

Precipio, Inc.
Form SC 13D/A
September 14, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Amendment No. 9)*
Under the Securities Exchange Act of 1934

PRECIPIO, INC.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

74019L107
(CUSIP Number)

Third Security, LLC
1881 Grove Avenue
Radford, Virginia 24141
Attention: Marcus E. Smith, Esq.
(540) 633-7900
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

Copy to:
David I. Meyers, Esq.
Troutman Sanders LLP
Troutman Sanders Building
1001 Haxall Point
Richmond, Virginia 23219
(804) 697-1239

September 12, 2018
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 74019L107 Page 2 of 8

NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF
ABOVE PERSONS

1

RANDAL J. KIRK

CHECK THE APPROPRIATE BOX IF
A MEMBER OF GROUP

2

(a)
(b) T

3

SEC USE ONLY

SOURCE OF FUNDS

4

PF

CHECK IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR
2(e)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

United States

7 SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

1,140,019

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

1,140,019

SHARED DISPOSITIVE POWER

10

0

11

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH

REPORTING PERSON

1,140,019

12

CHECK IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

4.8%

14

TYPE OF REPORTING PERSON
IN

CUSIP No. 74019L107 Page 3 of 8

NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF
ABOVE PERSONS

1
THIRD SECURITY, LLC
I.R.S. IDENTIFICATION NO.:
54-1923091

2
CHECK THE APPROPRIATE BOX IF
A MEMBER OF GROUP

(a)
(b) T

3
SEC USE ONLY

4
SOURCE OF FUNDS

WC

5
CHECK IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR
2(e)

6
CITIZENSHIP OR PLACE OF
ORGANIZATION

Virginia

7 SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER

1,140,019

0

9 SOLE DISPOSITIVE POWER

1,140,019

SHARED DISPOSITIVE POWER

10

0

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON
1,140,019

12 CHECK IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)
4.8%

14 TYPE OF REPORTING PERSON
OO – limited liability company

CUSIP No. 74019L107 Page 4 of 8

NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF
ABOVE PERSONS

1 THIRD SECURITY SENIOR STAFF
2008 LLC
I.R.S. IDENTIFICATION NO.:
26-1868899

2 CHECK THE APPROPRIATE BOX IF
A MEMBER OF GROUP
(a)
(b) T

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR
2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION

Virginia

7 SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

456,007

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON
456,007

12 CHECK IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)
1.9%

14 TYPE OF REPORTING PERSON
OO – limited liability company

CUSIP No. 74019L107 Page 5 of 8

NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF
ABOVE PERSONS

1
THIRD SECURITY STAFF 2010 LLC
I.R.S. IDENTIFICATION NO.:
27-3853493

2
CHECK THE APPROPRIATE BOX IF
A MEMBER OF GROUP

(a)

