

BRAINSTORM CELL THERAPEUTICS INC.

Form 8-K

June 07, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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): June 6, 2018

Brainstorm Cell Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-36641

(Commission File No.)

20-7273918

(IRS Employer Identification No.)

745 Broadway 17th Floor

New York, NY

10019

(Address of principal executive offices) (Zip Code)

(201) 488-0460

(Registrant's telephone number, including area code)

N/A

(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 communications 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On June 6, 2018, Brainstorm Cell Therapeutics Inc. (the “Company”) entered into a Warrant Exercise Agreement (the “Warrant Exercise Agreement”) with certain holders (the “Holders”) of warrants (the “2015 Warrants”) to purchase Company common stock, \$0.00005 par value per share (“Common Stock”), which 2015 Warrants were originally issued in the Company’s January 8, 2015 private placement. Pursuant to the Warrant Exercise Agreement, the Holders have agreed to exercise their 2015 Warrants, for a total of 2,458,200 shares of Common Stock (the “Exercised Shares”) at an amended exercise price of \$5.00 per share. The warrant exercises will generate gross cash proceeds to the Company of approximately \$12.3 million. For each 2015 Warrant exercised, the Company agreed to issue 1 new warrant to the Holders to purchase an equal number of unregistered shares of Common Stock, at an exercise price of \$9.00, with an expiration date of December 31, 2020 (the “New Warrants”). Maxim Group LLC was retained as Financial Advisor on behalf of the Company in connection with this transaction.

To the extent that a Holder’s exercise of 2015 Warrants would result in such Holder exceeding the Beneficial Ownership Limitation (as defined in the 2015 Warrants), such excess warrant shares shall be held in abeyance for the benefit of such Warrant Holder until such time as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation.

The Holders agreed that, subject to limited exceptions, for the 90 days following the date of the Warrant Exercise Agreement (the “Restricted Period”), neither the Company nor any Subsidiary will issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock, without the prior written consent of all of the Holders of the warrant shares. The Company also agreed that during the time the New Warrants are unexercised, the Company will not enter into any agreements with any holder of 2015 Warrants with more favorable terms, without the consent of the Holders of a majority of the warrant shares then exercisable under all outstanding Warrant Exercise Agreements.

The Company also agreed to file a registration statement covering the resale of the additional shares of Common Stock underlying the New Warrants. The New Warrants have not been registered under the Securities Act of 1933, as amended (the Securities Act), or state securities laws. The Exercised Shares have been registered for resale on the Company’s registration statement on Form S-3 (File No. 333-201704). The issuance of the Exercised Shares and New Warrants is exempt from the registration requirements of the Securities Act pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act. This Current Report on Form 8-K is being issued pursuant to and in accordance with Rule 135c under the Securities Act of 1933. The Company made this determination based on the representations that each party is an “accredited investor” within the meaning of Rule 501 of Regulation D.

The Company and the Holders also entered into Leak-Out Agreements (the “Leak-Out Agreement”) pursuant to which neither Holders nor certain of their affiliates would collectively sell, dispose of or otherwise transfer, directly or indirectly, on any day on which the Nasdaq Capital Market is open for trading during the Restricted Period (any such date, a “Date of Determination”), shares of the Company’s Common Stock in an amount more than an aggregate 30% of the trading volume of Common Stock as reported by Bloomberg, LP for the applicable Date of Determination.

The foregoing is a summary of the terms of the New Warrants, the Warrant Exercise Agreement and the Leak-Out Agreement and does not purport to be complete. The foregoing summary is qualified in its entirety by reference to the full text of the Form Warrant, the Warrant Exercise Agreement and the Leak-Out Agreement, copies of which are filed herewith as Exhibits 4.1, 10.1 and 10.2, respectively.

Item 3.02 Unregistered Sale of Equity Securities.

The information provided in Item 1.01 is incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>4.1</u>	<u>Form of Warrant</u>
<u>10.1</u>	<u>Warrant Exercise Agreement</u>
<u>10.2</u>	<u>Leak-Out Agreement</u>

SIGNATURES

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.

BRAINSTORM CELL THERAPEUTICS
INC.

/s/ Chaim Lebovits

Date: June 7, 2018 By:

Chaim Lebovits
Chief Executive Officer and President