
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 13, 2017

QS Energy, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada

(State or other jurisdiction
of incorporation)

0-29185

(Commission File Number)

52-2088326

(IRS Employer
Identification No.)

23902 FM 2978

Tomball, Texas

(Address of principal executive offices)

77375

(Zip Code)

Registrant's telephone number, including area code: (805) 845-3581

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 8.01 Other Events

On July 13, 2017, QS Energy, Inc. (the “Company”) and Temple University of the Commonwealth System of Higher Education (“Temple University”), entered into Amendment #1 to Exclusive License Agreement (“Amendment”). The Amendment amends the Company’s exclusive license agreement with Temple University, dated August 1, 2011. The Amendment is effective June 1, 2017. The Amendment defers those outstanding fees in the amount of \$135,000 owed by the Company to Temple University under the Exclusive License Agreement, until such time as the Company either receives sales receipts exceeding \$835,000 or sublicenses the agreement. Further, the Amendment established interest rates for outstanding fees and terms of payment for an annual license fee between the Company and Temple University. This is a summary only and is subject to the terms and conditions of the Amendment, a copy of which is attached hereto as Exhibit 10.1.

Additionally, on July 13, 2017, the Company and Temple University entered into an agreement (the “Agreement”) related to the sponsored research agreement of March 19, 2012 between the parties, as amended on March 19, 2013 (the “Sponsored Research Agreement”). The Agreement is effective July 13, 2017. Under the terms of the Agreement, the Company and Temple University agreed to a payment schedule for those outstanding fees in the amount of \$78,314, owed by the Company to the Temple under the Sponsored Research Agreement. Under the terms of the Agreement, these fees are payable \$20,000 upon the effective date of the Agreement, and the balance payable in six equal monthly installments of \$9,719. This is a summary only and is subject to the terms and conditions of the Agreement, a copy of which is attached hereto as Exhibit 10.2.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

	Description
10.1	Amendment No. 1 to Exclusive License Agreement
10.2	Agreement between Temple University and QS Energy

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.

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Date: July 14, 2017

QS ENERGY, INC.

By: /s/ Michael McMullen
Name: Michael McMullen
Title: CFO

AMENDMENT # 1 TO EXCLUSIVE LICENSE AGREEMENT

This Amendment No. 1 (“Amendment No. 1”) to the Exclusive License Agreement by and between Temple University – Of The Commonwealth System of Higher Education (“TEMPLE”) and QS Energy, Inc. (“QSEP”), dated August 1, 2011, as amended (“Agreement”), is entered into effective as of June 1, 2017 (“Amendment No. 1 Date”).

WHEREAS, TEMPLE is the owner of certain intellectual properties pertaining to technology to reduce crude oil viscosity (TEMPLE Reference C513RT) to which QSEP obtained an exclusive worldwide license under the Agreement; and

WHEREAS, QSEP and TEMPLE wish to resolve outstanding payments due Temple under the Agreement and update the entity name from Save The World Air, Inc. to QS Energy, Inc.

NOW, THEREFORE, in consideration of the premises and of the covenants and obligations hereinafter set forth, the parties, intending to be legally bound, hereby agree to amend Agreement as follows:

1. Pursuant to Article 5.3, one hundred thirty-five thousand dollars (\$135,000) is due Temple from QS Energy (“Outstanding Fees”). The parties have agreed to defer the Outstanding Fees until the first occurrence of either:
 - a. LICENSEE’s receipt of cumulative SALES equal to or exceeding eight hundred thirty-five thousand dollars (\$835,000); or
 - b. LICENSEE enters into a SUBLICENSE pursuant to Article 11.
2. The Outstanding Fees shall be subject to a nine percent (9%) interest rate accruing as-of June 1, 2017, calculated annually based on the amount due in the prior year and the total interest shall be added to the amount due Temple.
3. The license maintenance fee of sixty-two thousand five hundred dollars (\$62,500) due August 1, 2017 shall be due within five (5) business days of the execution of this Amendment and due annually thereafter on June 1st.
4. All other terms and conditions of Agreement shall remain unchanged and in full force and effect, as amended to date.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Agreement to be executed by their duly authorized representative the day and year written below:

Temple University – Of The Commonwealth System of Higher Education:

By: /s/ Jaison Kurichi
Jaison Kurichi
Associate Vice President for Budget

Date: 7/13/2017

QS Energy:

By: /s/ Michael McMullen
Michael McMullen, Chief Financial Officer

Date: 6/27/2017



AGREEMENT

BETWEEN

TEMPLE UNIVERSITY – OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION

AND

QS ENERGY, INC. (FORMERLY SAVE THE WORLD AIR, Inc.)

