

PRECISION OPTICS CORPORATION INC
Form 8-K
June 27, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):

June 25, 2008

PRECISION OPTICS CORPORATION, INC.

(Exact name of registrant as specified in its charter)

Massachusetts	001-10647	04-2795294
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(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

22 East Broadway, Gardner, Massachusetts 01440

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (978) 630-1800

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 (*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))
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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On June 25, 2008, Precision Optics Corporation, Inc. ("POCI" or the "Company") entered into a Purchase Agreement (the "Purchase Agreement") with institutional and other accredited investors (the "Investors") pursuant to which it sold an aggregate of \$600,000 of 10% Senior Secured Convertible Notes (the "Notes"), which are convertible into an aggregate of 12,000,000 shares of POCI's common stock, par value \$0.01 per share (the "Common Stock"), at a conversion price of \$0.05 per share, and warrants to purchase an aggregate of 7,920,000 shares of Common Stock at an exercise price of \$0.07 per share (the "Warrants"). The Investors are current stockholders of the Company. Interest accrues on the Notes at a rate of 10% per annum and is payable upon the earlier of conversion or maturity of the Notes. The Notes mature on June 25, 2010, and the Warrants expire on June 25, 2015. The Notes and Warrants are not convertible or exercisable until the Company implements a reverse stock split, which requires the approval of its stockholders and the effectiveness of an amendment to its Articles of Organization to effect the reverse stock split (the "Amendment"). The closing of the sale of the Notes and Warrants (the "Private Placement") occurred on June 25, 2008.

The Purchase Agreement contains customary representations and warranties of the Company and the Investors, and the Notes contain customary covenants binding on the Company and customary events of default. If an event of default occurs and is uncured within the allowable grace period, if any, the Investors may declare all amounts under the Notes immediately due and payable and may pursue any other available remedies.

The Notes are secured by a pledge of POCI's assets under the terms of a Pledge and Security Agreement (the "Pledge and Security Agreement") and the security documents ancillary thereto.

Pursuant to a Registration Rights Agreement (the "Registration Rights Agreement") entered into with the Investors on June 25, 2008, POCI has agreed to file a registration statement with the Securities and Exchange Commission (the "Commission") by the earlier of (i) two days following the effectiveness of the Amendment and (ii) December 15, 2008 to register the resale of the Common Stock issuable upon the conversion of the Notes and the exercise of the Warrants, plus the Common Stock issuable in lieu of cash interest on the Notes. POCI has also agreed to use its commercially reasonable efforts to have the registration statement declared effective as soon as practicable after filing and has agreed to take certain other actions related to the effectiveness of the registration statement.

The foregoing descriptions of the Purchase Agreement, the Registration Rights Agreement and the Pledge and Security Agreement do not purport to be complete and are qualified in their entirety by reference to the Purchase Agreement attached hereto as Exhibit 10.1, the Registration Rights Agreement attached hereto as Exhibit 4.1, the form of warrant attached hereto as Exhibit 4.2, the form of 10% Senior Secured Convertible Notes attached hereto as Exhibit 4.3, and the Pledge and Security Agreement attached hereto as Exhibit 10.2, which are incorporated herein by reference.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

See Item 1.01 above. The information included in Item 1.01 of this current report on Form 8-K is incorporated by reference into this Item 2.03.

ITEM 3.02. UNREGISTERED SALES OF EQUITY SECURITIES.

The Private Placement resulted in gross proceeds to POCI of \$600,000.

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The Notes and Warrants were offered and sold in the Private Placement to a limited number of institutional and other accredited investors without registration under the Securities Act, or state securities laws, in reliance on the exemptions provided by Regulation D promulgated thereunder. Accordingly, the securities issued in the Private Placement have not been registered under the Securities Act of 1933, as amended, and until so registered, the securities may not be offered or sold in the United States absent registration or availability of an applicable exemption from registration.

Additional information regarding the Private Placement and the securities issued is included under Item 1.01 of this current report on Form 8-K and is incorporated into this Item 3.02 by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

4.1 Registration Rights Agreement by and among Precision Optics Corporation, Inc. and each investor named therein, dated June 25, 2008.

