
**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): July 11, 2016

Life Clips, Inc.

(Exact Name of Registrant as Specified in Charter)

Wyoming
*(State or Other Jurisdiction
of Incorporation)*

333-198828
*(Commission
File Number)*

46-2378100
*(IRS Employer
Identification No.)*

**233 S. Sharon Amity Rd., Suite 201
Charlotte, North Carolina 28211**
(Address of Principal Executive Offices, including zip code)

800-292-8991
(Registrant's telephone number, including area code)

Not applicable
(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))
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Explanatory Note.

On July 11, 2016, Life Clips, Inc. (the “**Company**”) completed its previously announced acquisition (the “**Acquisition**”) of all of the outstanding equity securities of Batterfly Energy Ltd., an Israel-based corporation that develops and distributes a single-use, cordless battery for use with cellular phones and other mobile devices (“**Batterfly**”), as a result of which, Batterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to a Stock Purchase Agreement, dated as of June 10, 2016 (the “**Purchase Agreement**”), among the Company, Batterfly and all of the shareholders of Batterfly, as amended.

Item 1.01 Entry into a Material Definitive Agreement.

In connection with the closing of the Acquisition, and pursuant to the terms of the Purchase Agreement, the Company issued a promissory note and stock pledge agreement to Batterfly’s shareholders and optionholder (together, the “**Sellers**”) payable in the amount of \$500,000 (the “**Promissory Note**”). The Promissory Note bears interest at 1.0% per annum, and the principal and accrued interest is due and payable to the Sellers in two equal installments on each of the date that is four months from the closing date and eight months from the closing date. The Promissory Note contains customary events of default, including, without limitation, for nonpayment, bankruptcy or insolvency and appointment of a trustee, receiver or liquidator. The Promissory Note is secured by a pledge of all of the shares of Batterfly stock acquired by the Company in the Acquisition. The Promissory Note is not convertible or exercisable for any securities of the Company.

There is no material relationship between the Company or its affiliates, on the one hand, and Batterfly or Batterfly’s shareholders, on the other hand, other than in respect of the Acquisition and a consulting agreement entered into in connection with the Acquisition among the Company and Batterfly’s two largest shareholders.

This description of the Promissory Note does not purport to be complete and is qualified in its entirety by reference to the terms of the Promissory Note, which is attached hereto as Exhibit 10.1 and incorporated herein by this reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As noted above, on July 11, 2016, the Company completed the Acquisition of all of the outstanding equity securities of Batterfly, as a result of which, Batterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to the Stock Purchase Agreement. Under the terms of the Purchase Agreement, the Company acquired all of the outstanding capital stock of Batterfly in exchange for consideration in the form of:

- (i) an aggregate \$1,037,795 in cash, of which \$637,795 was paid at or prior to closing to, or will be set aside for, satisfying all outstanding liabilities of Batterfly, with the remainder paid in installments on the dates that are 12 months and 16 months after the closing;
 - (ii) the Promissory Note;
 - (iii) 10,000,000 shares of the Company’s common stock, of which:
 - (1) 5,000,000 have been issued to the Sellers, subject only to the restrictions imposed by the Securities Act (as defined below);
 - (2) 3,000,000 have been issued in escrow to secure the former Batterfly shareholders’ obligation to indemnify the Company and its affiliates under certain circumstances, as specified in the Purchase Agreement, which shares shall be released on July 11, 2017, the one-year anniversary date of the closing date of the Acquisition;
 - (3) 2,000,000 have been issued in escrow to secure the former Batterfly shareholders’ obligation to indemnify the Company and its affiliates under certain circumstances, as specified in the Purchase Agreement, which shares shall be released on the date that the Company has sold an aggregate of 1,000,000 units of Batterfly’s products after closing; and
 - (iv) quarterly payments of cash, up to an aggregate amount of \$2,000,000, based on the number of Batterfly’s products sold by the Company after the closing date of the Acquisition.
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The shares of the Company's common stock issued at closing have been offered and sold in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Regulation S promulgated under the Securities Act. To that effect, each Butterfly Shareholder has represented to the Company in the Purchase Agreement that he or she is not a "U.S. Person" (as defined by Regulation S), is not acquiring the Company's shares for the account or benefit of a U.S. Person and will only resell the shares under Regulation S, an effective registration statement under the Securities Act or an available exemption from registration under the Securities Act.

This description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the terms of the Purchase Agreement, which is attached hereto as Exhibit 2.1 and incorporated herein by this reference.

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

The information regarding the Promissory Note provided under Item 1.01 "Entry into a Material Definitive Agreement" is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The information provided under Item 2.01 "Completion of Acquisition or Disposition of Assets" is incorporated herein by reference.

