

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): June 27, 2024

ASSET ENTITIES INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

001-41612

(Commission File Number)

88-1293236

(IRS Employer
Identification No.)

100 Crescent Ct, 7th Floor, Dallas, TX

(Address of principal executive offices)

75201

(Zip Code)

(214) 459-3117

(Registrant's telephone number, including area code)

(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 B Common Stock, \$0.0001 par value per share	ASST	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 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 3.03 Material Modification to Rights of Security Holders.

On June 27, 2024, Asset Entities Inc., a Nevada corporation (the “Company”), filed a Certificate of Change (the “Certificate of Change”) pursuant to Section 78.209 of the Nevada Revised Statutes (“NRS”) with the Secretary of State of the State of Nevada authorizing a 1-for-5 reverse stock split (the “Reverse Stock Split”) of the Company’s issued and outstanding shares of class A common stock, \$0.0001 par value per share (the “Class A Common Stock”), and class B common stock, \$0.0001 par value per share (the “Class B Common Stock”). The Reverse Stock Split will become effective on the Effective Date (as defined below).

Reason for the Reverse Stock Split

As previously reported in its Current Report on Form 8-K filed on October 3, 2023, the Company received written notification from The Nasdaq Stock Market LLC (“Nasdaq”) notifying the Company that it was not in compliance with the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market. Nasdaq Listing Rule 5550(a)(2) requires listed securities to maintain a minimum bid price of \$1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days.

The Company is effectuating the Reverse Stock Split in order to raise the minimum bid price of the Company’s Class B Common Stock above \$1.00 per share and bring the Company back into compliance with Nasdaq Listing Rule 5550(a)(2). To regain compliance, the Company’s Class B Common Stock must have a closing bid price of at least \$1.00 for a minimum of 10 consecutive business days.

Effects of the Reverse Stock Split

Effective Date; Symbol; CUSIP Number. The Reverse Stock Split will become effective as of 5:00 p.m. Eastern Time on July 1, 2024 (the “Effective Date”). It is expected that the Class B Common Stock will begin trading on a split-adjusted basis on The Nasdaq Capital Market when the market opens on July 2, 2024, under the existing trading symbol “ASST”. The CUSIP number for the Class B Common Stock will change to 04541A204.

Split Adjustment; No Fractional Shares. On the Effective Date, the total number of shares of the Company’s Class A Common Stock and Class B Common Stock held by each stockholder will be automatically converted into the number of whole shares of Class A Common Stock or Class B Common Stock equal to (i) the number of issued and outstanding shares of Class A Common Stock or Class B Common Stock held by such stockholder immediately prior to the Reverse Stock Split, divided by (ii) five (5). No fractional shares will be issued, and no cash or other consideration will be paid. Instead, the Company will issue one whole share of the post-Reverse Stock Split Class A Common Stock or Class B Common Stock to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split.

Non-Certificated Shares; Certificated Shares. VStock Transfer, LLC is acting as transfer and exchange agent for the Reverse Stock Split. Registered stockholders are not required to take any action to receive post-Reverse Stock Split shares. Stockholders who are holding their shares in electronic form at brokerage firms also do not have to take any action as the effect of the Reverse Stock Split will automatically be reflected in their brokerage accounts.

State Filing. Pursuant to NRS Section 78.209, the Company filed the Certificate of Change with the Secretary of State of the State of Nevada on June 27, 2024 to effectuate the Reverse Stock Split. The Certificate of Change will become effective at 5:00 p.m. Eastern Time on July 1, 2024. A copy of the Certificate of Change is attached hereto as Exhibit 3.1 and is incorporated by reference herein.

No Stockholder Approval Required. Under Nevada law, because the Reverse Stock Split was approved by the board of directors of the Company in accordance with NRS Section 78.207, no stockholder approval is required. NRS Section 78.207 provides that the Company may effect the Reverse Stock Split without stockholder approval if (i) the Reverse Stock Split does not adversely affect any other class of stock of the Company, and (ii) the Company does not pay money or issue scrip to stockholders who would otherwise be entitled to receive a fractional share as a result of the Reverse Stock Split. As described herein, the Company has complied with these requirements.

Capitalization. Prior to the Reverse Stock Split, the Company was authorized to issue 200,000,000 shares of common stock, consisting of 10,000,000 shares of Class A Common Stock and 190,000,000 shares of Class B Common Stock. As a result of the Reverse Stock Split, the Company will be authorized to issue 40,000,000 shares of common stock, consisting of 2,000,000 shares of Class A Common Stock and 38,000,000 shares of Class B Common Stock. As of June 27, 2024, there were 7,532,029 shares of Class A Common Stock outstanding and 7,547,971 shares of Class B Common Stock outstanding. As a result of the Reverse Stock Split, there will be approximately 1,506,406 shares of Class A Common Stock outstanding and 1,509,595 shares of Class B Common Stock outstanding (subject to adjustment due to the effect of rounding fractional shares into whole shares). The number of shares of preferred stock that the Company is authorized to issue will not be impacted.

