

ORE PHARMACEUTICAL HOLDINGS INC. (ORXE)

8-K

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**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): August 6, 2009 (July 31, 2009)

ORE PHARMACEUTICALS INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23317
(Commission File Number)

06-1411336
(IRS Employer
Identification No.)

610 Professional Drive, Suite 101, Gaithersburg, Maryland
(Address of principal executive office)

20879
(Zip Code)

Registrant's telephone number, including area code: **(240) 361-4400**

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 obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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))

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Item 1.02. Termination of a Material Definitive Agreement.

Effective July 31, 2009, the landlord of the real estate that is the subject of a lease dated July 21, 2000, as amended by Amendment to Lease Agreement dated as of August 18, 2008 with respect to property at 50 West Watkins Mill Road, Gaithersburg, MD, (the "Lease"), released Ore Pharmaceuticals Inc. (the "Company") of liability under the Lease from the date of the Release of Further Performance Under Lease entered into by and between 50 West Watkins Mill Road, LLC and the Company as of July 31, 2009 (the "Release"). The Company had remained primarily liable until January 2011 as tenant under the Lease following the Company's assignment of the Lease to Ocimum in December 2007 in connection with the Company's sale to Ocimum of its Genomics business. In connection with the Release, the Company agreed to the termination of the escrow that had been established in part to secure Ocimum's payment obligations under the Lease.

A copy of the Release is attached hereto and incorporated herein by reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 31, 2009 the Board of Directors (the "Board") of the Company, acting upon the recommendation of the Corporate Governance and Nominating Committee, elected James W. Fordyce as a director to serve until the annual meeting of shareholders in 2011 and until his successor shall have been elected and qualified. At this time, Mr. Fordyce has not been named to any Board committees.

Upon election to the Board, Mr. Fordyce received a grant of options to purchase 6,000 shares of the Company's Common Stock, exercisable at the fair market value on the date of grant, pursuant to the Company's 1997 Non-Employee Directors' Stock Option Plan. The options are exercisable in four equal annual installments on the anniversary of the date of grant, beginning on July 31, 2010. As a non-employee director, Mr. Fordyce will also receive compensation consisting of an annual retainer of \$30,000 payable in quarterly installments and is expected to receive options pursuant to grants made to Directors from time to time pursuant to a plan approved by the shareholders. He is also eligible for reimbursement for his expenses incurred in connection with Board meeting attendance. The Company and Mr. Fordyce will execute a copy of the Company's standard form of Indemnification Agreement for officers and Directors.

A copy of the Company's press release announcing the election of Mr. Fordyce to the Board is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.115	Release of Further Performance Under Lease, effective July 31, 2009, between 50 West Watkins Mill Road, LLC and Registrant.
99.1	Ore Pharmaceuticals Inc. press release, dated August 3, 2009.

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.

ORE PHARMACEUTICALS INC.

Date: August 6, 2009

By: /s/ Benjamin L. Palleiko

Benjamin L. Palleiko

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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RELEASE OF FURTHER PERFORMANCE UNDER LEASE

THIS RELEASE OF FURTHER PERFORMANCE UNDER LEASE (this "**Release**") is entered into as of the Thirty-first day of July, 2009 ("**Effective Date**"), by and between 50 WEST WATKINS MILL ROAD, LLC, a Delaware limited liability company (f/k/a ARE-50 West Watkins Mill, LLC) ("**Landlord**"), and ORE PHARMACEUTICALS INC., a Delaware corporation (f/k/a Gene Logic Inc.) ("**Original Tenant**").

RECITALS

WHEREAS, Landlord and Original Tenant made and entered into that certain Lease dated as of July 21, 2000, as amended by Amendment to Lease Agreement dated as of August 18, 2008 (as so amended, the "**Lease**"), for that certain building located at 50 West Watkins Mill Road, Gaithersburg, Maryland 20878 (the "**Demised Premises**");

WHEREAS, by that certain Assignment and Assumption of Lease Agreement executed as of August 18, 2008, effective as of December 14, 2007 ("**Assignment and Assumption Agreement**"), by and among Landlord, Original Tenant and Ocimum Biosolutions Inc., a Delaware corporation ("**Tenant**"), Original Tenant assigned the Lease to Tenant and agreed to remain primarily liable for the performance of the terms, covenants and agreements of the Lease until January 31, 2011, the original Term Expiration Date;

WHEREAS, Original Tenant has requested that Landlord release Original Tenant from the performance of the terms, covenants and agreements of the Lease on and after the Release Date (hereinafter defined) in order that an escrow fund securing Tenant's performance of the Lease obligations assumed by Tenant might be released to Tenant; and

WHEREAS, Landlord is willing to release Original Tenant from the performance of the terms, covenants and agreements under the Lease with respect to matters first accruing on and after the Release Date on the terms and conditions set forth herein.