Item 9.01. Financial Statement and Exhibits.

(a) Financial Statements of Business Acquired.

The financial statements required to be filed pursuant to this item will be filed by amendment not later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required to be filed pursuant to this item will be filed by amendment not later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(d) Exhibits

Exhibit No.	Description
2.1	Stock Purchase Agreement by and among Butterfly Energy Ltd., Life Clips, Inc. and the Shareholders of Butterfly Energy Ltd., dated as of June 10, 2016 (incorporated by reference to the registrant's Form 8-K filed on June 14, 2016)
10.1	Promissory Note and Stock Pledge Agreement, dated July 11, 2016, from Life Clips, Inc.

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.

LIFE CLIPS, INC.

Date: July 12, 2016

By: /s/ Robert Gruder

Robert Gruder
Chief Executive Officer

EXHIBIT INDEX

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**PROMISSORY NOTE AND
STOCK PLEDGE AGREEMENT**

\$500,000

July 11, 2016

FOR VALUE RECEIVED, the undersigned, Life Clips, Inc., a Wyoming corporation (“**Maker**”), hereby promises to pay to the order of each of Nataly Assis, Ofer Hasid, Elad Ronen, Shirel Dahan and Cytex Inc. (each, a “**Payee**,” together, the “**Payees**,” and together with any subsequent holders of this Promissory Note and Stock Pledge Agreement, the “**Holders**”), his or her Pro-Rata Share (as hereinafter defined) of the principal sum of Five Hundred Thousand Dollars (\$500,000), together with all accrued interest thereon at a rate equal to 1.0% per annum, with \$250,000 of principal plus all accrued but unpaid interest under this Note to be paid on each of October 11, 2016 and February 13, 2017. The term of this Note shall be period commencing on the date hereof and ending on the date final payment is made in full of all amounts due hereunder. “**Pro-Rata Share**” means, with respect to any Payee, that percentage for such Payee set forth on Exhibit A.

Maker reserves the right to prepay all or any portion of this Promissory Note and Stock Pledge Agreement (this “**Note**”) at any time and from time to time without premium or penalty of any kind.

If this Note or any payment due hereunder becomes due and payable on a Saturday, Sunday or business holiday in the State of North Carolina, payment shall be made on the next successive business day and interest shall be payable thereon at the rate herein specified during such extension.

If (a) there should be a default in the payment of interest or principal due hereunder, (b) Maker should make an assignment for the benefit of creditors, (c) attachment or garnishment proceedings are commenced against Maker, (d) a receiver, trustee or liquidator is appointed over or execution levied upon any property of Maker, or (e) proceedings are instituted by or against Maker under any bankruptcy, insolvency, reorganization or other law relating to the relief of debtors, including without limitation the United States Bankruptcy Code, as amended, which, in each such event, are not stayed or terminated within 60 days then, and in each such event, Holder may, at its option, without notice or demand, declare the remaining unpaid principal balance of this Note and all accrued interest thereon immediately due and payable in full.

Any amount hereunder which is not paid when due, whether at stated maturity, by acceleration or otherwise, shall bear interest from the date when due until paid at the lesser of (a) the foregoing rate per annum plus 10% or (b) the maximum rate permitted by law, said interest to be compounded annually and computed on the basis of a 365-day year.

All payments made hereunder shall be made in lawful currency of the United States of America in immediately available funds at 102 Capital Management, Ehad Ha'am 9, Tel Aviv (Shalom Tower), or at such other place as Holder may designate in writing. All payments made hereunder, whether a scheduled installment, prepayment, or payment as a result of acceleration, shall be allocated first to accrued but unpaid interest and then to principal remaining outstanding hereunder.

Maker agrees to pay all reasonable costs of collection, including reasonable attorneys' fees (actually incurred based upon customary hourly rates and not as a percentage of amounts then due), paid or incurred by Holder in enforcing this Note on default or the rights and remedies herein provided.

Maker, for itself and for any guarantors, sureties, endorsers and/or any other person or persons now or hereafter liable hereon, if any, hereby waives demand of payment, presentment for payment, protest, notice of nonpayment or dishonor and any and all other notices and demands whatsoever, and any and all delays or lack of diligence in the collection hereof, and expressly consents and agrees to any and all extensions or postponements of the time of payment hereof from time to time at or after maturity and any other indulgence and waives all notice thereof.

