

BIOSANTE PHARMACEUTICALS INC

Form 10-Q

May 10, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 001-31812

BIOSANTE PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

58-2301143
(IRS Employer Identification Number)

111 Barclay Boulevard
Lincolnshire, Illinois 60069
(Address of principal executive offices)

(847) 478-0500
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of May 10, 2013, 24,422,240 shares of common stock and 65,211 shares of class C special stock of the registrant were outstanding.

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BIOSANTE PHARMACEUTICALS, INC.

FORM 10-Q

MARCH 31, 2013

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This quarterly report on Form 10-Q contains forward-looking statements. For this purpose, any statements contained in this report that are not statements of historical fact may be deemed to be forward-looking statements. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as believe, may, could, would, might, possible, potential, project, will, should, expect, intend, plan, predict, anticipate, estimate, approximate, contemplate and continue, the negative of these words, other words and terms of similar meaning and the use of future dates. In evaluating these forward-looking statements, you should consider various factors, including those listed in this report under the headings Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Forward-Looking Statements and Part II. Item 1A. Risk Factors. These factors may cause BioSante's actual results to differ materially from any forward-looking statement. BioSante assumes no obligation to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

As used in this report, references to BioSante, the company, we, BioSante's or us, unless the context otherwise requires, refer to BioSante Pharmaceuticals, Inc. References to ANI in this report refer to ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. References to the combined company refer to BioSante and its wholly owned subsidiary, ANI, as the surviving entity after the merger and incorporating the merged business of ANI, and, when used in the context of board and management composition and share ownership after the merger, refer to BioSante as the parent company. References to Merger Sub refer to ANI Merger Sub, Inc., a newly formed, wholly owned subsidiary of BioSante.

References to the merger agreement refer to that certain amended and restated agreement and plan of merger dated as of April 12, 2013 among BioSante, Merger Sub and ANI, as amended from time to time. References to the prior merger agreement refer to that certain agreement and plan of merger dated as of October 3, 2012 between BioSante and ANI, which prior merger agreement was superseded and replaced by the merger agreement. References to the merger refer to the merger of Merger Sub with and into ANI, with ANI surviving as the surviving entity and as a wholly owned subsidiary of BioSante as contemplated under the merger agreement.

Except as otherwise noted, references to BioSante common stock refer to shares of common stock, par value \$0.0001 per share, of BioSante, and references to BioSante class C special stock refer to shares of class C special stock, par value of \$0.0001 per share, of BioSante. Except as otherwise noted, references to BioSante capital stock refer to shares of BioSante common stock and BioSante class C special stock. References to BioSante stockholders refer to holders of shares of BioSante common stock and/or shares of BioSante class C special stock. All BioSante share and per share numbers have been adjusted retroactively to reflect the one-for-six reverse stock split effected on June 1, 2012.

Except as otherwise noted, references to ANI series D preferred stock, ANI series C preferred stock, ANI series B preferred stock, ANI series A preferred stock and ANI common stock refer to shares of series D convertible preferred stock, par value \$0.10 per share, of ANI, series C convertible preferred stock, par value \$0.10 per share, of ANI, series B convertible preferred stock, par value \$0.10 per share, of ANI, series A convertible preferred stock, par value \$0.10 per share, of ANI, and common stock, par value \$0.10 per share, of ANI, respectively, and references to ANI preferred stock refer to shares of ANI series D preferred stock, ANI series C preferred stock, ANI series B preferred stock and ANI series A preferred stock, collectively. Except as otherwise noted, references to ANI capital stock refer to shares of ANI preferred stock and ANI common stock. References to ANI stockholders refer to holders of shares of ANI capital stock.

BioSante owns or has rights to various trademarks, trade names or service marks, including BioSante®, LibiGel®, The Pill-Plus and Elestrin. This report also contains trademarks, trade names and service marks that are owned by other persons or entities.

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March 31, 2013 and December 31, 2012 (Unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 29,388,772	\$ 34,794,341
Restricted cash	2,260,100	
Prepaid expenses and other assets	277,874	378,803
	31,926,746	35,173,144
PROPERTY AND EQUIPMENT, NET		166,386
OTHER ASSETS		
Investments	3,413,762	3,413,762
Deposits	15,878	15,878
	\$ 35,356,386	\$ 38,769,170
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 164,352	\$ 1,128,644
Accrued compensation	879,385	1,078,683
Other accrued expenses	112,784	502,452
Current portion of convertible senior notes	8,169,215	7,883,886
TOTAL LIABILITIES	9,325,736	10,593,665
STOCKHOLDERS EQUITY		
Capital stock		
Issued and outstanding		
2013 - 65,211; 2012 - 65,211 Class C special stock	391	391
2013 - 24,422,240; 2012 - 24,422,240 Common stock	273,277,795	273,132,001
	273,278,186	273,132,392
Accumulated deficit	(247,247,536)	(244,956,887)
	26,030,650	28,175,505
	\$ 35,356,386	\$ 38,769,170

See accompanying notes to the condensed financial statements.

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BIOSANTE PHARMACEUTICALS, INC.

Condensed Statements of Operations

Three months ended March 31, 2013 and 2012 (Unaudited)

**Three Months Ended
March 31,
2013 2012**
