

REED'S, INC.  
Form 424B4  
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**PROSPECTUS** Filed pursuant to Rule 424(b)(4)

**Registration No. 333-221059**

**PROSPECTUS**

**REED'S, INC.**

**SUBSCRIPTION RIGHTS TO PURCHASE UP TO 8,000,000 UNITS**

We are distributing to holders of our common stock, \$0.0001 par value, at no charge, non-transferable subscription rights to purchase units. Each unit consists of one share of common stock and 1/2 of a warrant. Each whole warrant will be exercisable for one share of our common stock. We refer to the offering that is the subject of this prospectus as the rights offering. In the rights offering, you will receive one subscription right for every share of common stock owned at 5:00 p.m., Eastern Time, on December 1, 2017, the record date of the rights offering. The common stock and the warrants comprising the units will be separate upon the closing of the rights offering and will be issued separately but may only be purchased as a unit, and the units will not trade as a separate security. The subscription rights will not be tradable. Each subscription right consists of a basic subscription right and an over-subscription privilege, which we refer to as the subscription right.

Each subscription right will entitle you to purchase one unit, which we refer to as the basic subscription right, at a subscription price per unit equal to \$1.75. Each whole warrant entitles the holder to purchase one whole share of common stock at an exercise price of per share equal to \$2.36 from the date of issuance through its expiration 3 years from the date of issuance. In the event that holders exercise subscription rights for in excess of \$14 million (not including the over-subscription privilege), the amount subscribed for by each person will be proportionally reduced, based on the amount subscribed for by each person (not including any over-subscription privilege subscribed for). If you exercise your basic subscription rights in full, and any portion of the units remain available under the rights offering, you will be entitled to an over-subscription privilege to purchase a portion of the unsubscribed units at the subscription price, subject to proration based on the number of shares of common stock owned on the record date, which we refer to as the over-subscription privilege.

You may only purchase the number of whole units purchasable upon exercise of the number of basic subscription rights distributed to you in the rights offering, plus the over-subscription privilege, if any. Accordingly, the number of units that you may purchase in the rights offering is limited by the number of shares of our common stock you held on

the record date and by the extent to which other stockholders exercise their basic subscription rights and over-subscription privileges, which we cannot determine prior to completion of the rights offering.

The subscription rights will expire if they are not exercised by 5:00 p.m., Eastern Time, on December 15, 2017, unless the rights offering is extended or earlier terminated by the Company. If we elect to extend the rights offering, we will issue a press release announcing the extension no later than 9:00 a.m., Eastern Time, on the next business day after the most recently announced expiration date of the rights offering. We may extend the rights offering for a period not to exceed 20 days in our sole discretion. Once made, all exercises of subscription rights are irrevocable.

We have engaged Maxim Group LLC as the dealer-manager for the rights offering.

We are conducting the offering to raise capital that we intend to use for repayment of past-due accounts payable, repayment of certain outstanding indebtedness, sales and marketing, and general working capital purposes and to increase our stockholders' equity sufficiently to meet continued listing standards on the NYSE American. See "Use of Proceeds".

We have the option to extend the rights offering and the period for exercising your subscription rights for a period not to exceed 20 days, although we do not presently intend to do so. You should carefully consider whether to exercise your subscription rights prior to the expiration of the rights offering. All exercises of subscription rights are irrevocable, even if the rights offering is extended by our board of directors.

We have agreed to enter into a definitive backstop agreement with Raptor/ Harbor Reeds SPV, LLC, a significant shareholder of the Company, (“Raptor”) on or about December 5, 2017. Raptor will purchase from us a minimum of \$6 million of units not subscribed in the rights offering. This backstop commitment will be reduced to the extent aggregate gross proceeds to Company from the exercise of rights by rights holders exceed \$8 million and also to the extent of Raptor’s participation in the rights offering as a rights holder. If we do not receive combined subscriptions from the exercise of subscription rights and the backstop commitment of \$10.5 million by the expiration of the rights offering, we will terminate the rights offering, cancel your subscription and all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable. The rights offering and backstop commitment are scheduled to close not later than the second trading day following the expiration date of the rights offering.

If we amend the rights offering to allow for an extension of the rights offering for a period of more than 20 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced. Our board of directors may cancel the rights offering at any time prior to the expiration of the rights offering for any reason. In the event the rights offering is cancelled, all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

In the event that the exercise by a stockholder of the basic subscription right or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company’s ability to use net operating losses, tax credits and other tax attributes, which we refer to as the “Tax Attributes,” under the Internal Revenue Code of 1986, as amended, which we refer to as the “Code”, and rules promulgated by the Internal Revenue Service, the Company may, but is under no obligation to, reduce the exercise by such stockholder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company’s ability to use the Tax Attributes.

