
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): January 18, 2019

BRAIN SCIENTIFIC INC.
(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

333-209325
(Commission
File Number)

81-0876714
(I.R.S. Employer
Identification No.)

205 East 42nd Street, 14th Floor
New York, New York 10017
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (646) 388-3788

(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 (*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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry Into A Material Agreement.

The information set forth in Item 2.03 is incorporated by reference into this Item 1.01.

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

On January 18, 2019, an investor (the “Lender”) of Brain Scientific Inc. (the “Company”) subscribed for a convertible promissory note (the “Note”) and loaned to the Company an aggregate of \$100,000 (the “Loan”). The Loan represents the first tranche borrowed pursuant to an up to \$500,000 convertible note offering (the “Offering”).

The Company intends to use the net proceeds from the Loan for the Company’s working capital and general corporate purposes.

The Note bears interest at a fixed rate of 10% per annum, computed based on a 360-day year of twelve 30-day months and will be payable, along with the principal amount, on the earlier of (the “Maturity Date”): (a) January 18, 2020 or (b) the consummation of an equity or equity-linked round of financing of the Company in whatever form or type that raises gross proceeds in excess of \$1,000,000 (“Qualified Financing”) or other event pursuant to which Conversion Shares (as defined in the Note) are to be issued pursuant to the terms of the Note.

The Note will be convertible into equity of the Company upon the following events on the following terms:

- Without any action on the part of the Holder, all of the outstanding principal and accrued interest shall convert into (i) that number of shares of New Round Stock (as defined in the Note) upon the consummation of a Qualified Financing (the “Qualified Financing Conversion Date”), based upon the product of (A) the outstanding principal and accrued interest on the Qualified Financing Conversion Date and (B) 1.35, then divided by the actual per share price of New Round Stock and (ii) if the Qualified Financing has a warrant component, a number of such warrants equal to the number of shares of New Round Stock determined pursuant to clause (i) above, multiplied by the warrant coverage percentage in such Qualified Financing.
- If a change of control transaction occurs or the Company completes a firmly underwritten public offering of its common stock prior to the Qualified Financing, the Note would, at the election of the holders of a majority of the outstanding principal of the Notes, be either (i) payable upon demand as of the closing of such change of control transaction or IPO transaction or (ii) convertible into shares of the common stock immediately prior to such change of control transaction or IPO transaction at a price per share equal to the lesser of (the “Common Price”) (A) the per share value of the Common Stock as then reasonably determined by the Company’s Board of Directors acting in good faith, from time to time, as if in connection with either the grant of an incentive stock option qualified under Section 422 of the Internal Revenue Code of 1986, as amended, or the sale of the common stock in a private sale to a third party in an “arms-length” transaction, or (B) the per share consideration to be received by the holders of the common stock in such change of control transaction or IPO transaction.

In the event that the Company consummates a financing prior to the Maturity Date, other than a Qualified Financing, and the economic terms thereof are more favorable to the investors in such financing than the terms of the Note, the Note shall automatically be amended to reflect such more favorable economic terms.

The Company has granted certain registration rights to the Lender under the Subscription Agreement for the Note.

The Lender shall have the right to participate, on a pro rata basis, in any Qualified Financing on or prior to the one year anniversary of the Lender’s subscription for the Note.

The Note contains customary events of default, which, if uncured, entitle the Lender to accelerate the due date of the unpaid principal amount of, and all accrued and unpaid interest on, its Note.

The foregoing is a brief description of the subscription of the Note and the terms of the Note and is qualified in its entirety by reference to the full text of the form of Subscription Agreement and the form of the Note, the forms of which are included as Exhibits 10.1 and 10.2, respectively, to the Company’s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 11, 2019, each of which are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure set forth above in Item 2.03 of this Current Report on Form 8-K relating to the issuance of the Note is incorporated by reference herein. The Note and, unless subsequently registered, the shares underlying the Note, will be issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended and/or Regulation D promulgated thereunder.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 14, 2019

BRAIN SCIENTIFIC INC.

By: /s/ Boris Goldstein
Name: Boris Goldstein
Title: Chairman of the Board and Secretary