as a senior advisor to the Company. The Advisor will provide such advisory services as the Advisor and the Company may agree from time to time (the “**Services**”). The Services will initially include the following:

- a. Provide guidance and coaching to the Company’s product team via a weekly working session.
- b. Provide input and guidance to the Company’s AI and analytics team via a weekly working session.
- c. Provide support to Company’s sales and account management in support of the selling of value-based care to existing and new customers.

1.2 The Advisor’s point of contact within the Company will be the Company’s Chief Executive Officer (the “**CEO**”) or the CEO’s designee.

1.3 The Advisor will devote eight (8) hours per week to the performance of the Services. The Advisor is free to engage in any other lawful activity subject to his confidentiality obligations to the Company. As long as the Agreement is in effect, the Advisor will not engage in any activity that competes with the Company’s activities to sell VBC products to TPAs.

1.4 The Advisor shall not have the authority or discretion to enter into any agreement, contract or understanding that legally binds the Company or otherwise assume, create or incur any obligations or liabilities on behalf of the Company, or make any public comments regarding the Company except as expressly provided for in this Agreement, without first obtaining the prior written consent of the CEO or the CEO’s designee.

1.5 The Advisor will be indemnified by the Company for the Services to the greatest extent permitted by applicable law and the Company’s governing documents. This indemnification is separate from and in addition to any indemnification and/or coverage by the Company’s D&O insurance to which Advisor is entitled due to his employment with the Company.

2. COMPENSATION

2.1 In consideration of the Services, the Company shall pay to the Advisor a monthly retainer fee in the amount of \$27,086 until December 31, 2023, increasing to \$27,912 on January 1, 2024 (the “**Fees**”). The Advisor will invoice the Company each month for the Fees and will include a statement of Services provided in such month. The Company shall make the payment

in arrears at the end of each month beginning August 31, 2023 (August prorated fees will be \$13,980).

2.2 As further consideration of the Services, during the term of this Agreement and provided the Consultant remains eligible for COBRA, the Company will bear the Consultant's costs of health insurance premiums under COBRA.

2.3. The Company will issue the Consultant 400,000 Restricted Stock Units under the Company's 2021 Global Stock Incentive Plan which will fully vest on September 7, 2023. In addition, previously issued 96,154 Restricted Stock Units will vest on September 7, 2023.

2.4 . If the market value of the 496,154 shares calculated based on the close price on NASDAQ on September 6, 2023 will be below \$1,000,000 then the Company will pay such difference in cash (the "**Shortfall**"). The Company will pay the Shortfall in three equal installments, on September 28, 2023, October 28, 2023 and November 28, 2023. The Shortfall payments will be due even if the Advisory Agreement will not be in effect on the due dates.

2.5 If market value of the 496,154 shares based on the close price on NASDAQ on September 6, 2023 will exceed \$1,000,000 (the "**Excess**") then shares equal to the value of the Excess will be cancelled by the Company on September 6, 2023 at 5pm EST, so that the total number of shares that vest on September 7, 2023 is equal to \$1,000,000 .

3. INDEPENDENT CONTRACTOR

3.1 The Advisor will decide the time, place and manner of performance of the Services, subject to any time frames agreed with the Company. The Advisor will use the Advisor's own facilities and equipment to perform the Services. For the avoidance of doubt, as part of Advisor's separation as an employee of the Company on August 15, 2023, the equipment he previously used in his employment became property of Advisor. The Advisor will not delegate or sub-contract the Services to any third party without the Company's prior written consent.

3.2 The Advisor is and shall remain at all times an independent contractor and is not, and shall not represent himself to be, an agent, joint venturer, partner, officer, director or employee of the Company. Nothing contained in this Agreement is intended to create nor shall be construed as creating an employment relationship between the Advisor and the Company. The Advisor has sole responsibility, as an independent contractor, to comply with all laws, rules and regulations relating to the provision of Services, including without limitation, requirements for taxes, unemployment and disability insurance, and social security. The Advisor shall be responsible for deducting any and all applicable federal, state and local taxes, deductions, premiums, and amounts owing with respect to those Fees paid by, and any amounts paid by the Company and remitting such amounts to those governmental authorities as prescribed by law. As an independent contractor, the Advisor shall not be entitled to any employment related benefits.