(b) T

3
SEC USE ONLY

4
SOURCE OF FUNDS

WC

5
CHECK IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR
2(e)

6
CITIZENSHIP OR PLACE OF
ORGANIZATION

Virginia

7 SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER

440,018

0

9 SOLE DISPOSITIVE POWER

440,018

SHARED DISPOSITIVE POWER

10

0

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON
440,018

12 CHECK IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)
1.9%

14 TYPE OF REPORTING PERSON
OO – limited liability company

This Amendment No. 9 (this “Amendment”) amends and supplements the Statement on Schedule 13D, dated December 29, 2010 and filed on January 11, 2011, as amended by Amendment No. 1 dated February 3, 2012 and filed on February 7, 2012, Amendment No. 2 dated January 25, 2013 and filed on January 31, 2013, Amendment No. 3 dated March 5, 2014 and filed on March 7, 2014, Amendment No. 4 dated January 6, 2016 and filed on January 12, 2016, Amendment No. 5 dated April 7, 2017 and filed on April 11, 2017, Amendment No. 6 dated June 8, 2017 and filed on June 12, 2017, Amendment No. 7 dated June 29, 2017 and filed on July 3, 2017, and Amendment No. 8 dated August 28, 2018 and filed on September 5, 2018 (the “Original Schedule 13D”), relating to the Common Stock, par value \$0.01 per share (the “Common Stock”), of Precipio, Inc., a Delaware corporation (the “Company”). Mr. Randal J. Kirk (“Mr. Kirk”), Third Security, LLC, a Virginia limited liability company that is managed by Mr. Kirk (“Third Security”), Third Security Senior Staff 2008 LLC, a Virginia limited liability company that is managed by Third Security (“Senior Staff”), and Third Security Staff 2010 LLC, a Virginia limited liability company that is managed by Third Security (“Staff 2010” and, together with Senior Staff, Mr. Kirk and Third Security, the “Reporting Persons”), are filing this Amendment to disclose the sale of an aggregate of 625,932 shares of Common Stock held by Senior Staff, Staff 2010, Third Security Incentive 2010 LLC, a Virginia limited liability company that is managed by Third Security (“Incentive 2010”) and Third Security Staff 2014 LLC, a Virginia limited liability company that is managed by Third Security (“Staff 2014”, and, together with Senior Staff, Staff 2010 and Incentive 2010, the “Selling Entities”), in open market transactions between August 28, 2018 and September 13, 2018. Mr. Kirk could be deemed to have indirect beneficial ownership of the shares of Common Stock directly beneficially owned by the Selling Entities. The filing of this Amendment No. 9 represents the final amendment to the Original Schedule 13D and constitutes an exit filing for the Reporting Persons.

Item 4. Purpose of Transaction.

Item 4 of the Original Schedule 13D is hereby amended and supplemented as follows:

The information set forth in Items 3 and 6 is incorporated herein by reference.

The Reporting Persons are filing this Amendment to disclose the following sales: (i) 250,373 shares of Common Stock held by Senior Staff, in open market transactions between August 28, 2018 and September 13, 2018, for aggregate net proceeds of approximately \$97,384; (ii) 237,638 shares of Common Stock held by Staff 2010, in open market transactions between August 28, 2018 and September 13, 2018, for aggregate net proceeds of approximately \$92,430; (iii) 125,186 shares of Common Stock held by Incentive 2010, in open market transactions between August 28, 2018 and September 13, 2018, for aggregate net proceeds of approximately \$48,692; and (iv) 12,735 shares of Common Stock held by Staff 2014, in open market transactions between August 28, 2018 and September 13, 2018, for aggregate net proceeds of approximately \$4,953.

Pursuant to a joint selling program, the Selling Entities sold these shares on a pro rata basis.

Item 5. Interest in Securities of the Issuer.

Item 5 of the Original Schedule 13D is hereby amended and restated in its entirety as follows:

The information contained on the cover pages to this Statement and the information set forth or incorporated in Items 2, 3, 4 and 6 is incorporated herein by reference.

(a) and (b) See Items 11 and 13 of the cover pages to this Statement for the aggregate number of shares and percentage of issued and outstanding shares of Common Stock beneficially owned by the Reporting Persons. The percentage ownership is calculated based on 23,155,872 shares of Common Stock issued and outstanding as reported on the Company's Form 10-Q for the period ending June 30, 2018 and filed with the SEC on August 16, 2018 and increased by 406,830 shares of Common Stock, which is the aggregate number of shares of Common Stock issuable upon the exercise of all warrants to purchase Common Stock held by the Reporting Persons that may be exercised within 60 days.

| Reporting Person | Amount of Common Stock Beneficially Owned ⁽¹⁾ | Percent of Class | Sole Power to Vote or Direct the Vote ⁽¹⁾ | Shared Power to Vote or Direct the Vote | Sole Power to Dispose or to Direct the Disposition ⁽¹⁾ | Shared Power to Dispose or to Direct the Disposition |
|--------------------------------------|--|------------------------|--|--|--|---|
| Randal J. Kirk ⁽²⁾ | 1,140,019 | 4.8 | % 1,140,019 | — | 1,140,019 | — |
| Third Security, LLC ⁽²⁾ | 1,140,019 | 4.8 | % 1,140,019 | — | 1,140,019 | — |
| Third Security Senior Staff 2008 LLC | 456,007 | 1.9 | % 456,007 | — | 456,007 | — |
| Third Security Staff 2010 LLC | 440,018 | 1.9 | % 440,018 | — | 440,018 | — |

(1) Assumes the full exercise of all warrants to purchase Common Stock held by the Reporting Persons that may be exercised within 60 days.