This agreement (“Agreement”) is by and between TEMPLE UNIVERSITY –OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION (“TEMPLE”) and QS ENERGY INC. (“SPONSOR”), and is effective as of the last party to sign this Agreement (the “Effective Date”). TEMPLE and SPONSOR are referred collectively as “PARTIES” and individually as a “PARTY.”

WITNESSETH

WHEREAS, SPONSOR and TEMPLE entered into a sponsored research agreement on or about March 19th 2012 (“Sponsor Agreement”) and subsequently amended the Sponsor Agreement on or about March 19, 2013 (the Sponsor Agreement and subsequent amendment hereinafter referred to as the “Prior Agreements”); and

WHEREAS, SPONSOR was formerly named Save the World Air, Inc., at the time of execution of the Prior Agreements and before the date of this Agreement; and

WHEREAS, SPONSOR subsequent to the execution of the Prior Agreements, SPONSOR was reorganized and changed its name from Save the World Air, Inc. to QS Energy, Inc., thereby incurring all rights and obligations of Save the World Air, Inc. under the Prior Agreements; and

WHEREAS, SPONSOR has an outstanding balance due and owing to TEMPLE under the Prior Agreements; and

WHEREAS, the PARTIES wish to arrange for payment of the outstanding balance;

NOWHEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the PARTIES agree as follows:

- (1) The foregoing recitals are incorporated into this Agreement.
- (2) SPONSOR acknowledges and agrees that SPONSOR has an outstanding balance of SEVENTY EIGHT THOUSAND THREE HUNDRED AND FOURTEEN DOLLARS (\$78,314) due to TEMPLE under the Prior Agreements (“Arrearage”).
- (3) Sponsor shall make payments to liquidate Arrearage balance as follows:

An upfront payment of TWENTY THOUSAND DOALLARS (\$20,000) due upon execution of this Agreement followed by six (6) Monthly payments in the amount of NINE THOUSAND SEVEN HUNDRED NINETEEN DOLLARS AND ZERO CENTS (\$9,719) to be paid on or before the fifteenth (15th) day of each month beginning July 15, 2017 and continuing for consecutive months thereafter until paid in full.

Checks shall be made to "Temple University" (with the name of the Principal Investigator provided on a separate accompanying note for reference purposes) and shall be sent to the attention of Research Accounting at the following address: Temple University, Research Accounting Services, P.O. Box 824242, Philadelphia PA 19182-4242. Re: 490187 13100

- (4) In the event that SPONSOR fails to timely remit any payment required hereby, TEMPLE shall be entitled to immediately, without notice or demand, declare the entire Arrearage then unpaid immediately due and payable, and shall be entitled to charge interest for all unpaid Arrearage amounts at the rate of 1.5% per month (18% annually), calculated from the time such outstanding amounts were originally payable under the Prior Agreements.
- (5) Except as otherwise provided herein, the execution of this Agreement shall NOT: operate as a waiver of any right, power, or remedy of TEMPLE, whether at law, in equity, in contract, or otherwise; constitute a waiver by TEMPLE of any provision of the Prior Agreements; or replace any of SPONSOR's obligations under the Prior Agreements. Except as expressly modified hereby, all terms and conditions of the Prior Agreements shall remain in full force and effect.

In WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorized representatives.

QS ENERGY, INC.

TEMPLE UNIVERSITY - OF THE COMMONWEALTH SYSTEM
OF HIGHER EDUCATION

By: /s/ Michael McMullen
Authorized Official
Title: Michael McMullen, Chief Financial Officer

By: /s/ Jaison G. Kurichi
Authorized Official
Title: Jaison G. Kurichi, Associate Vice President for Budget

Date: 6/22/2017

Date: 7/13/2017