Maker's payment obligations hereunder shall be secured by a pledge of 1,124 Ordinary Shares of Butterfly Energy Ltd., a company limited by shares incorporated under the laws of the State of Israel (the "**Company**"), held by Maker (the "**Shares**") following the closing of the transactions contemplated by that certain Stock Purchase Agreement, dated as of July 11, 2016, among Maker, the Company and the shareholders of the Company (the "**Stock Purchase Agreement**"). Maker hereby grants a first priority security interest in, and pledges, the Shares and all proceeds thereon (the pledged Shares, together with the property described in the next paragraph of this Note, and all proceeds of the foregoing, being referred to as the "**Pledged Collateral**") to Holder to secure the satisfaction by Maker of all its obligations to Holder under this Note. This pledge shall be governed by all applicable provisions of, and Holder shall have all rights and remedies with respect to the Pledged Collateral of a secured party under, the Uniform Commercial Code as in effect in the State of North Carolina. Concurrently with the delivery of this Note to Holder, Maker has delivered to Payee an share transfer deed duly executed by Maker in blank. Maker agrees to deliver to Holder such other documents of transfer as Holder may from time to time request to enable Holder to transfer the pledged Shares into its name or the name of its nominee and to perfect Holder's security interest in the Pledged Collateral under applicable laws. Maker agrees that the Holder is authorized to file financing statements in the name of Maker to perfect the Holder's security interest in the Pledged Collateral. Maker agrees that he will not (i) sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral without the prior written consent of Holder or (ii) create or permit to exist any lien upon or with respect to any of the Pledged Collateral, except for the security interest granted hereby.

In the event that, during the term of this Note, any distribution, reclassification, readjustment or other change is declared or made in the capital structure of the Company, then Holder shall have a security interest in all securities (whether shares or other securities) issued to or acquired by Maker by reason of such event and with respect to the Pledged Collateral, and such securities shall become part of the Pledged Collateral.

During the term of this Note and so long as the Pledged Collateral is held by Holder, Maker shall have the right to vote the pledged Shares and exercise any voting rights pertaining to such Pledged Collateral, and to give consents, ratifications and waivers with respect thereto, for all purposes. Maker may reduce the amount of the principal due under this Note in an amount equal to any Losses (as defined under the Stock Purchase Agreement) for which indemnification is available to Maker or any of its affiliates under the Stock Purchase Agreement.

Holder may exercise any and all remedies available to it under law. No delay or failure by Holder in exercising any right, power, privilege or remedy hereunder shall affect such right, power, privilege or remedy or be deemed to be a waiver of the same or any part thereof; nor shall any single or partial exercise thereof or any failure to exercise the same in any instance preclude any further or future exercise thereof, or exercise of any other right, power, privilege or remedy, and the rights and privileges provided for hereunder are cumulative and not exclusive.

For the avoidance of doubt, upon final payment in full of all amounts due hereunder, this Note together with all of the Holder's security interest in the Pledged Collateral shall automatically expire, and the first priority security interest in, and Pledged Collateral shall be automatically removed. To the extent required and immediately upon such final payment in full of all amounts due hereunder each Holder shall promptly execute and provide the Maker with all documents necessary in order to effect and/or perfect the foregoing.

Each Holder hereby irrevocably appoints Maker as its true and lawful attorney, with full power of substitution, upon each such Holder's failure to promptly execute and provide the Maker with all the foregoing documents, to act in the name of such Holder, effective upon such time as the security interest in the Pledged Collateral should be removed as aforementioned, in order to do any act, including without limitation, to sign in the name of such Holder any and all documents as may, in the opinion of Maker, be necessary, in order to remove the security interest in the Pledged Collateral.

This Note may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that each party need not sign the same counterpart. A facsimile copy or electronic transmission of a signature page shall be deemed to be an original signature page. This Note shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina without regard to conflicts-of-laws principles that would require the application of any other law.

Neither this Note nor any rights hereunder may be assigned, conveyed or transferred, in whole or in part, without the Maker's prior written consent, which the Maker may withhold in its sole discretion.

[*Signatures page follows.*]

IN WITNESS WHEREOF, the undersigned has duly caused this Note to be executed and delivered at the place specified above and as of the date first written above.

MAKER:

Life Clips, Inc.

By: /s/ Robert Gruder

Name: Robert Gruder

Title: Chief Executive Officer

Accepted by PAYEES:

/s/ Nataly Assis

Nataly Assis

/s/ Itay Hasid

Itay Hasid

/s/ Elad Ronen

Elad Ronen

/s/ Shirel Dahan

Shirel Dahan

Cytex Ventures Inc.

By: /s/ Eduardo Guendelman

Name: Eduardo Guendelman

Title: Director and owner

[Signature Page to Promissory Note and Stock Pledge Agreement]

Exhibit A

Pro-Rata Share

<u>Name of Shareholder or Optionholder</u>	<u>Pro-rata Share</u>
Nataly Assis	40.041%
Itay Hasid	40.041%
Elad Ronen	4.959%
Shirel Dahan	4.959%
Cytex Ventures Inc.	10%