

Sorrento Therapeutics, Inc.
Form 8-K
October 02, 2013

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): September 27, 2013

SORRENTO THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

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| Delaware (State or other jurisdiction | 000-52228 (Commission | 33-0344842 IRS Employer |
| of incorporation or organization) | File Number) 6042 Cornerstone Ct. West, Suite B | Identification No.) |
| | San Diego, CA 92121 | |

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(Address of principal executive offices)

Registrant's telephone number, including area code: (858) 210-3700

(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 communication 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))

Item 1.01 Entry into a Material Definitive Agreement.

On September 27, 2013, Sorrento Therapeutics, Inc. (the Company) entered into a Loan and Security Agreement with Oxford Finance LLC (Oxford) and Silicon Valley Bank (SVB) and together with Oxford, the Lenders) for a term loan of \$5 million (the Term Loan). The interest rate on the Term Loan is 7.95% per annum. The Company will make interest only payments on the outstanding amount of the loan on a monthly basis until March 31, 2014, after which equal monthly payments of principal and interest shall be due. In the event the Company receives at least \$20 million in net proceeds from an equity offering and/or a one-time, non-refundable up front payment in connection with a joint venture, collaboration or other partnering transaction, the interest only payment period will be extended to October 31, 2014. The maturity date of the Term Loan is April 1, 2017. The Term Loan is collateralized by a security interest in all of the Company's assets except intellectual property. The Company's intellectual property is subject to a negative pledge. In connection with the Term Loan, the Lenders received a warrant to purchase an aggregate 31,250 shares of our common stock at an exercise price of \$8.00 per share exercisable for seven years from the date of issuance.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Reference is made to the disclosure set forth under Item 1.01 Entry into a Material Definitive Agreement of this Current Report on Form 8-K, which disclosure is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

Reference is made to the disclosure set forth under Item 1.01 Entry into a Material Definitive Agreement of this Current Report on Form 8-K, which disclosure is incorporated herein by reference.

The issuances of the securities described in Item 1.01 were deemed to be exempt from registration under the Securities Act of 1933, as amended (the Securities Act), in reliance upon Section 4(2) of the Securities Act (or Regulation D promulgated thereunder) as a transaction by an issuer not involving any public offering. Each recipient of securities represented that such recipient was an accredited investor under Regulation D.

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.

Dated: October 2, 2013

SORRENTO THERAPEUTICS, INC.

By: /s/ Richard Vincent
Name: Richard Vincent
Title: Chief Financial Officer and
Secretary