

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 21, 2022

AIADVERTISING, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

000-13215

(Commission File Number)

30-0050402

IRS Employer
Identification No.)

321 Sixth Street
San Antonio, TX

(Address of Principal Executive Offices)

78215

(Zip Code)

(805) 964-3313

(Registrant's telephone number, including area code)

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
N/A	N/A	N/A

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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective July 21, 2022, Andrew Van Noy resigned as President and Chief Executive Officer of AiAdvertising, Inc. (the "Company"). Mr. Van Noy will continue to serve as Chairman of the Company's board of directors.

On July 21, 2022, Gerard Hug, age 55, was appointed as Director and Chief Executive Officer of the Company. Prior to being appointed as CEO and Director of the Company, Mr. Hug was Director of Operations from July 2018, where he was instrumental in architecting and executing the Company's pivot from a traditional agency to an Enterprise Software Technology company, focused on commercializing Artificial Intelligence and Machine Learning in the Digital Marketing and Advertising space. Mr. Hug was previously Chief Executive Officer and Director of SITO Mobile from November 10, 2014 through February 2017, where he architected and executed the successful transformation of the company from a SMS aggregator to an industry leader in Location-Based Mobile Advertising. Mr. Hug also served as Director of Corporate Development, Executive Vice President of SITO Mobile Interim CEO, before his promotion to CEO in November 2014. Between 2007 and 2010, Mr. Hug was the co-founder and President of Waveyard Development LLC, a water-sports resort destination development company. From 2003 to June 2006, Mr. Hug served as Executive Vice President and Chief Strategy Officer of Wireless Retail Inc., a \$400 million wireless services company that was among the first U.S. businesses to use the store-in-store business model to sell mobile phones for wireless carriers through large nationwide retailers. Mr. Hug was interim CFO for Wireless Retail Inc. leading up to its sale to Radio Shack Corporation. From 2002 to 2004, Mr. Hug was Managing Partner of Redwood Partners, an early-stage merchant bank and advisory firm that focused on providing early-stage capital and executive management to technology, media and telecommunications businesses. Mr. Hug attended The Pennsylvania State University where he studied finance on a full athletic scholarship, and was a member of the 1986 National Championship football team under legendary coach Joe Paterno.

The Board has concluded that Mr. Hug is qualified to serve as a director because of the depth of his industry experience and his extensive experience as an executive in the digital marketing space.

In connection with Mr. Hug's appointment, the Company entered into an employment offer letter ("Employment Offer Letter") with Mr. Hug. Pursuant to the Employment Offer Letter, Mr. Hug received a signing bonus of \$100,000 and will receive an annual base salary of \$375,000. After 12 months of employment, Mr. Hug will receive a performance and compensation review by the Company's compensation committee of the board of directors of the Company. He will also be eligible for an annual bonus of up to \$375,000, upon meeting objectives set by the board of directors.

The foregoing description of the Employment Offer Letter is qualified by reference to the full text of the Employment Offer Letter, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Exhibit
10.1	Employment Offer Letter
99.1	Press Release
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 thereunto duly authorized.

AIADVERTISING, INC.

Date: July 26, 2022

By: /s/ Gerard Hug
Name: Gerard Hug
Title: Chief Executive Officer



Employment Offer

July 21, 2022

AiAdvertising, Inc.
321 6th Street
San Antonio, TX 78215

Gerard (Jerry) Hug

Dear Mr. Hug,

Please consider this letter as an official offer of employment as Chief Executive Officer for AiAdvertising, Inc. with the goal of increasing shareholder value. You will report directly to the Board of Directors. As the CEO, you will be responsible for the day-to-day operations of the Company. Primarily, you will focus on the overall vision and long-term strategy of the Company, oversee the sales and revenue efforts, manage the P&L, manage the public market activities, be responsible for fundraising and increasing shareholder value. You will work with your direct reports to ensure that each area of the business is being managed properly and goals are being achieved.

As CEO, the Board will expect that you have an operating plan each year that can be measured each quarter. You will report Company performance against that plan at least quarterly to the Board, or as frequently as the Board deems it in their best interest.

We are offering you a base salary of \$375,000 which will be subject to deductions for taxes and other withholdings as required by law, or the policies of the company. This Salary will begin July 1, 2022. The company's payroll is on a semi-monthly basis; please see the compensation breakdown below:

Table with 2 columns: Compensation Component, Amount. Rows include Annual pay (\$375,000.00), Sign on Bonus (\$100,000), and Annual Bonus (Up to \$375,000 annually).

After 12 months of employment, you will receive a performance and compensation review by the Compensation Committee to adjust as necessary.

AiAdvertising, Inc. | http://www.aiadvertising.com/ | 321 Sixth Street, San Antonio, TX 78215

Employment Offer

Pg. 2

You may keep your current health benefits package or any other 401(k) program you are enrolled with.

All employee benefits are subject to periodic company review and can be changed with or without notice. We prefer your work hours to be from 9:00 a.m – 6:00 p.m. with a maximum of an hour lunch in between.

The Board will review and approve all budgets for the CEO, and request quarterly reports from the CFO.

Upon signing this document you acknowledge that this employment offer letter represents the entire agreement between you and AiAdvertising, Inc. and that no verbal or written agreements, promises or representations that are not specifically stated in this employment offer letter, are or will be binding upon AiAdvertising, Inc.