(2) Includes shares of Common Stock held by the Selling Entities.

Mr. Kirk could be deemed to have indirect beneficial ownership of the shares of Common Stock directly beneficially owned by the Selling Entities and set forth in the table above.

(c) Other than the transactions as reported herein, the Reporting Persons have not engaged in any transactions in the Company's Common Stock in the past sixty (60) days.

(d)-(e) Not Applicable

Item 7. Material to be Filed as Exhibits.

Item 7 of the Original Schedule 13D is hereby amended and supplemented by the following:

Exhibit 36 Joint Filing Agreement, dated as of September 14, 2018, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC and Third Security Staff 2010 LLC

SIGNATURES

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: September 14, 2018

/s/ Randal J. Kirk
Randal J. Kirk

THIRD SECURITY,
LLC

By: /s/ Randal J. Kirk
Randal J. Kirk
Manager

THIRD SECURITY
SENIOR STAFF
2008 LLC

By: /s/ Randal J. Kirk
Randal J. Kirk
Manager

THIRD SECURITY
STAFF 2010 LLC

By: /s/ Randal J. Kirk
Randal J. Kirk
Manager

EXHIBIT INDEX

- Exhibit 1 Series A Convertible Preferred Stock Purchase Agreement, dated December 29, 2010, by and among Transgenomic, Inc. (the “Company”), Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC (filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K, dated December 28, 2010, and incorporated herein by reference)
- Exhibit 2 Form of Warrant (filed as Exhibit 4.2 to the Company’s Current Report on Form 8-K, dated December 28, 2010, and incorporated herein by reference)
- Exhibit 3 Certificate of Designation of Series A Convertible Preferred Stock dated as of December 28, 2010 (filed as Exhibit 3.1 to the Company’s Current Report on Form 8-K, dated December 28, 2010, and incorporated herein by reference)
- Exhibit 4 Registration Rights Agreement, dated December 29, 2010, by and among the Company, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC (filed as Exhibit 4.3 to the Company’s Current Report on Form 8-K, dated December 28, 2010, and incorporated herein by reference)
- Exhibit 5 Joint Filing Agreement, dated as of January 10, 2011, by and among Randal J. Kirk, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC (filed with Original Schedule 13D)
- Exhibit 6 Convertible Promissory Note Purchase Agreement by and among Transgenomic, Inc.; Third Security Senior Staff 2008 LLC; Third Security Staff 2010 LLC; and Third Security Incentive 2010 LLC dated December 30, 2011 (filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated January 6, 2012, and incorporated herein by reference)
- Exhibit 7 Convertible Promissory Note by and between Transgenomic, Inc. and Third Security Senior Staff 2008 LLC dated December 30, 2011 (filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K, dated January 6, 2012, and incorporated herein by reference)
- Exhibit 8 Convertible Promissory Note by and between Transgenomic, Inc. and Third Security Staff 2010 LLC dated December 30, 2011 (filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K, dated January 6, 2012, and incorporated herein by reference)
- Exhibit 9 Convertible Promissory Note by and between Transgenomic, Inc. and Third Security Incentive 2010 LLC dated December 30, 2011 (filed as Exhibit 10.4 to the Company’s Current Report on Form 8-K, dated January 6, 2012, and incorporated herein by reference)
- Exhibit 10 Form of Warrant issued by Transgenomic, Inc. to Third Security Senior Staff 2008 LLC; Third Security Staff 2010 LLC; and Third Security Incentive 2010 LLC on February 3, 2012 (filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K, dated February 7, 2012, and incorporated herein by reference)
- Exhibit 11 Registration Rights Agreement by and among Transgenomic, Inc., certain investors and the Investors (filed as Exhibit 10.4 to the Company’s Current Report on Form 8-K, dated February 7, 2012, and incorporated herein by reference)
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- Exhibit 12 Joint Filing Agreement, dated as of February 7, 2012, by and among Randal J. Kirk, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC (filed with Original Schedule 13D)
- Exhibit 13 Securities Purchase Agreement by and among Transgenomic, Inc. certain investors and the Investors, dated January 25, 2013 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K/A, dated January 30, 2013, and incorporated herein by reference)
- Exhibit 14 Form of Warrant issued by Transgenomic, Inc. to certain investors and the Investors (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K/A, dated January 30, 2013, and incorporated herein by reference)