Immediately after the Reverse Stock Split, each stockholder's percentage ownership interest in the Company and proportional voting power will remain virtually unchanged except for minor changes and adjustments that will result from rounding fractional shares into whole shares. The rights and privileges of the holders of shares of common stock will be substantially unaffected by the Reverse Stock Split.

All options, warrants and convertible securities of the Company outstanding, if any, immediately prior to the Reverse Stock Split will be appropriately adjusted as a result of the Reverse Stock Split.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information set forth in Item 3.03 of this Current Report on Form 8-K is incorporated by reference into this Item 5.03. A copy of the Certificate of Change is filed as Exhibit 3.1 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

On June 28, 2024, the Company issued a press release announcing the Reverse Stock Split. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished pursuant to this Item 7.01 (including Exhibit 99.1 hereto), shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), except as expressly set forth by specific reference in such a filing.

Forward-Looking Statements

The press release and the statements contained therein include "forward-looking" statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or the Company's future financial or operating performance. In some cases, you can identify these statements because they contain words such as "may," "will," "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," "plan," "target," "predict," "potential," or the negative of such terms, or other comparable terminology that concern the Company's expectations, strategy, plans, or intentions. Forward-looking statements relating to expectations about future results or events are based upon information available to the Company as of the date of the press release and are not guarantees of the future performance of the Company, and actual results may vary materially from the results and expectations discussed. Forward-looking statements include, but are not limited to, the Company's expectations regarding its financial position and operating performance, its expectations regarding its business initiatives, trends in its business, the effectiveness of its strategies, its market opportunity, and demand for its products and services in general. The Company's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including risks and uncertainties described in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and other filings with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements concerning the Company or other matters and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Company does not undertake any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
3.1	Certificate of Change of Asset Entities Inc. filed with the Secretary of State of the State of Nevada on June 27, 2024
99.1	Press Release dated June 28, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.


Date: June 28, 2024

ASSET ENTITIES INC.

/s/ Arshia Sarkhani

Name: Arshia Sarkhani

Title: Chief Executive Officer and President

Filed in the Office of  Secretary of State State Of Nevada	Business Number E21638682022-8
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	Number of Pages 1



FRANCISCO V. AGUILAR
 Secretary of State
 401 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov

Certificate of Change Pursuant to NRS 78.209

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

INSTRUCTIONS:

1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).
2. Indicate the current number of authorized shares and par value, if any, and each class or series before the change.
3. Indicate the number of authorized shares and par value, if any of each class or series after the change.
4. Indicate the change of the affected class or series of issued, if any, shares after the change in exchange for each issued share of the same class or series.
5. Indicate provisions, if any, regarding fractional shares that are affected by the change.
6. NRS required statement.
7. This section is optional. If an effective date and time is indicated the date must not be more than 90 days after the date on which the certificate is filed.
8. Must be signed by an Officer. Form will be returned if unsigned.

1. Entity Information:	Name of entity as on file with the Nevada Secretary of State: Asset Entities Inc. Entity or Nevada Business Identification Number (NVID): E21638682022-8		
2. Current Authorized Shares:	The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change: 250,000,000 authorized shares, consisting of (i) 200,000,000 shares of Common Stock, \$0.0001 par value per share, of which 10,000,000 shares are designated "Class A Common Stock," \$0.0001 par value per share, and 190,000,000 shares are designated as "Class B Common Stock," \$0.0001 par value per share, and (ii) 50,000,000 shares of Preferred Stock, \$0.0001 par value per share, of which 660 are designated "Series A Convertible Preferred Stock," \$0.0001 par value per share.		
3. Authorized Shares After Change:	The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change: 90,000,000 authorized shares, consisting of (i) 40,000,000 shares of Common Stock, \$0.0001 par value per share, of which 2,000,000 shares are designated "Class A Common Stock," \$0.0001 par value per share, and 38,000,000 shares are designated as "Class B Common Stock," \$0.0001 par value per share, and (ii) 50,000,000 shares of Preferred Stock, \$0.0001 par value per share, of which 660 are designated "Series A Convertible Preferred Stock," \$0.0001 par value per share.		
4. Issuance:	The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series: Every five (5) shares of issued and outstanding Class A Common Stock will be changed into one (1) issued and outstanding share of Class A Common Stock, and every five (5) shares of issued and outstanding Class B Common Stock will be changed into one (1) issued and outstanding share of Class B Common Stock, respectively.		
5. Provisions:	The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby: Any fractional share that would otherwise be issued as a result of the change will be rounded up to the nearest whole share.		
6. Provisions:	The required approval of the stockholders has been obtained.		
7. Effective date and time: (Optional)	Date: 07/01/2024	Time: 2:00PM Pacific Time	(must not be later than 90 days after the certificate is filed)
8. Signature: (Required)	<input checked="" type="checkbox"/> <u>/s/ Arshia Sarkhani</u> Signature of Officer	Chief Executive Officer Title	06/27/2024 Date



