

LA JOLLA PHARMACEUTICAL CO
Form 8-K
July 05, 2011

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 30, 2011

La Jolla Pharmaceutical Company

(Exact name of registrant as specified in its charter)

Delaware

0-24274

33-0361285

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

4365 Executive Drive, Suite 300, San Diego,
California

92121

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(858) 452-6600

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:

- 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))

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Item 1.01 Entry into a Material Definitive Agreement.

On June 30, 2011, La Jolla Pharmaceutical Company (La Jolla or the Company) entered into an Amendment Agreement (the Amendment Agreement), dated as of June 30, 2011, with the holders of a majority of the Company's outstanding preferred stock (the Holders) in order to provide the Company with additional working capital to allow the Company to more fully evaluate certain product acquisition or in-licensing opportunities that are currently being investigated.

Pursuant to the Amendment Agreement, the Holders agreed to waive the dividends that would otherwise accrue on the outstanding Series C-1¹ Convertible Preferred Stock and Series C-2¹ Convertible Preferred Stock (the Series C Preferred Stock) held of record by the Holders. The waiver of dividends will retroactively take effect as of June 1, 2011 and continue through August 31, 2011, after which time dividends will begin to accrue again on the Series C Preferred Stock as set forth in Article III.A. of the New Certificate of Designations (as defined in the Amendment Agreement). The Holders have also agreed to provide the Company with additional working capital by July 29, 2011, in an amount to be determined, if the Requisite Holders (as defined in the Amendment Agreement) determine by July 22, 2011 that, as of such date, the Company is continuing to pursue a Strategic Transaction (as defined in the Amendment Agreement). Additionally, the Holders have agreed to purchase up to all of the outstanding Series C Preferred Stock and certain warrants held by current and former Company employees, including the Officers (defined below), who will have the right to require the Holders to purchase these securities for a limited period of time following the employee's termination of service with the Company.

As a partial inducement to cause the Holders to enter into the Amendment Agreement, the Company's two executive officers (the Officers) agreed to temporarily reduce their salaries from July 1, 2011 through August 31, 2011 as follows: Deirdre Gillespie, M.D., Chief Executive Officer, by a total of \$31,200, and Gail Sloan, Chief Financial Officer, by a total of \$6,109. In connection with this reduction in salary, the Officers will have a corresponding reduction in total work hours during this time, resulting in a 50% reduction for Dr. Gillespie and a 20% reduction for Ms. Sloan.

A copy of the Amendment Agreement is filed herewith as Exhibit 10.1 and the foregoing summary of the Amendment Agreement is qualified with reference to the full text of the Amendment Agreement, which is incorporated herein by reference.

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

The disclosure set forth above in the third paragraph of Item 1.01 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Amendment Agreement by and among La Jolla Pharmaceutical Company and the undersigned parties thereto, dated as of June 30, 2011.

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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.

La Jolla Pharmaceutical Company

July 5, 2011

By: */s/ Gail A. Sloan*

Name: Gail A. Sloan

Title: Chief Financial Officer and Secretary

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Exhibit Index

Exhibit No.	Description
10.1	Amendment Agreement by and among La Jolla Pharmaceutical Company and the undersigned parties thereto, dated as of June 30, 2011.