

Onconova Therapeutics, Inc.
Form 8-K
October 08, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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): **October 8, 2015**

Onconova Therapeutics, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

001-36020
(Commission
File Number)

22-3627252
(I.R.S. Employer
Identification No.)

375 Pheasant Run
Newtown, PA 18940

Edgar Filing: Onconova Therapeutics, Inc. - Form 8-K

(267) 759-3680

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement.

On October 8, 2015, Onconova Therapeutics, Inc. (the Company) entered into a purchase agreement (the Purchase Agreement), and a registration rights agreement (the Registration Rights Agreement) with Lincoln Park Capital Fund, LLC (Lincoln Park).

Upon signing of the Purchase Agreement, Lincoln Park made an initial purchase of 846,755 shares of the Company's common stock, par value \$0.01 per share (Common Stock) from the Company for \$1,500,000. Under the terms and subject to the conditions of the Purchase Agreement, the Company has the right to sell to and Lincoln Park is obligated to purchase up to an additional \$15,000,000 in amounts of shares of Common Stock, subject to certain limitations, from time to time, over the 36-month period commencing on the date that a registration statement, which the Company agreed to file with the Securities and Exchange Commission (the SEC) pursuant to the Registration Rights Agreement, is declared effective by the SEC and a final prospectus in connection therewith is filed (the Commencement Date). The Company may direct Lincoln Park, at its sole discretion and subject to certain conditions, to purchase up to 100,000 shares of Common Stock on any business day, increasing to up to 250,000 shares depending upon the closing sale price of the Common Stock (such purchases, Regular Purchases). However, in no event shall a Regular Purchase be more than \$1,000,000. The purchase price of shares of Common Stock related to the future funding will be based on the prevailing market prices of such shares at the time of sales. In addition, the Company may direct Lincoln Park to purchase additional amounts as accelerated purchases if on the date of a Regular Purchase the closing sale price of the Common Stock is not below the threshold price as set forth in the Purchase Agreement. The Company's sales of shares of Common Stock to Lincoln Park under the Purchase Agreement are limited to no more than the number of shares that would result in the beneficial ownership by Lincoln Park and its affiliates, at any single point in time, of more than 4.99% of the then-outstanding shares of the Common Stock, which limit will increase to 9.99% 180 days after the Commencement Date.

Pursuant to the terms of the Purchase Agreement and to comply with the stockholder approval rules of the NASDAQ Global Select Market, the number of shares issued to Lincoln Park thereunder shall not exceed 19.99% of the Company's shares outstanding on October 8, 2015 unless the approval of the Company's stockholders is obtained. This limitation shall not apply if the average price paid for all shares issued and sold under the Purchase Agreement is equal to or greater than \$1.556. The Company is not required or permitted to issue any shares of Common Stock under the Purchase Agreement if such issuance would breach the Company's obligations under the rules or regulations of the NASDAQ Global Select Market.

As consideration for entering into the Purchase Agreement, the Company issued to Lincoln Park 200,000 shares of Common Stock. Lincoln Park represented to the Company, among other things, that it was an accredited investor (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the Securities Act)), and the Company sold the securities in reliance upon an exemption from registration contained in Section 4(2) under the Securities Act. The securities sold may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The Purchase Agreement and the Registration Rights Agreement contain customary representations, warranties, agreements and conditions to completing future sale transactions, indemnification rights and obligations of the parties. The Company has the right to terminate the Purchase Agreement at any time, at no cost or penalty. Actual sales of shares of Common Stock to Lincoln Park under the Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the Common Stock and determinations by the Company as to the appropriate sources of funding for the Company and its operations. With respect to regular purchases, there are no trading volume requirements or restrictions under the Purchase Agreement. Lincoln Park has no right to require any sales by the Company, but is obligated to make purchases from the Company as it directs in accordance with the Purchase Agreement. Lincoln Park has covenanted not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of Company shares.

Edgar Filing: Onconova Therapeutics, Inc. - Form 8-K

The net proceeds under the Purchase Agreement to the Company will depend on the frequency and prices at which the Company sells shares of its stock to Lincoln Park. The Company expects that any proceeds received by the Company from such sales to Lincoln Park under the Purchase Agreement will be used for general corporate purposes and working capital requirements.

This current report on Form 8-K shall not constitute an offer to sell or a solicitation of an offer to buy any shares of Common Stock, nor shall there be any sale of shares of Common Stock in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

The foregoing descriptions of the Purchase Agreement and the Registration Rights Agreement are qualified in their entirety by reference to the full text of the Purchase Agreement and the Registration Rights Agreement, copies of which are attached hereto as Exhibit 10.1 and 10.2, respectively, and each of which is incorporated herein in its entirety by reference. The representations, warranties and covenants contained in such agreements were made only for purposes of such agreements and as of specific dates, were solely for the benefit of the parties to such agreements, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with execution of the agreements.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained above in Item 1.01 is hereby incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Purchase Agreement between the Company and Lincoln Park Capital Fund, LLC, dated October 8, 2015.

10.2 Registration Rights Agreement between the Company and Lincoln Park Capital Fund, LLC, dated October 8, 2015.

99.1 Press Release, dated October 8, 2015.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 8, 2015

Onconova Therapeutics, Inc.

By:	/s/ Ajay Bansal	
Name:		Ajay Bansal
Title:		Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Purchase Agreement between the Company and Lincoln Park Capital Fund, LLC, dated October 8, 2015.
10.2	Registration Rights Agreement between the Company and Lincoln Park Capital Fund, LLC, dated October 8, 2015.
99.1	Press Release, dated October 8, 2015.