Our board of directors is making no recommendation regarding your exercise of the subscription rights. The subscription rights may not be sold, transferred or assigned and will not be listed for trading on the NYSE American or any stock exchange or market.

Shares of our common stock are traded on the NYSE American under the symbol “REED”. On December 1, 2017, the closing sales price for our common stock was \$1.85 per share. The shares of common stock issued in the rights offering will also be traded on NYSE American under the same symbol.

	<b>Subscription Price</b>	<b>Dealer Manager Fee (1)</b>	<b>Proceeds, Before Expenses, to us</b>
Per unit	\$ 1.75	\$ 0.1223	\$ 1.6275
Total (2)	\$ 14,000,000	\$ 980,000	\$ 13,020,000

(1) In connection with this rights offering, we have agreed to pay to Maxim Group LLC as the dealer-manager a cash fee equal to: (i) 7% of the gross proceeds received by us directly from exercises of the subscription rights, other than from exercises by our officers and directors or the backstop provider, (ii) 4% of the gross proceeds received from certain investors having prior existing relationships with the Company, and (iii) 2% of the gross proceeds received by us from the backstop commitment or from the backstop provider’s exercise of the subscription rights. We have also agreed to reimburse the dealer-manager for its expenses up to \$75,000. See “Plan of Distribution.”

(2) Assumes that the rights offering is fully subscribed from exercises of subscription rights, the maximum offering amount in the aggregate of \$14,000,000 is subscribed through exercise of subscription rights by rights holders other than backstop provider, officers, directors and investors having prior existing relationships with the Company. Excludes proceeds from the exercise of warrants included within the units.

**The exercise of your subscription rights for shares of our common stock involves risks. See “Risk Factors” beginning on page 17 of this prospectus as well as the risk factors and other information in any documents we incorporate by reference into this prospectus to read about important factors you should consider before exercising your subscription rights.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

If you have any questions or need further information about this rights offering, please call Okapi Partners LLC, our information agent for the rights offering at Okapi Partners LLC at (212) 297-0720 or (888) 785-6617 (toll free) or [info@okapipartners.com](mailto:info@okapipartners.com).

You should read this prospectus, the documents incorporated by reference into this prospectus, and any prospectus supplement or free writing prospectus that we may authorize for use in connection with this offering, in their entirety before making an investment decision. You should also read and consider the information in the documents to which we have referred you in the section of this prospectus entitled “Where You Can Find More Information”. These documents contain important information that you should consider when making your investment decision.

We are only responsible for the information contained in, or incorporated by reference into, this prospectus, in any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not authorized anyone to provide any information other than that contained in this prospectus, in any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We are offering to sell, and seeking offers to buy, securities only in jurisdictions where such offers and sales are permitted. The information in this prospectus, in any prospectus supplement or any free writing prospectus is accurate only as of its date, regardless of its time of delivery or of any sale of securities. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from our own management estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. In addition, assumptions and estimates of our and our industry’s future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors”. These and other factors could cause our future performance to differ materially from our assumptions and estimates. See “Note Regarding Forward-Looking Statements.”

Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and tradenames.

Except as otherwise indicated herein or as the context otherwise requires, references in this prospectus to “Reed’s” “the Company,” “we,” “us,” “our” and similar references refer to Reed’s, Inc.

*Dealer-Manager*

**Maxim Group LLC**

**The date of this Prospectus is December 5, 2017**

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## COMPANY OVERVIEW

We currently develop, manufacture, market and sell natural non-alcoholic carbonated soft drinks, and candies. In the past we have manufactured, licensed, marketed and sold several unique product lines that have included:

Reed's Ginger Brews,

Virgil's Root Beer, Cream Sodas, Dr. Better and Real Cola, including ZERO diet sodas,

Culture Club Kombucha,

Reed's Ginger candy and other Reed's labeled products,

Sonoma Sparkler and other juice based products under the California Juice Company label.

We also have a private label business.

We sell our products throughout the US and in select international markets. We started in specialty gourmet and natural food stores and have moved more into mainstream over time. We estimate that our products are sold in well over 22,000 natural, conventional, drug, club and mass merchandise accounts in the US, with approximately 10,000 of those being mainstream supermarkets. We sell our products through a network of natural, gourmet and beer distributors and direct to certain large national retailers.