**Asset Entities Inc. Announces Reverse Stock Split to
Regain Compliance with Nasdaq’s Minimum Bid Price**

DALLAS, June 28, 2024 — **Asset Entities Inc. (“Asset Entities” or the “Company”)** (**NASDAQ: ASST**), a provider of digital marketing and content delivery services across Discord and other social media platforms, and a Ternary Payment Platform company, today announced a 1-for-5 reverse stock split (the “Reverse Stock Split”) of its class A common stock, \$0.0001 par value per share (the “Class A Common Stock”), and its class B common stock, \$0.0001 par value per share (the “Class B Common Stock” and together with the Class A Common Stock, the “common stock”).

The Company’s Class B Common Stock will continue to trade on The Nasdaq Capital Market tier of The Nasdaq Stock Market LLC (“Nasdaq”) under the symbol “ASST” and will begin trading on a split-adjusted basis when the market opens on Tuesday, July 2, 2024. The new CUSIP number for the Company’s Class B Common Stock following the Reverse Stock Split will be 04541A204.

The Reverse Stock Split is intended to enable the Company to regain compliance with the minimum bid price requirement for continued listing on Nasdaq.

As a result of the Reverse Stock Split, every 5 shares of the Company’s issued and outstanding common stock as of the effective time will be combined into one share of common stock. In addition, the Reverse Stock Split will effect a reduction in the number of shares issuable pursuant to the Company’s equity awards, warrants and convertible preferred stock outstanding as of the effective time of the Reverse Stock Split with a corresponding increase in the exercise or conversion price per share. The par value and other terms of the Company’s common stock are not affected by the Reverse Stock Split. Also as a result of the Reverse Stock Split, the number of the Company’s authorized shares of Class A Common Stock and Class B Common Stock will be proportionally reduced from 10,000,000 and 190,000,000, respectively, to 2,000,000 and 38,000,000, respectively.

No fractional shares will be issued in connection with the Reverse Stock Split. Fractional shares resulting from the Reverse Stock Split will be rounded up to the nearest whole share. VStock Transfer, LLC is acting as transfer and exchange agent for the Reverse Stock Split. Registered stockholders are not required to take any action to receive post-Reverse Stock Split shares. Stockholders who are holding their shares in electronic form at brokerage firms do not have to take any action as the effect of the Reverse Stock Split will automatically be reflected in their brokerage accounts.

Additional information about the Reverse Stock Split can be found in the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on June 28, 2024, which is available free of charge at the SEC’s website, www.sec.gov, and on the Company’s website at assetentities.com.

About Asset Entities, Inc.

Asset Entities Inc. is a technology company providing social media marketing, management, and content delivery across Discord, TikTok, Instagram, X (formerly Twitter), YouTube, and other social media platforms. Asset Entities is believed to be the first publicly traded Company based on the Discord platform, where it hosts some of Discord's largest social community-based education and entertainment servers. The Company's AE.360.DDM suite of services is believed to be the first of its kind for the Design, Development, and Management of Discord community servers. Asset Entities' initial AE.360.DDM customers have included businesses and celebrities. The Company also has its Ternary payment platform that is a Stripe-verified partner and CRM for Discord communities. The Company's Social Influencer Network (SiN) service offers white-label marketing, content creation, content management, TikTok promotions, and TikTok consulting to clients in all industries and markets. The Company's SiN influencers can increase the social media reach of client Discord servers and drives traffic to their businesses. Learn more at assetentities.com, and follow the Company on X (formerly Twitter) at [@assetentities](https://twitter.com/assetentities).

Important Cautions Regarding Forward-Looking Statements

This press release contains forward-looking statements. In addition, from time to time, representatives of the Company may make forward-looking statements orally or in writing. These forward-looking statements are based on expectations and projections about future events, which are derived from the information currently available to the Company. Such forward-looking statements relate to future events or the Company's future performance, including its financial performance and projections, growth in revenue and earnings, and business prospects and opportunities. Forward-looking statements can be identified by those statements that are not historical in nature, particularly those that use terminology such as "may," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "hopes" or the negative of these or similar terms. In evaluating these forward-looking statements, you should consider various factors including those that are described in the section titled "Risk Factors" in the Company's periodic reports which are filed with the Securities and Exchange Commission. These and other factors may cause the Company's actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake any responsibility to update the forward-looking statements in this release, except in accordance with applicable law.

Company Contacts:

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