

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) April 7, 2023

SONOMA PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33216
(Commission
File Number)

68-0423298
(IRS Employer
Identification No.)

5445 Conestoga Court, Suite 150
Boulder, CO 80301
(Address of principal executive offices)
(Zip Code)

(800) 759-9305
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	SNOA	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 (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 of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective April 7, 2023, Chad White resigned as our Chief Financial Officer, and our Board of Directors appointed Jerry Dvonch as our interim Chief Financial Officer.

Mr. Dvonch, age 54, served as our Chief Financial Officer from September 2020 until November 2022, after assisting with our transition to our Boulder, Colorado office. Prior to his time with the Company, Mr. Dvonch was the controller and Senior Vice President of Finance and Accounting for the SpineCenter Atlanta since March 2017. From March 2016 to April 2016 he was a consultant controller for DS Healthcare Group, Inc. Prior to that he was the director for external reporting and director of finance of NeoGenomics Laboratories from July 2005 to July 2015. He has over 10 years of experience with SEC reporting. Mr. Dvonch is a licensed Certified Public Accountant in New York. He holds a Master of Business Administration in Finance from the University of Rochester and a Bachelor of Business Administration in Accounting from Niagara University.

We entered into a consulting agreement with Mr. Dvonch pursuant to which we agreed to compensate him at a rate of \$250 per hour. We will also grant him \$30,000 in restricted common stock vesting in two equal tranches on July 15, 2023 and August 15, 2023, provided that upon termination of the consulting agreement, any unvested shares of restricted stock shall become forfeited. The value of the stock will be determined using a five day weighted trailing average on the day of grant. We will reimburse Mr. Dvonch for the monthly premiums paid by Consultant for health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 for himself and his dependents during the term of the consulting agreement. For each month of continuous service under the consulting agreement, Mr. Dvonch's outstanding and vested equity awards shall remain exercisable for an additional month following their current expiration date of May 18, 2024, subject to the provisions of the Company's equity incentive plans.

The foregoing descriptions of the consulting agreement with Mr. Dvonch is not complete and is qualified in its entirety by reference to the full text of the consulting agreement, a copy of which is filed herewith as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Mr. White was employed at-will, and his unvested options will be forfeited upon termination in accordance with the applicable award agreements.

We thank Mr. White for his service and wish him the best in his future endeavors. We also thank Mr. Dvonch for his assistance during this transition as we search for a new Chief Financial Officer.

This report contains forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations,

strategies, predictions or any other statements related to our future activities or future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performances and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks discussed in our Annual Report on Form 10-K and in other documents that we file from time to time with the SEC. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Consulting Agreement, by and between the Company and Jerome Dvonch, dated April 7, 2023.</u>
104	Cover Page Interactive Data File (formatted in inline XBRL 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.

SONOMA PHARMACEUTICALS, INC.

Date: April 13, 2023

By: /s/ Amy Trombly
Name: Amy Trombly
Title: Chief Executive Officer

CONSULTING AGREEMENT

This Consulting Agreement (this “Agreement”) is entered into and effective as of April 7, 2023 (the “Effective Date”), by and between Jerome Dvonch, an individual (“Consultant”) whose address is 888 Treadstone Overlook, Suwanee Georgia 30024, and Sonoma Pharmaceuticals, Inc., a Delaware corporation whose principal address is 5445 Conestoga Court, Suite 150, Boulder, Colorado 80301 (“Sonoma”). Consultant and the Sonoma may be referred to herein individually as a “Party” and together as the “Parties.”

WHEREAS, Sonoma desires for Consultant to act as Interim Chief Financial Officer for provide certain services as further detailed in the Statement of Work attached hereto as Exhibit A (collectively, the “Services”);

WHEREAS, Consultant desires to provide such Services to Sonoma;

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt, adequacy, and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Term and Termination. This Agreement shall commence on the Effective Date and remain in full force and effect until the filing date of Sonoma’s Quarterly Report on Form 10-Q for its fiscal quarter ended June 30, 2023 (the “Term”). Either Party may terminate this Agreement for cause if the other Party is not performing its obligations in accordance with the terms of this Agreement, and provides written notice to the other Party of such non-performance. The Party receiving such written notice will have fifteen (15) days from the date of notice receipt to correct the situation. If the situation is not corrected to the satisfaction of the other Party, the Agreement can be terminated immediately upon written notice. Upon termination of this Agreement, Consultant will immediately cease performing any Services, and Sonoma will pay Consultant for all Services provided and expenses incurred through the date of termination.

2. Services. Consultant agrees to perform the Services to the best of his ability, at a level consistent with persons having a similar level of education, experience and expertise, and in accordance with generally established professional standards.