- Exhibit 15 Registration Rights Agreement by and among Transgenomic, Inc., certain investors and the Investors (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K/A, dated January 30, 2013, and incorporated herein by reference)
- Exhibit 16 Joint Filing Agreement, dated as of January 31, 2013, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC
- Exhibit 17 Securities Purchase Agreement by and among the Company and the Investors, dated March 5, 2014 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K/A, dated March 5, 2014 and filed on March 6, 2014, and incorporated herein by reference)
- Exhibit 18 Registration Rights Agreement by and among the Company and the Investors (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K/A, dated March 5, 2014 and filed on March 6, 2014, and incorporated herein by reference)
- Exhibit 19 Joint Filing Agreement, dated as of March 7, 2014, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, Third Security Incentive 2010 LLC and Third Security Staff 2014 LLC
- Exhibit 20 Securities Purchase Agreement by and among the Company and the Investors, dated January 6, 2016 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated January 6, 2016 and filed on January 11, 2016, and incorporated herein by reference)
- Exhibit 21 Registration Rights Agreement by and among the Company and the Investors (filed as Exhibit 4.1 to the Company's Current Report on Form 8, dated January 6, 2016 and filed on January 11, 2016, and incorporated herein by reference)
- Exhibit 22 Joint Filing Agreement, dated as of January 12, 2016, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, Third Security Incentive 2010 LLC and Third Security Staff 2014 LLC
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- Exhibit 23 Call Option Agreement by and between Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, Third Security Incentive 2010 LLC, Third Security Staff 2014 LLC and BV Advisory Partners, LLC dated April 7, 2017
- Exhibit 24 Call Option Agreement by and between Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, Third Security Incentive 2010 LLC, Third Security Staff 2014 LLC and Kuzven Precipio Investor, LLC dated April 7, 2017
- Exhibit 25 Joint Filing Agreement, dated as of April 11, 2017, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, Third Security Incentive 2010 LLC and Third Security Staff 2014 LLC
- Exhibit 26 Joint Filing Agreement, dated as of June 12, 2017, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, Third Security Incentive 2010 LLC and Third Security Staff 2014 LLC
- Exhibit 27 Certificate of Designation of Series A Senior Convertible Preferred Stock contained within the Third Amended and Restated Certificate of Incorporation, as amended (filed as Exhibit 3.1 to Item 5.03 to the Company's Current Report on Form 8-K, dated June 29, 2017 and filed June 30, 2017)
- Exhibit 28 Investors' Rights Agreement, dated as of June 28, 2017, by and among Transgenomic, Inc., the Investors and Incentive 2010 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, dated June 29, 2017 and filed June 30, 2017)
- Exhibit 29 Termination and Tenth Amendment to Loan and Security Agreement, by and among the Company, Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC dated February 2, 2017 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated and filed February 2, 2017)
- Exhibit 30 Joint Filing Agreement, dated as of July 3, 2017, by and among Randal J. Kirk, Third Security, LLC, Third Security Senior Staff 2008 LLC and Third Security Staff 2010 LLC
- Exhibit 31 Conversion Agreement by and between Third Security Senior Staff 2008 LLC and Precipio, Inc. dated August 28, 2017
- Exhibit 32 Conversion Agreement by and between Third Security Staff 2010 LLC and Precipio, Inc. dated August 28, 2017
- Exhibit 33 Conversion Agreement by and between Third Security Incentive 2010 LLC and Precipio, Inc. dated August 28, 2017
- Exhibit 34 Form of Warrant by and between Third Security Senior Staff 2008 LLC, Third Security Staff 2010 LLC, and Third Security Incentive 2010 LLC dated August 28, 2017
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Exhibit Joint Filing Agreement, dated as of September 5, 2017, by and among Randal J. Kirk, Third Security, LLC,
35 Third Security Senior Staff 2008 LLC and Third Security Staff 2010 LLC

Exhibit Joint Filing Agreement, dated as of September 14, 2018, by and among Randal J. Kirk, Third Security, LLC,
36 Third Security Senior Staff 2008 LLC and Third Security Staff 2010 LLC