We produce and co-pack our beverage products in part at our facility in Los Angeles, California, known as the LA Plant and in the past “The Brewery”. We also have also contracted at co-packing facilities in Pennsylvania and Indiana. Future use of the LA Plant and all co-packers is under review. The co-pack facilities typically service the eastern half of the United States and nationally for certain products that we do not produce at the LA Plant.

Key elements of our business strategy include:

- increase our relationship with and sales to the approximately 15,000 supermarkets that carry our products in natural and mainstream and capture more of the 30,000 supermarkets nationwide,
- expand our distribution network by adding regional direct store delivery (DSD’s) and additional direct accounts,
- focus on consumer demand and awareness for our core existing brands and products through promotions and advertising,
- produce our products at the lowest cost locations while maintaining quality,
- produce private-label products for select customers under strategic alliances,
- lower our cost of sales for our products by gaining economies of scale in our purchasing, and
- optimize the size and focus of our sales force to manage our relationships with distributors and retail outlets.

We create consumer demand for our products by:

- supporting in-store sampling programs of our products,
- generating free press through public relations,
- advertising in store publications,
- maintaining a company website ([www.reedsinc.com](http://www.reedsinc.com)),
- active social media campaigns on [facebook.com](https://www.facebook.com), [twitter.com](https://www.twitter.com) and [youtube.com](https://www.youtube.com),
- participating in large public events as sponsors, and
- in the recent past deployed a national television commercial on cable television networks.

### *Corporate Information*

Our principal executive offices are located at 13000 South Spring Street, Los Angeles, California 90061. Our telephone number is (310) 217-9400. Our corporate website is [www.reedsinc.com](http://www.reedsinc.com). Information contained on our website or that is accessible through our website should not be considered to be part of this prospectus. Our transfer agent is Transfer Online, Inc., telephone (503) 227-2950.



## SUMMARY OF THE RIGHTS OFFERING

*The following summary describes the principal terms of the rights offering, but is not intended to be complete. See the information under the heading “The Rights Offering” in this prospectus for a more detailed description of the terms and conditions of the rights offering.*

**Securities Offered** We are distributing to holders of our common stock, \$0.0001 par value, at no charge, non-transferable subscription rights to purchase units. Each unit consists of one share of common stock and a warrant to purchase 1/2 of a share of common stock. Each whole warrant will be exercisable for one share of our common stock. You will receive one subscription right for every share of common stock owned at 5:00 p.m., Eastern Time, on December 1, 2017, the record date of the rights offering. The common stock and the warrants comprising the units will be separate upon the closing of the rights offering and will be issued separately but may only be purchased as a unit, and the units will not trade as a separate security. The subscription rights will not be tradable.

**Warrants** Each whole warrant entitles the holder to purchase one whole share of common stock at an exercise price of per share equal to \$2.36 from the date of issuance through its expiration 3 years from the date of issuance. A holder may not exercise any portion of the warrant to the extent that the holder would beneficially own more than 4.99% of our outstanding common stock after exercise, except that upon at least 61 days’ prior notice from the holder to us, the holder may increase the amount of ownership of outstanding stock after exercising the holder’s warrants up to 9.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. The foregoing limitation on exercise does not apply to any holder who beneficially owns in excess of 4.99% of our outstanding common stock immediately prior to the rights offering.

**Subscription Pricing Formula** The subscription price per unit will be \$1.75.

**Minimum Offering Amount from Exercise of Subscription Rights Outside of the Backstop Commitment** \$4.5 million. As such, the minimum aggregate gross proceeds to us from rights holders in the rights offering and the related backstop commitment will be \$10.5 million.

**Procedures for Exercising Subscription Rights** To exercise your subscription rights, you must take the following steps:

If you are a record holder of our common stock, you must deliver payment and a properly completed subscription rights certificate to the subscription agent to be received before 5:00 PM

Eastern Time, on December 15, 2017. You may deliver the documents and payments by first class mail or courier service. If you use first class mail for this purpose, we recommend using registered mail, properly insured, with return receipt requested.

If you are a beneficial owner of shares that are registered in the name of a broker, dealer, custodian bank, or other nominee, you should instruct your broker, dealer, custodian bank, or other nominee to exercise your subscription rights on your behalf. Please follow the instructions of your nominee, who may require that you meet a deadline earlier than 5:00 PM Eastern Time, on December 15, 2017.

If you cannot deliver your rights certificate to the subscription agent prior to the expiration of the rights offering, you may follow guaranteed delivery procedures”.

**Subscription  
Right**

Each subscription right consists of a basic subscription right and an over-subscription privilege.