If you agree with the above employment offer details, please sign below and return the employment offer to us as soon as possible.

Signature line for Jerry Hug, dated July 21, 2022.

Signature line for Andrew VanNoy, dated July 21, 2022.

AiAdvertising, Inc. | http://www.aiadvertising.com/ | 321 Sixth Street, San Antonio, TX 78215

Exhibit A- Bonus Plan

- 1. \$100,000 bonus for accepting the role as CEO.
2. Bonus structure (pro-rated thru December 31, 2022)
a. The following targets will be used to measure the bonus structure:
i. Net Revenue target of \$5.6 million (1/3). Net revenue shall be defined as gross revenue minus any Ex-TAC (traffic acquisition cost of media) and any pass through costs. Component Value = \$125,000

- ii. 25 Total SaaS Customers through the end of 2022, each paying a minimum of \$10,000 per month (1/3). Component Value = \$125,000
- iii. Cashflow positive each month through the EOY 2022. (1/3) Component Value = \$125,000

Base Salary		\$375,000
% of Goal	Bonus Payout	Amount of Bonus
Less than 90 %		\$0
90	50%	\$187,500
91	55%	\$206,250
92	60%	\$225,000
93	65%	\$243,750
94	70%	\$262,500
95	75%	\$281,250
96	80%	\$300,000
97	85%	\$318,750
98	90%	\$337,500
99	95%	\$356,250
100	100%	\$375,000
101	102%	\$382,500
102	104%	\$390,000
103	106%	\$397,500
104	108%	\$405,000
105	110%	\$412,500
106	112%	\$420,000
107	114%	\$427,500
108	116%	\$435,000
109	118%	\$442,500
110	120%	\$450,000

AiAdvertising, Inc. | <http://www.aiadvertising.com/> | 321 Sixth Street, San Antonio, TX 78215

Exhibit B- Health Benefits Plan

Please refer to the "Health Benefits Overview 2022" PDF

AiAdvertising, Inc. | <http://www.aiadvertising.com/> | 321 Sixth Street, San Antonio, TX 78215

AiAdvertising Announces Appointment of Jerry Hug as CEO**AiAdvertising, Inc.**

Tue, July 26, 2022 at 8:31 AM

In this article:

Finance and Technology Industry Veteran and Driving Force Behind the Creation of the Campaign Measurement Platform, a Revolutionary Industry Solution, to Lead the Company

SAN ANTONIO, July 26, 2022 (GLOBE NEWSWIRE) -- AiAdvertising, Inc. (AIAD), an advertising technology company offering innovative solutions through the use of artificial intelligence (AI), machine learning (ML), and data science, announced today that it has appointed Jerry Hug as CEO. Hug is recognized as the driving force behind the development of the Company's flagship campaign measurement platform, a cloud-hosted ad management solution leveraging AI that enables marketers to easily plan, predict, execute, and scale personalized advertising campaigns. In addition to his appointment as CEO, Hug joins AiAdvertising's Board of Directors.

"I am pleased that the Board has recognized Jerry's past contributions as Director of Operations and appointed him to oversee our Company," stated Andrew Van Noy, Chairman of the Board and former CEO of AiAdvertising. "Our campaign measurement platform is considered by many in our industry to be one of the most innovative, efficient, and advanced solutions for marketers today. We would not be where we are today without Jerry's vision and management skills. Under his leadership, I am confident that AiAdvertising will become one of the top advertising technology companies in the country."

"I would like to thank Andrew and the entire board for this vote of confidence," said Hug. "We have an enormous opportunity in front of us to leverage artificial intelligence and machine learning to develop a comprehensive solution that marketers come to rely on. As I step into this new role, trust that I will be focused on creating value for both our shareholders and our clients."

Hug brings over 30 years of finance and technology experience to his appointment as CEO. Prior to his new role, he was the Director of Operations at AiAdvertising. Previously, Hug held a variety of leadership positions. This included being Executive Vice President Corporate Development at Single Touch Systems, Inc., where he was appointed as CEO and orchestrated a successful repositioning of the company as a leader in the Location-Based Mobile Advertising category. As CEO, he was also instrumental in its successful uplisting to The Nasdaq Capital Market.

About AiAdvertising

AiAdvertising, Inc. (AIAD) is an advertising technology company offering innovative solutions through the use of artificial intelligence (AI), machine learning (ML), and data science. Its flagship solution, the Ai Ad Platform, is the digital ad industry's first cloud-hosted ad management platform that leverages AI, enabling marketers to eliminate waste, predict winning creative, dynamically scale creative, generate more leads, acquire more customers, and increase ROI. For more information about the Company, please visit www.AiAdvertising.com or our LinkedIn or Twitter pages.

Forward-Looking Statements

This press release may contain "forward-looking statements." Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements are included in our filings with the Securities and Exchange Commission, including the "Risk Factors" section of our annual report on Form 10-K for the year ended December 31, 2020. Any forward-looking statement made by us in this release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as may be required under applicable law.

Contacts:**Investor Contact:**

Larry Holub/Chris Tyson
312-261-6412
AIAD@mzgroup.us
www.mzgroup.us

Press Contact:

Kati Waldenburg
973-924-9797
kati.waldenburg@mzgroup.us