NOW, THEREFORE, WITNESSETH, for the sum of Ten Dollars (\$10.00), in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. The foregoing Recitals are incorporated herein. Initially capitalized terms not defined in this Release shall have the meanings ascribed to them in the Lease.
 2. Tenant has agreed to pay to Landlord on July 31, 2009 ("**Release Date**"), as an additional Security Deposit under the Lease, the sum of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) ("**Additional Security Deposit**") provided that Landlord releases Original Tenant from the performance of the terms, covenants and agreements under the Lease with respect to matters first accruing on and after the Release Date.
 3. Effective upon Landlord's receipt of confirmation by Landlord's bank of receipt of good funds in the full amount of the Additional Security Deposit for Landlord's account, Landlord hereby unconditionally and irrevocably, finally and completely, discharges and releases Original Tenant and each of its officers, directors, members, partners, agents, principals and employees, from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, debts, liens, actions and causes of action of any and every nature whatsoever, known or unknown, whether at law, by statute or in equity, in contract or in tort, under state or federal jurisdiction, and whether or not the economic effects of such alleged matters arise or are discovered in the future, which Landlord has as of the Release Date or may claim to have against Original Tenant arising out of or with respect to any and all transactions relating to the Lease. Furthermore, Landlord hereby acknowledges and agrees that there are no violations of or uncured defaults under the Lease by Original Tenant and no acts or events of default and no default by Original Tenant under the Lease.
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4. Original Tenant hereby unconditionally and irrevocably, finally and completely, discharges and releases Landlord and each of its officers, directors, members, partners, agents, principals and employees, from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, debts, liens, actions and causes of action of any and every nature whatsoever, known or unknown, whether at law, by statute or in equity, in contract or in tort, under state or federal jurisdiction, and whether or not the economic effects of such alleged matters arise or are discovered in the future, which Original Tenant has as of the Release Date or may claim to have against Landlord arising out of or with respect to any and all transactions relating to the Lease. Furthermore, Original Tenant hereby acknowledges and agrees that there are no violations of or uncured defaults under the Lease by Landlord and no acts or events of default and no conditions exist which, with the giving of notice or the passage of time, or both, will constitute a default by Landlord under the Lease.

5. This Release may be executed in counterparts, all of which shall constitute one and the same instrument. Execution and delivery of this document by electronic means (including, without limitation, facsimile transmission and transmission of a versions of the document in Adobe Acrobat format by e-mail) shall serve to fully bind the party so executing and delivering such counterpart of this Release.

6. Original Tenant represents and warrants to Landlord that Original Tenant (a) has full power and authority to execute and perform this Release, and (b) has taken all action necessary to authorize the execution and performance of this Release.

7. This Release (a) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (subject to the restrictions on assignment set forth in the Lease), and (b) shall be governed by and construed in accordance with the laws of the State of Maryland, without regard to choice of law principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Release under seal as of the day and year first above written.

WITNESS:

LANDLORD:

50 WEST WATKINS MILL ROAD, LLC,
a Delaware limited liability company (f/k/a ARE-50
WEST WATKINS MILL, LLC)

By: WATKINS INVESTOR 50, LLC,
its sole member

By: Watkins Manager 50, LLC,
its Manager

/s/ _____

By: /s/ Stephen P. Durr

Stephen P. Durr,
Authorized Signatory

WITNESS/ATTEST:

ORIGINAL TENANT:

ORE PHARMACEUTICALS INC.,
a Delaware corporation

/s/ Jasmine Eleftherakis _____

By: /s/ Mark J. Gabrielson _____
Mark J. Gabrielson
Authorized Signatory

CONSENT OF GUARANTOR

The undersigned, who guaranteed the Lease pursuant to that Guaranty Agreement dated August 18, 2008, hereby consents to the foregoing and annexed Release of Further Performance Under Lease.

OCIMUM BIOSOLUTIONS (INDIA) LIMITED
(a/k/a Ocimum Biosolutions India Limited).

By: /s/ Subash Lingareddy _____
Name: Subash Lingareddy _____
Title: President & CFO _____
Date: July 31, 2009 _____

James W. Fordyce Named to Ore Pharmaceuticals Board of Directors

GAITHERSBURG, Md.—(BUSINESS WIRE)—August 3, 2009—Ore Pharmaceuticals Inc. (Nasdaq: ORXE), announced today the appointment of James W. Fordyce to its Board of Directors, as of July 31, 2009.