3. Fees, Expenses and Payment

- (a) Sonoma will pay Consultant at a rate of \$250 per hour for Services rendered under this Agreement. Sonoma shall reimburse Consultant for all expenses pre-approved by Sonoma in writing, including travel time to Sonoma’s corporate offices in Boulder, Colorado. Sonoma shall give Consultant two weeks advance notice of any required travel. Any expense over \$100 should be submitted to Sonoma in writing prior to incurring such expense for Sonoma’s approval. All fees and expenses are non-refundable. Sonoma shall be responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Sonoma under this Agreement; provided that in no event shall Sonoma pay or be responsible for any taxes imposed on, or with respect to, Consultant’s stock fees, income, revenue, gross receipts, personnel, or real or personal property, or other assets.
- (b) Consultant will invoice Sonoma monthly for the Services. Such invoices shall provide detail of the Services performed and specify the time spent on each activity. All invoices are due and payable within fifteen (15) days of receipt. To promptly resolve any concerns regarding the charges, Sonoma agrees to notify Consultant within fifteen (15) days of the statement date of any disputes. Sonoma understands that some online sites and other service providers require a fee for services; Sonoma will be directly responsible for payment of any such fees which will be incurred only with Sonoma’s prior approval.

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- (c) Upon execution of this Agreement, Sonoma shall grant Consultant \$30,000 in shares of restricted stock, vesting in two equal tranches on July 15, 2023 and August 15, 2023; provided that upon termination of this Agreement, any unvested shares of restricted stock shall become forfeited. The value of the stock will be determined using a 5 day weighted trailing average on the day of grant. Consultant will be responsible for any taxes incurred as a result of such grant.
- (d) Sonoma shall reimburse Consultant for the monthly premiums paid by Consultant for health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) for himself and his dependents during the Term.
- (e) For each month of continuous service under this Agreement, Employee’s outstanding and vested equity awards shall remain exercisable for an additional month following their current expiration date of May 18, 2024, subject to the provisions of Sonoma’s equity incentive plans.

4. Confidential Information.

- (a) Treatment of Confidential Information. Consultant acknowledges and agrees that information furnished by Sonoma to Consultant under this Agreement may include Confidential Information, as defined below. Consultant agrees to hold Sonoma’s Confidential Information in confidence and to take all reasonable precautions to protect such Confidential Information and to not disclose any such Confidential Information or any information derived therefrom to any third party.

“Confidential Information” shall include all information relating to Sonoma’s business, including without limitation, financial information or results, projections, business plans, business operations, forecasts, products, clients, vendors and service providers, any contractual or financial arrangements entered into or contemplated, budgets, computer programs, computer code, modules, scripts, algorithms, features and modes of operation, inventions (whether or not patentable), techniques, processes, methodologies, schematics, testing procedures, software design and architecture, design and function specifications, analysis and performance information, user documentation, internal documentation and the features, mode of operation and other details of its products and services, methods of manufacturing, sources of raw materials, as well as know-how, ideas, and technical, business, financial, marketing, customer and product development plans, forecasts, strategies and other information, and all physical embodiments or repositories of the foregoing.

- (b) Return of Confidential Information. Immediately upon termination of this Agreement, Consultant will, at Sonoma’s request, turn over to Sonoma or destroy all Confidential Information and all documents or media containing any such Confidential Information, and any and all copies or extracts thereof.

- (c) Remedies: Equitable Relief. Consultant acknowledges and agrees that due to the unique nature of the Confidential Information, there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to Sonoma, and therefore, that upon any such breach or any threat thereof, Sonoma shall be entitled to appropriate equitable relief in addition to whatever remedies it might have at law and to be indemnified by Consultant from any damages and expenses (including reasonable and documented attorney's fees), in connection with any breach or enforcement of Consultant's obligations hereunder or the unauthorized use or release of any such Confidential Information. Consultant will notify Sonoma in writing immediately upon the occurrence of any such unauthorized release or other breach. Any breach of this section will constitute a material breach of this Agreement.
- (d) No Warranty. Sonoma is not making any representation or warranty, express or implied, as to the accuracy and completeness of any Confidential Information nor shall Sonoma have any liability to Consultant or to any other person resulting from Consultant's use of the Confidential Information.