4.2 Form of Warrant.

4.3 Form of 10% Senior Secured Convertible Note.

10.1 Purchase Agreement by and among Precision Optics Corporation, Inc. and each investor named therein, dated June 25, 2008.

10.2 Pledge and Security Agreement by and among Precision Optics Corporation, Inc. and each investor named therein, dated June 25, 2008.

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.

PRECISION OPTICS CORPORATION, INC.

Date: June 27, 2008

By: /s/ Michael T. Pieniazek
Name: Michael T. Pieniazek
Title: Chief Financial Officer and Clerk

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
4.1	Registration Rights Agreement by and among Precision Optics Corporation, Inc. and each investor named therein, dated June 25, 2008.
4.2	Form of Warrant.
4.3	Form of 10% Senior Secured Convertible Note.
10.1	Purchase Agreement by and among Precision Optics Corporation, Inc. and each investor named therein, dated June 25, 2008.
10.2	Pledge and Security Agreement by and among Precision Optics Corporation, Inc. and each investor named therein, dated June 25, 2008.

margin: 0pt 0">CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See instructions) ..

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

41.15%

14

TYPE OF REPORTING PERSON (See instructions)

CO

*Represents 15,692,824 shares of Common Stock beneficially owned by the Reporting Person, 338,182 shares of Common Stock issuable upon exercise of a stock purchase warrant, and 978,260.8275 shares of Common Stock which are issuable upon conversion of 675 shares of Series C Preferred Stock beneficially owned by the Reporting Person, such shares of Common Stock representing approximately 41.15% of the outstanding shares of Common Stock, which percentage is based on 40,352,091 shares of Common Stock outstanding as of November 2, 2012 as reported in the Issuer's Form 8-K filed with the SEC on November 14, 2012.

SCHEDULE 13D

CUSIP No. **449575 10 9** 13D Page 5 of 14 Pages

NAMES OF REPORTING PERSONS.

1
Don A. Sanders

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a)

2 (b)

SEC USE ONLY

3
SOURCE OF FUNDS (See instructions)

4
WC
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e)

CITIZENSHIP OR PLACE OF ORGANIZATION

6
Texas

NUMBER OF SOLE VOTING POWER

7
SHARES **588,642.6475**

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY **17,009,266.8275**

EACH

SOLE DISPOSITIVE POWER

9

REPORTING

588,642.6475

PERSON

SHARED DISPOSITIVE POWER

10

WITH **17,009,266.8275**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11 17,597,909.4750*

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See instructions) ..

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1341.89%

TYPE OF REPORTING PERSON (See instructions)

14

IN

*Represents 16,172,771 shares of Common Stock beneficially owned by the Reporting Person, 338,182 shares of Common Stock issuable upon exercise of a stock purchase warrant, and 1,086,956.4750 shares of Common Stock which are issuable upon conversion of 750 shares of Series C Preferred Stock beneficially owned by the Reporting Person, such shares of Common Stock representing approximately 42.23% of the outstanding shares of Common Stock, which percentage is based on 40,352,091 shares of Common Stock outstanding as of November 2, 2012 as reported in the Issuer's Form 8-K filed with the SEC on November 14, 2012.

SCHEDULE 13D

CUSIP No. **449575 10 9** 13D Page 6 of 14 Pages

NAMES OF REPORTING PERSONS.

1
James C. Gale

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a)

2 (b)

SEC USE ONLY

3
SOURCE OF FUNDS (See instructions)

4
WC
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e)

CITIZENSHIP OR PLACE OF ORGANIZATION

6
United States

NUMBER OF SOLE VOTING POWER

7
SHARES 94,624

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY **16,671,084.8275**

EACH

SOLE DISPOSITIVE POWER

9

REPORTING

94,624

PERSON

SHARED DISPOSITIVE POWER

10

WITH **16,671,084.8275**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

¹¹ **16,765,708.8275***

¹² CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See instructions) ..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

41.46%

TYPE OF REPORTING PERSON (See instructions)

14

IN

*Represents 16,698,123 shares of Common Stock beneficially owned by the Reporting Person, 90,000 shares of Common Stock issuable upon exercise of stock options, and 978,260.8275 shares of Common Stock which are issuable upon conversion of 675 shares of Series C Preferred Stock beneficially owned by the Reporting Person, such shares of Common Stock representing approximately 41.46% of the outstanding shares of Common Stock, which percentage is based on 40,352,091 shares of Common Stock outstanding as of November 2, 2012 as reported in the Issuer's Form 8-K filed with the SEC on November 14, 2012.