4. TERM AND TERMINATION

4.1 The term of this Agreement shall commence on the Effective Date and expire on December 31, 2023. Should the parties mutually decide in writing to extend the agreement beyond December 31, 2023, then commencing on January 1, 2024 either party may terminate this Agreement upon thirty (30) day's written notice to the other party. In the event of a material

breach by either party, the non-breaching party will notify the breaching party in writing and will afford the non-breaching party ten (10) days to cure the breach (if capable of cure).

4.2 Upon termination of this Agreement for any reason, the Company shall pay those Fees associated with Services provided by the Advisor up to and including the termination date.

4.3 (i) Upon expiration of the term of this Agreement, or (ii) in the event the Company terminates this Agreement for any reason other than a material, uncured breach by the Advisor, the Company will pay the Advisor a termination fee equal to the six (6) months' Fees and six (6) months' COBRA continuation. Such termination fee will be payable in monthly installments over six months, and will be subject to the Advisor's execution, delivery, and non-revocation of a settlement and release agreement agreed to in Exhibit B of the February 28, 2022 employment agreement between the Company and the Advisor.

5. SEVERABILITY

In the event that any covenant, provision or restriction contained in this Agreement is found to be void or unenforceable (in whole or in part) by a court of competent jurisdiction, it shall not affect or impair the validity of any other covenant, provisions or restrictions contained herein, nor shall it affect the validity or enforceability of such covenants, provisions or restrictions in any other jurisdiction or in regard to other circumstances. Any covenants, provisions or restrictions found to be void or unenforceable are declared to be separate and distinct, and the remaining covenants, provisions and restrictions shall remain in full force and effect.

6. CHANGES TO AGREEMENT

Any modifications or amendments to this Agreement must be in writing and signed by both Parties or else they shall have no force and effect.

7. BINDING AGREEMENT

This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns, including without limitation, the Advisor's heirs, executors, administrators and personal representatives.

8. ASSIGNMENT

The Advisor may not assign any of the Advisor's rights or delegate any of the Advisor's duties or responsibilities under this Agreement, without the Company's prior written consent. The Company may, without the consent of the Advisor, assign its rights, duties and obligations under this Agreement to an affiliate, but shall remain secondarily liable for payment of any amounts owed to Contractor.

9. ENTIRE AGREEMENT

This Agreement and the Separation Agreement constitute the entire agreement between the Parties with respect to the subject matter herein and supersedes and replaces any and all other representations, understandings, negotiations and previous agreements, written or oral, express

or implied. For the avoidance of doubt, no right or obligation of either party under this Agreement will impact either party's rights or obligations under the Separation Agreement.

10. GOVERNING LAW

This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws. The state and federal courts sitting in Hillsborough County, Florida, will have sole jurisdiction over any disputes arising under this Agreement. In the event of any dispute arising out of or relating to this Agreement, the prevailing party shall be awarded its reasonably attorneys' fees and costs.

11. EXPENSES

The Company agrees to reimburse the Advisor for eligible expenses incurred by the Advisor in the course of performing the Services hereunder that are pre-approved by the Company in writing following a detailed request by the Advisor which includes a maximum amount to be reimbursed.

12. COUNTERPARTS, DIGITAL EXECUTION

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. The Parties agree that this Agreement may be electronically signed, and that any electronic signatures appearing on this Agreement has the same force as handwritten signatures for the purposes of validity, enforceability and admissibility.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of August 15, 2023.

MARPAI, INC. LUTZ FINGER

By: _____ By: _____

Edmundo Gonzalez, CEO Lutz Finger