**Basic  
Subscription  
Right**

Each basic subscription right will entitle you to purchase one unit at the subscription price per share of common stock held by you on the record date of December 1, 2017, subject to proration described elsewhere.

<b>Over-Subscription Privilege</b>	<p>If you exercise your basic subscription rights in full, you may also choose to purchase a portion of any units that are not purchased by our other stockholders through the exercise of their basic subscription rights. You may subscribe for additional units pursuant to this over-subscription privilege, subject to proration described elsewhere.</p>
<b>Backstop Commitment</b>	<p>Raptor/ Harbor Reeds SPV, LLC, a significant shareholder of the Company, (“Raptor”) has agreed to purchase from us a minimum of \$6 million of units not subscribed in the rights offering. Raptor may exercise its basic subscription right and over-subscription privilege as a rights holder in the rights offering (subject to pro-ration as described elsewhere in this prospectus) but has no obligation to do so. The backstop commitment of a minimum of \$6 million will be reduced by the subscription price paid by Raptor for its exercise of the basic subscription right (if any) and over-subscription privilege (if any) in the rights offering. The backstop commitment is scheduled to close not later than the third trading day following the expiration date of the rights offering. As consideration for the backstop commitment, Raptor will receive a minimum of five-year warrants to purchase 750,000 shares of our common stock with an exercise price equal to \$1.50. For further information regarding the backstop commitment and our obligations thereunder, see “the Backstop Commitment”.</p>
<b>Potential Change of Control</b>	<p>Raptor may exercise its basic subscription right and over-subscription privilege as a rights holder in the rights offering (subject to pro-ration as described elsewhere in this prospectus) but has no obligation to do so. The backstop commitment of a minimum of \$6 million will be reduced by the subscription price paid by Raptor for its exercise of the basic subscription right (if any) and over-subscription privilege (if any) in the rights offering. Assuming we receive combined subscriptions from the exercise of subscription rights and from the backstop provider for \$10.5 million by the expiration date, Raptor would acquire a minimum of 3,428,572 shares of our common stock and warrants to purchase 1,714,286 shares of common stock plus additional warrants to purchase 750,000 shares of common stock, following which the backstop provider would beneficially own approximately 31% of our outstanding common stock. Additionally, Raptor will have acquired shares or the right to acquire shares representing 39% of our outstanding shares of common stock on a pre-transaction basis (not taking into account shares acquired by rights holders), triggering a change of control under NYSE American rules and guidance. We also agreed to appoint two persons designated by Raptor to our board of directors, subject to NYSE American approval. The ownership percentage described in this paragraph is based upon our outstanding common stock and the beneficial ownership of backstop provider as of December 1, 2017. The number of shares of our common stock outstanding listed in each case above assumes that (1) all of the other shares of our common stock issued and outstanding on December 1, 2017 will remain issued and outstanding (2) we will not issue any shares of common stock in the period between December 1, 2017 and the closing of this rights offering.</p>
<b>Use of Proceeds</b>	<p>We are conducting the offering to raise capital that we intend to use for repayment of past-due accounts payable, repayment of certain outstanding indebtedness, sales and marketing, and general working capital purposes and to increase our stockholders’ equity to extent required to meet continued listing standards on the NYSE American.</p>
<b>No Fractional Shares</b>	<p>We will not issue fractional shares of common stock in the rights offering. Rights holders will only be entitled to purchase a number of units representing a whole number of shares of</p>

common stock, rounded down to the nearest whole number of units a holder would otherwise be entitled to purchase. Any excess subscription payments received by the subscription agent will be returned as soon as practicable after expiration of the rights offering, without interest or penalty. Similarly, no fractional shares of common stock will be issued in connection with the exercise of a warrant. If, upon exercise of a warrant, the holder thereof would be entitled to receive a fractional share of common stock, upon exercise, the holder will only be entitled to receive a whole number of shares of common stock, rounded down to the nearest whole number.

**Non-Transferability of Subscription Rights** The subscription rights may not be sold, transferred, assigned or given away to anyone. The subscription rights will not be listed for trading on any stock exchange or market. The warrants will not be listed for trading on any stock exchange or market.

**Transferability of Warrants** Subject to applicable laws and the restriction on transfer set forth in the warrant, the warrant may be transferred at the option of the holder upon surrender of the warrant to us together with the appropriate instruments of transfer. The warrants will not be listed for trading on any stock exchange or market.