SCHEDULE 13D

CUSIP No. **449575 10 9** 13D Page 7 of 14 Pages

NAMES OF REPORTING PERSONS.

1
Joyce Erony

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a)

2 (b)

SEC USE ONLY

3
SOURCE OF FUNDS (See instructions)

4
WC
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e)

CITIZENSHIP OR PLACE OF ORGANIZATION

6
United States

NUMBER OF SOLE VOTING POWER

7
SHARES **65,349**

BENEFICIAL ~~SHARES~~ VOTING POWER

OWNED **16,671,084.8275**
BY

EACH
SOLE DISPOSITIVE POWER

9
REPORTING
65,349

PERSON SHARED DISPOSITIVE POWER

10

WITH **16,671,084.8275**
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11 **16,736,433.8275***

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See ..
12 instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1341.41%

TYPE OF REPORTING PERSON (See instructions)

14

IN

*Represents 16,698,848 shares of Common Stock beneficially owned by the Reporting Person, 60,000 shares of Common Stock issuable upon exercise of stock options, and 978,260.8275 shares of Common Stock which are issuable upon conversion of 675 shares of Series C Preferred Stock beneficially owned by the Reporting Person, such shares of Common Stock representing approximately 41.41% of the outstanding shares of Common Stock, which percentage is based on 40,352,091 shares of Common Stock outstanding as of November 2, 2012 as reported in the Issuer's Form 8-K filed with the SEC on November 14, 2012.

SCHEDULE 13D

CUSIP No. **449575 10 9** 13D Page 8 of 14 Pages

NAMES OF REPORTING PERSONS.

1
Ben T. Morris

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a)

2 (b)

SEC USE ONLY

3
SOURCE OF FUNDS (See instructions)

4
WC
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e)

CITIZENSHIP OR PLACE OF ORGANIZATION

6
United States

NUMBER OF SOLE VOTING POWER

7
SHARES **25,000**

BENEFICIALLY8 SHARED VOTING POWER

OWNED BY **17,009,266.8275**

EACH

SOLE DISPOSITIVE POWER

9

REPORTING

25,000

PERSON

SHARED DISPOSITIVE POWER

10

WITH **17,009,266.8275**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

¹¹ **17,034,266.8275***

¹² CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See instructions) ..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1341.21%

TYPE OF REPORTING PERSON (See instructions)

14

IN

*Represents 15,717,824 shares of Common Stock beneficially owned by the Reporting Person, 338,182 shares of Common Stock issuable upon exercise of a stock purchase warrant, and 978,260.8275 shares of Common Stock which are issuable upon conversion of 675 shares of Series C Preferred Stock beneficially owned by the Reporting Person, such shares of Common Stock representing approximately 41.21% of the outstanding shares of Common Stock, which percentage is based on 40,352,091 shares of Common Stock outstanding as of November 2, 2012 as reported in the Issuer's Form 8-K filed with the SEC on November 14, 2012.

SCHEDULE 13D

CUSIP No. **449575 10 9** 13D Page 9 of 14 Pages

NAMES OF REPORTING PERSONS.