5. Ownership of Materials.

- (a) Consultant agrees that all materials, reports and other data or materials generated or developed by Consultant under this Agreement or furnished by Sonoma to Consultant (the "Materials") shall be and remain the property of Sonoma. Consultant specifically agrees that all copyrightable Material generated or developed under this Agreement shall be considered works made for hire and that such material shall, upon creation, be owned by Sonoma. To the extent that any such Material, under applicable law, may not be considered works made for hire, Consultant hereby assigns to Sonoma the ownership of copyright in such Materials, without the necessity of any further consideration, and Sonoma shall be entitled to obtain and hold in its own name all copyrights in respect of such Materials.
- (b) If and to the extent Consultant may, under applicable law, be entitled to claim any ownership interest in the Materials, reports and other data or materials generated or developed by Consultant under this Agreement, Consultant hereby transfers, grants, conveys, assigns and relinquishes exclusively to Sonoma all of Consultant's right, title and interest in and to such Materials, under patent, copyright, trade, secret and trademark law, in perpetuity or for the longest period otherwise permitted by law.
- (c) Consultant shall perform any acts that may be deemed necessary or desirable by Sonoma to evidence more fully transfer of ownership of all Materials designated under this Section 5 to Sonoma to the fullest extent possible, including but not limited to the making of further written assignments in a form determined by Sonoma.
- (d) To the extent that any preexisting rights are embodied or reflected in the Materials, Consultant hereby grants to Sonoma the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such preexisting rights and any derivate works thereof and (2) authorize others to do any or all of the foregoing.
- (e) Consultant hereby represents and warrants that it has full right and authority to perform its obligations and grant the rights and licenses herein granted and that it has neither assigned nor otherwise entered into an agreement by which it purports to assign or transfer any right, title, or interest to any technology or intellectual property right that would conflict with its obligations under this Agreement. Consultant covenants and agrees that it shall not enter into any such agreements.
- (f) Consultant shall provide to Sonoma any passwords created while performing the Services under this Agreement.

6. Securities Laws. Consultant represents that it is aware of the restrictions imposed by the applicable federal and state securities laws on the purchase or sale of securities by any person who has received material, non-public information regarding a company with publicly traded securities, as well as the restrictions making it unlawful to communicate such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell securities in reliance upon such information.

7. Independent Contractor. The Parties acknowledge and agree that Consultant shall be an independent contractor. Nothing in this Agreement shall be construed to create a joint venture or employment relationship between the parties. Consultant shall have no right to any benefits that Sonoma grants to its employees and shall have no authority to contract for or bind Sonoma in any manner.

8. Insurance Coverage. As Interim CFO, Consultant shall be covered by all insurance policies (including D&O Liability insurance) available to other senior management of Sonoma. Sonoma represents it carries, will continue to carry, and keep in full force and effect, proper insurance coverage in scope, terms, and size appropriate for a company of the size and nature of Sonoma. In the event Sonoma does not have proper coverage at any time, Sonoma agrees to indemnify and hold harmless Consultant for all costs, expense, liabilities, losses, judgments, fines, legal, and accounting fees, or other to be paid in settlement, in defense, or otherwise suffered by Consultant by virtue of this Agreement with Sonoma or its agents, in the form of the Sonoma's indemnification agreements entered into with other senior management.

9. Miscellaneous.

- (a) Limitation of Liability. Except as otherwise provided in this Agreement, in no event shall either Party seek or be liable for punitive, exemplary, enhanced, or trebled damages, arising from this Agreement whether such damages are claimed for breach of contract, negligence, or any tort claim.
- (b) Severability. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and the remainder of this Agreement shall remain in full force and effect.
- (c) Assignment. This Agreement may not be assigned by either Party without the prior written approval of the other Party.
- (d) Notices. Any notice given under this Agreement is deemed to have been given if deposited in the United States mail, certified postage pre-paid, (or via Fed-Ex) addressed to either party at the locations given above, or any other addresses as hereafter provided by either party.

- (e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Colorado, without application of principles of conflicts of laws.
- (f) Waiver. No waiver of any breach of, or default under, any provision of this Agreement shall be deemed a waiver of such provision, or of any subsequent breach or default.
- (g) Amendments. This Agreement reflects the exclusive and entire understanding of the parties and supersedes any prior agreement between the parties relative to the subject matter hereof, and may not be modified except by another written agreement, signed with the same formality as this Agreement.
- (h) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the matters covered by it, and supersedes any prior understanding or agreements, oral or written, with respect thereto.
- (i) Further Assurances. The Parties shall cooperate fully with each other and execute such other instruments, documents, and agreements, and shall give such further written assurances, as may be reasonably requested to give effect to the intent and purpose of this Agreement.
- (j) No Third-Party Beneficiaries. Nothing in this Agreement creates any third-party rights or remedies other than to the Parties' permitted successors and assigns.
- (k) Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and by email or other electronic means, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and delivered as of the Effective Date.

CONSULTANT

/s/ Jerome Dvonch

Jerome Dvonch

SONOMA PHARMACEUTICALS, INC.

By: /s/ Amy Trombly

Name: Amy Trombly

Title: Chief Executive Officer

Exhibit A

Statement of Work

- Preparation of Sonoma's annual and quarterly reports on Form 10-K and Form 10-Q
- Preparation of financial statements and schedules
- Manage Sonoma's accounting team

- Lead and drive the budgeting, forecasting and review process, and make adjustments based on variance analyses with the accounting team
- Review of Sonoma's 2023 Proxy Statement
- Related services as requested from time to time by Sonoma
- Manage board relations for all finance-related items.
- Lead the SEC reporting and financial audit.
- Sign SEC filings and Accept Responsibility as defined by the Securities & Exchange Commission as the "Principal Financial Officer" and "Principal Accounting Officer" of Sonoma Pharmaceuticals, Inc.
- Other duties as established by the CEO or Board of Directors