Mark J. Gabrielson, CEO and President of Ore, said, “Jim Fordyce is a wonderful addition to our Board. He has expertise in corporate development, public finance, health sciences venture capital and acquisitions. His investment and management track records have been highly successful over a long period of time. On top of all that, Jim’s dedication to the support and development of medical research through his life-long commitment to the Albert and Mary Lasker Foundation, Inc. shows that he holds progress in human health as a personal priority. We at Ore are delighted that he’s joining us.”

Mr. Fordyce is currently Managing Partner of MEDNA Partners LLC, a private advisory firm. From 1981 to 2004, he was a general partner of Prince Ventures LP, a venture capital management firm focused on investments in medicine and the life sciences. His early investments include Genentech, Applied Biosystems, Centocor and Regeneron Pharmaceuticals amongst other noteworthy health sciences companies. From 1998 to 2004, Mr. Fordyce also served as the Managing Member of Fordyce & Gabrielson LLC, a private investment management firm. He is currently a member of the Board of Directors of Dyax Corp. and several privately held companies. He is Chairman Emeritus of the Board of Directors of the Albert and Mary Lasker Foundation. Mr. Fordyce is a graduate of the University of Pennsylvania, Magdalen College, Oxford University and holds an MBA from Harvard Business School.

Mr. Fordyce said, “I am pleased to be joining the Board of Ore Pharmaceuticals as the company begins its exciting transformation into a pharmaceutical asset management company. I have great respect for Mark Gabrielson and the management team he has put in place, and I look forward to working with them and my fellow board members to build company value.”

Ore Pharmaceuticals Overview

Ore Pharmaceuticals Inc. (the “Company”) is a pharmaceutical asset management company with a focus on acquiring and developing clinical-stage drug candidates that have already undergone substantial safety testing in humans. The Company currently has three compounds in its development pipeline: ORE1001, our lead compound, ORE5002 (tiapamil) and ORE5007 (romazarit). New therapeutic uses for each of these compounds were identified through the Company’s now discontinued drug repositioning program. We expect to initiate a Phase Ib/IIa clinical trial for ORE1001 in patients with ulcerative colitis – one of the two main disorders comprising IBD – in the second half of 2009.

Safe Harbor Statement

This press release contains “forward-looking statements,” as such term is used in the Securities Exchange Act of 1934, as amended. Forward-looking statements typically include the words “expect,” “anticipate,” “believe,” “estimate,” “intend,” “may,” “will,” and similar expressions as they relate to Ore Pharmaceuticals or its management. Forward-looking statements are based on our current expectations and assumptions, which are subject to risks and uncertainties. They are not guarantees of our future performance or results. Our actual performance and results could differ materially from what we project in forward-looking statements for a variety of reasons and circumstances, including particularly risks and uncertainties that may affect the Company’s operations, financial condition and financial results and that are discussed in detail in the our Annual Report on Form 10-K and our other subsequent filings with the Securities and Exchange Commission. They include, but are not limited to: whether the Company experiences difficulties or delays in the initiation, progress or completion of clinical trials for its compounds, including the ORE1001 trial, whether caused by competition, adverse events, investigative site initiation rates, patient enrollment rates, regulatory issues or other factors; that clinical trials may not demonstrate that ORE1001 is effective as a treatment for diseases of commercial interest, whether the safety and/or efficacy results of the ORE1001 trial support an application for marketing approval in the United States or any other country; whether an application for marketing approval is accepted by the FDA or any other regulatory authority; whether there will be valid claims for indemnification from the buyers of our Genomics Assets; whether there will be claims from the landlords of the leased properties we have assigned to buyers of our Genomics Assets, the buyers of our Preclinical Division or the assignee of our Cambridge facility lease that we would be required to pay as guarantors of such leases; whether we will be able to collect amounts due under the terms of promissory notes from the buyers of our Genomics Assets and molecular diagnostic business; whether we will be able to manage our existing cash adequately and whether we will begin to generate sufficient new revenue from licensing and/or be able to obtain financing on sufficiently favorable terms to maintain our business and effect our strategies, including continuing compound development; whether we will be able to maintain our NASDAQ listing; whether we will be able to retain qualified personnel for our commercial drug development business; and potential negative effects on our operations and financial results from workforce reductions. Ore Pharmaceuticals Inc. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACT:**Ore Pharmaceuticals Inc.**

Ben Palleiko

SVP & CFO

617-649-2001

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