

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): November 27, 2018

**CTI INDUSTRIES CORPORATION**

(Exact name of registrant as specified in its charter)

Illinois

(State or other jurisdiction of incorporation)

**000-23115**

(Commission File Number)

**22160 N. Pepper Road Lake Barrington, Illinois**

(Address of principal executive offices)

**36-2848943**

(IRS Employer Identification No.)

**60010**

(Zip Code)

Registrant's telephone number, including area code: **(847) 382-1000**

**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 13c-4(c) under the Exchange Act (17 CFR 240.13c-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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On November 29, 2018, CTI Industries Corporation (“CTI” or the “Company”) announced Stephen M. Merrick would step down from his role as Chief Executive Officer of the Company as of November 30, 2018. At that time, Mr. Merrick would become General Counsel to the Company, transitioning to a part-time role as of January 31, 2019, and at a reduced compensation level as of that date. Mr. Merrick remains a member of the Company’s Board of Directors.

On December 1, 2018, Jeffrey S. Hyland, President of the Company, will become President/CEO of CTI. There are no other changes to Mr. Hyland’s relationship with the Company.

**Item 7.01 Regulation FD disclosure.**

On September 19, 2018, the Company filed a preliminary prospectus on Form S-1 regarding the intended issuance of equity securities in a Fully Marketed Shareholder Rights Offering. Subsequently, the Company announced its decision to postpone completion of that event due to changing market conditions. CTI has therefore withdrawn this preliminary Form S-1 filing and will not amend or otherwise complete it. CTI may decide to file a new registration statement in the future.

On November 28, 2018, the Company issued a press release announcing the actions listed herein. A copy of the Press Release is furnished as Exhibit 99.1 to this report, and is incorporated herein by reference. The information in Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item No. 9.01 – Financial Statements and Exhibits

(d) Exhibits:

Exhibit No.

Exhibit

10.1\*

[Letter from Mr. Merrick dated November 27, 2018](#)

99.1\*

[Press Release issued by CTI Industries Corporation dated November 29, 2018, captioned: “CTI INDUSTRIES ANNOUNCES LEADERSHIP TRANSITION.”](#)

\*Filed herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, CTI Industries Corporation has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, in the Village of Lake Barrington, Illinois, November 29, 2018.

CTI INDUSTRIES CORPORATION

By: /s/ Stephen M. Merrick

Stephen M. Merrick, Chief Executive Officer

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**EXHIBIT INDEX**

Exhibit Number

10.1

99.1

Description

Letter from Mr. Merrick dated November 27, 2018

Press Release issued by CTI Industries Corporation dated November 29, 2018, captioned:

“CTI INDUSTRIES ANNOUNCES CHIEF EXECUTIVE OFFICER  
TRANSITION AND THE TERMINATION OF ITS PRELIMINARY  
RIGHTS OFFERING PROSPECTUS.”

**EXHIBIT 10.1**  
STEPHEN M. MERRICK  
DEER PARK, ILLINOIS

November 27, 2018

Board of Directors of  
CTI Industries Corporation  
c/o Jeffrey S. Hyland, President

Gentlemen:

After 42 years of service to our Company, I have concluded that it is time for me to retire as Chief Executive Officer. Accordingly, I am tendering my resignation as Chief Executive Officer of CTI Industries Corporation to be effective as of the close of business November 30, 2018.

It is not my intention to resign as a member of the Board of Directors of CTI. Further, as we have discussed, I understand that the Board of Directors wishes for me to continue as General Counsel and Secretary for CTI and I am willing to continue in those capacities and to provide such service to our Company as may be requested from time to time.

With Best Regards,

/s/ Stephen M. Merrick

Stephen M. Merrick

**FOR IMMEDIATE RELEASE**  
**CTI INDUSTRIES ANNOUNCES LEADERSHIP TRANSITION**  
**Stephen Merrick Retires as CEO; CTI President Jeffrey Hyland Appointed Successor**  
**Reiterates Outlook for Improved Operating Performance in 2018**  
**Terminates Proposed Subscription Rights Offering Due to Market Conditions**

Lake Barrington, IL – November 29, 2018 – CTI Industries Corporation (NASDAQ: CTIB) (“CTI” or “the Company”), a manufacturer and global marketer of novelty balloons, vacuum and flexible packaging and storage products, printed and laminated films, party goods, Candy Blossoms, and home container products, today announced the next step in its executive leadership transition that commenced on December 1, 2017.

Stephen M. Merrick will retire as CTI’s Chief Executive Officer effective November 30, 2018. He will remain with CTI as General Counsel, Secretary, and a member of the Board of Directors. Mr. Merrick has been an officer of CTI since January 1996.

Concurrently, Jeffrey S. Hyland, President and a Director of CTI since December 1, 2017, will succeed Mr. Merrick as Chief Executive Officer.

“Steve Merrick has been one of CTI’s senior leaders for over 20 years, and we appreciate his commitment and guidance,” said Mr. Hyland. “We are grateful that Steve has agreed to transition to General Counsel and remain a director of CTI post-retirement, preserving the benefit of his wisdom and experience. I am honored to succeed Steve as CEO and enthusiastic at the opportunity to lead CTI’s continuing evolution. My commitment to this expanded role is fully aligned with the vision, mission and values of CTI, and I look forward to continuing to collaborate with the talented, dedicated group of professionals whom I have come to know and respect.”

Mr. Hyland continued, “For full year 2018, we continue to expect higher net sales, lower total operating expenses, and higher operating profitability when compared to 2017. We have removed \$1.4 million of expenses from CTI’s cost structure through the first nine months of 2018 and are on track to remove approximately \$3.0 million of annualized operating costs by the end of 2018. We are benefitting from improved manufacturing efficiencies, increased capacity, and a robust business development program.”

On November 13, 2018, CTI announced that it had deferred a proposed subscription rights offering due to unfavorable market conditions. Due to continuing unfavorable market conditions, CTI and its underwriter have mutually agreed to terminate the proposed subscription rights offering. The termination of the proposed subscription rights offering will not materially affect CTI’s existing operations or outlook. CTI and its lender revised the terms of its credit facility based on the expectation of this funding event, and now are engaged in discussions to further modify that arrangement assuming no additional capital is raised. CTI believes that an agreement will be reached. CTI will continue to monitor market conditions.

**About CTI**

CTI Industries Corporation is one of the leading manufacturers and marketers of foil and latex balloons, develops, produces and markets vacuum sealing systems for household use and produces laminated and printed films for commercial uses. CTI also distributes products for home organization and storage, Candy Blossoms and other gift items and, in Mexico, party goods. CTI markets its products throughout the United States and in a number of other countries.

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### **Forward Looking Statements**

Statements made in this release that are not historical facts are "forward-looking" statements (within the meaning of Section 21E of the Securities Exchange Act of 1934) that involve risks and uncertainties and are subject to change at any time. These "forward-looking" statements may include, but are not limited to, statements containing words such as "may," "should," "could," "would," "expect," "plan," "goal," "anticipate," "believe," "estimate," "predict," "potential," "continue," or similar expressions. We have based these forward-looking statements on our current expectations and projections about future results. Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from statements made herein. More information on factors that could affect CTI's business and financial results are included in its public filings made with the Securities and Exchange Commission, including its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

**FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

#### **CTI Industries**

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