You may only purchase the number of whole units purchasable upon exercise of the number of basic subscription rights distributed to you in the rights offering, plus the over-subscription privilege, if any. Accordingly, the number of units that you may purchase in the rights offering is limited by the number of shares of our common stock you held on the record date and by the extent to which other stockholders exercise their basic subscription rights and over-subscription privileges, which we cannot determine prior to completion of the rights offering.

**Limitations on Exercise** In the event that the exercise by a stockholder of the basic subscription right or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company's ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Internal Revenue Code of 1986, as amended, which we refer to as the "Code", and rules promulgated by the Internal Revenue Service, the Company may, but is under no obligation to, reduce the exercise by such stockholder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company's ability to use the Tax Attributes.

**Record Date** 5:00 p.m., Eastern Time, on December 1, 2017

**Expiration of the Rights Offering** 5:00 p.m., Eastern Time, on December 15, 2017

**Use of Proceeds**

We are conducting the rights offering to raise capital that we intend to use for repayment of past-due accounts payable, repayment of certain outstanding indebtedness, sales and marketing, and general working capital purposes. We also require funding of the minimum offering amount to increase our stockholders' equity sufficiently to meet continued listing standards of the NYSE American. See "Use of Proceeds".

**No Board Recommendation**

Our board of directors is not making a recommendation regarding your exercise of the subscription rights. You are urged to make your decision to invest based on your own assessment of our business and the rights offering. Please see "Risk Factors" for a discussion of some of the risks involved in investing in our securities.

**No Revocation**

All exercises of subscription rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights and even if the rights offering is extended for a period not to exceed 20 days by our board of directors.

**U.S. Federal Income Tax Considerations**

Our U.S. tax counsel, Libertas Law Group, Inc., is of the opinion that the rights offering will not be part of a disproportionate distribution, but certain aspects of that determination are not certain. This position is not binding on the Internal Revenue Service (the "IRS") or the courts, however. You should consult your own tax advisor as to the tax consequences of the rights offering in light of your particular circumstances. See "Material U.S. Federal Income Tax Consequences" on page 45. For further information, please see "Material U.S. Federal Income Tax Consequences".

**Extension, Cancellation and Amendment**

Although we do not presently intend to do so, we may extend the rights offering for a period not to exceed 20 days. Our board of directors may for any reason terminate the rights offering at any time before the completion of the rights offering. In addition, if we do not receive combined subscriptions from the exercise of subscription rights and from the backstop provider for \$10.5 million by the expiration date, we will cancel the offering and you will receive a refund of the money you have advanced, without interest.



**Subscription Agent** Continental Stock Transfer & Trust Company

**Information Agent** Okapi Partners LLC

**Dealer-Manager** Maxim Group LLC

**Risk Factors** You should carefully read and consider the risk factors beginning on page 17 of this prospectus, together with all of the other information included in or incorporated by reference into this prospectus, before you decide to exercise your subscription rights to purchase shares of our common stock.

**Distribution Arrangements** Maxim Group LLC is the dealer-manager for the rights offering. The dealer-manager will provide marketing assistance and advice to us in connection with the rights offering and will use its best efforts to solicit the exercise of subscription rights and participation in the over-subscription privilege. The dealer-manager is not underwriting or placing any of the subscription rights or the units, shares of common stock or warrants to be issued in the rights offering, and does not make any recommendation with respect to such subscription rights (including with respect to the exercise or expiration of such subscription rights), units, shares of common stock or warrants. We have agreed to pay the dealer-manager certain fees and to reimburse the dealer-manager for certain out-of-pocket expenses incurred in connection with this offering. See “Plan of Distribution” on page 53 for a discussion of the fees and expenses to be paid to the dealer-manager in connection with this rights offering.

**NYSE American Trading Symbol** REED

**Questions** If you have any questions about the rights offering, including questions about subscription procedures and requests for additional copies of this prospectus or other documents, please contact the subscription agent, Continental Stock Transfer & Trust Company at (917) 262-2378 or the information agent, Okapi Partners LLC, at (212) 297-0720, (888) 785-6617 (toll free) or [info@okapipartners.com](mailto:info@okapipartners.com).

## **Risk Factors**

Before you invest in the offering, you should be aware that there are risks associated with your investment, including the risks described in the section entitled “Risk Factors” beginning on page 17 of this prospectus, including, without limitation, the risks related to our growth strategy, risks related to our business and risks related to the beverage industry. You should carefully read and consider the risk factors contained in this prospectus, together with all of the other information included in or incorporated by reference into this prospectus, before you decide to exercise your subscription rights to purchase shares of our common stock.