

BIOSANTE PHARMACEUTICALS INC

Form 8-K

May 25, 2007

Section 1 — Registrant's Business and Operations

Item 1.01 entry into a Material Definitive Agreement

On May 25, 2007, BioSante Pharmaceuticals, Inc. entered into definitive subscription agreements with certain institutional and other accredited investors, as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, pursuant to which BioSante agreed to sell in a private placement an aggregate of 2,754,999 shares of its common stock and warrants to purchase an aggregate of 688,750 shares of its common stock, at a purchase price of \$6.00 per unit. The warrants are exercisable for a period of three years, beginning six months and one day from the date of issuance, at an exercise price of \$8.00 per share. The number of shares issuable upon exercise of the warrants and the exercise price of the warrants are adjustable in the event of stock splits, combinations and reclassifications, but not in the event of the issuance by BioSante of additional securities. The private placement is expected to be completed upon approval of an Additional Listing Application with the American Stock Exchange.

BioSante has agreed to register the resale of the shares sold in the private placement, including shares issuable upon exercise of the warrants, on a registration statement to be filed by BioSante with the Securities and Exchange Commission under the Securities Act of 1933, as amended. BioSante has agreed to use its reasonable best efforts to file the registration statement with the SEC within 35 days after the closing of the private placement, to cause the registration statement to be declared effective by the SEC within the earlier of 90 days after the closing (120 days if the registration statement is reviewed by the SEC) or the 10th business day following the date on which BioSante is notified by the SEC that the SEC will not be reviewing the registration statement or that the SEC has no further comments on the registration statement and to cause the registration statement to remain effective for the required registration period. Pursuant to the subscription agreements, BioSante and the investor parties thereto have made other covenants and representations and warranties regarding matters that are customarily included in financings of this nature. If certain of its obligations under the subscription agreements are not met, BioSante has agreed to make pro-rata cash payments as liquidated damages to each investor.

The private placement is expected to result in net proceeds to BioSante of approximately \$15.6 million, after the deduction of placement agent commissions and estimated offering expenses. Other than with respect to the subscription agreements, there are no material relationships between BioSante, on the one hand, and any of the investors in the private placement, on the other hand.

The foregoing description of the terms and conditions of the subscription agreements and warrants does not purport to be complete and is qualified in its entirety by reference to the full text of the form of subscription agreement filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference and the form of warrant expected to be issued by BioSante to the investors at the closing of the private placement filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference. The form of subscription agreement has been included to provide information regarding its terms and is not intended to provide any other factual information about BioSante. Such information can be found in BioSante's other public filings with the SEC, which are available without charge at www.sec.gov. A copy of the press release announcing the private placement is filed as Exhibit 99.1 to this Current Report on Form 8-K.

This report does not constitute an offer to sell or the solicitation of an offer to buy any securities. The shares of common stock and the underlying shares of common stock issuable upon exercise of the warrants have not been registered under the Securities Act of 1933, as amended, or any applicable state securities laws and may not be offered or sold in the United States, absent registration or an applicable exemption from such registration requirements.

Section 3 — Securities and Trading Markets

Item 3.02 Unregistered Sale of Equity Securities

As described in more detail above, on May 25, 2007, BioSante entered into definitive subscription agreements with certain institutional and other accredited investors, as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, pursuant to which BioSante agreed to sell in a private placement an aggregate of 2,754,999 shares of its common stock and warrants to purchase an aggregate of 688,750 shares of its common stock, at a purchase price of \$6.00 per unit. The warrants are exercisable for a period of three years, beginning six months and one day from the date of issuance, at an exercise price of \$8.00 per share. The number of shares issuable upon exercise of the warrants and the exercise price of the warrants are adjustable in the event of stock splits, combinations and reclassifications, but not in the event of the issuance of additional securities.

The offer of the securities was made and the sale of the securities will be made to a limited number of institutional and other accredited investors in reliance upon exemptions from the registration requirements pursuant to Section 4(2) under the Securities Act of 1933, as amended, and Regulation D promulgated thereunder. There was no general solicitation or advertising with respect to the private placement and each of the purchasers provided written representations of an intent to acquire the securities for investment only and not with a view to or for sale in connection with any distribution of the securities. Appropriate legends will be affixed by BioSante to each of the share certificates representing shares to be issued in the private placement.

Additional information regarding the private placement is incorporated herein by reference to “Item 1.01. Entry into a Material Definitive Agreement” of this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
10.1	Form of Subscription Agreement dated as of May 25, 2007 by and between BioSante Pharmaceuticals, Inc. and each of the subscribers party to the Subscription Agreements (filed herewith)
10.2	Form of Warrant expected to be issued by BioSante Pharmaceuticals, Inc. to each of the subscribers party to the Subscription Agreements (filed herewith)
99.1	BioSante Pharmaceuticals, Inc. News Release dated May 25, 2007 (filed herewith)

SIGNATURE

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.

BIOSANTE PHARMACEUTICALS, INC.

By: /s/ Phillip B. Donenberg

Phillip B. Donenberg

Chief Financial Officer, Treasurer and Secretary

Dated: May 25, 2007

BIOSANTE PHARMACEUTICALS, INC.

CURRENT REPORT ON FORM 8-K

EXHIBIT INDEX

Exhibit

No.	Description	Method of Filing
10.1	Form of Subscription Agreement dated as of May 25, 2007 by and between BioSante Pharmaceuticals, Inc. and each of the subscribers party to the Subscription Agreements	Filed herewith
10.2	Form of Warrant expected to be issued by BioSante Pharmaceuticals, Inc. to each of the subscribers party to the Subscription Agreements	Filed herewith
99.1	BioSante Pharmaceuticals, Inc. News Release dated May 25, 2007	Filed herewith