1
Donald V. Weir

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See instructions) (a)

2 (b)

SEC USE ONLY

3
SOURCE OF FUNDS (See instructions)

4
WC
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e)

CITIZENSHIP OR PLACE OF ORGANIZATION

6
United States

NUMBER OF SOLE VOTING POWER

7
SHARES 236,231.8825

BENEFICIALLY8 SHARED VOTING POWER

OWNED BY **17,009,266.8275**

EACH
SOLE DISPOSITIVE POWER

9
REPORTING **236,231.8825**

PERSON SHARED DISPOSITIVE POWER

10
WITH **17,009,266.8275**

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11 **17,245,498.71***

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See instructions) ..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1341.69%

TYPE OF REPORTING PERSON (See instructions)

14

IN

*Represents 15,892,824 shares of Common Stock beneficially owned by the Reporting Person, 338,182 shares of Common Stock issuable upon exercise of a stock purchase warrant, and 1,014,492,71 shares of Common Stock which are issuable upon conversion of 700 shares of Series C Preferred Stock beneficially owned by the Reporting Person, such shares of Common Stock representing approximately 41.28% of the outstanding shares of Common Stock, which percentage is based on 40,352,091 shares of Common Stock outstanding as of November 2, 2012 as reported in the Issuer's Form 8-K filed with the SEC on November 14, 2012.

Explanatory Note

This Amendment No. 4 amends and supplements the statement on Schedule 13D originally filed with the Securities and Exchange Commission (the “SEC”) on March 24, 2009, as amended by Amendment No. 1 to the Schedule 13D filed with the SEC on May 19, 2009, and Amendment No. 2 to the Schedule 13D filed with the SEC on April 6, 2010, and Amendment No. 3 filed with the SEC on August 24, 2010 (the “Schedule 13D”), by (i) Life Sciences Opportunities Fund II, L.P., a Delaware limited partnership (“LOF”), (ii) Life Sciences Opportunities Fund (Institutional) II, L.P., a Delaware limited partnership (“LOFI” and together with LOF, the “Funds”), (iii) Signet Healthcare Partners, LLC, a Delaware limited liability company and general partner of LOF and LOFI (the “General Partner”), (iv) Sanders Morris Harris Inc. (formerly SMH Capital Inc.), a Texas corporation and the controlling member of the General Partner (“SMH”), (v) Sanders Morris Harris Group, Inc., a Texas corporation and the parent of SMH (“SMHG”), (vi) James C. Gale, (vii) Joyce Erony and (viii) George L. Ball, with respect to the Common Stock, \$0.01 par value per share (the “Common Stock”) of IGI Laboratories, Inc., a Delaware corporation (the “Issuer”).

This Amendment No. 4 adds SMW Investments I, LLC, a Delaware limited partnership (“SMW”), Don A. Sanders, Ben T. Morris, and Donald V. Weir as Reporting Persons.

Unless otherwise indicated, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Schedule 13D. From and after the date hereof, all references in the Schedule 13D to the Schedule 13D or terms of similar import shall be deemed to refer to the Schedule 13D as amended and supplemented hereby.

Item 2. Identity and Background.

Item 2 is hereby amended as follows:

SMH and SMHG no longer have any beneficial ownership of shares of Common Stock of IGI. All references to SMH and SMHG are hereby deleted and neither SMH nor SMHG is any longer a “Reporting Person.” Appendix A and Appendix A-1 are hereby deleted.

Item 2 is hereby supplemented to add the following:

SMW Investments I, LLC is a Delaware limited partnership and the controlling member of the General Partner. The address of its principal office is 600 Travis, Suite 5900, Houston, Texas 77002. The members and managers of SMW are Don A. Sanders, Ben T. Morris, and Donald V. Weir. SMW acquired SMH's member interest in the General Partner effective as of October 1, 2012.

Donald A. Sanders is a member and manager of SMW. The address of his principal office is 600 Travis, Suite 5900, Houston, Texas 77002. Mr. Sanders is a citizen of the United States.

Ben T. Morris is a member and manager of SMW. The address of his principal office is 600 Travis, Suite 5900, Houston, Texas 77002. Mr. Sanders is a citizen of the United States.

Donald V. Weir is a member and manager of SMW. The address of his principal office is 600 Travis, Suite 5900, Houston, Texas 77002. Mr. Sanders is a citizen of the United States.

LOF, LOFI, the General Partner, SMW, Ms. Erony and each of Messrs. Sanders, Morris, Weir, and Gale are collectively referred to herein as the "Reporting Persons."

During the past five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors). During the past five years, none of the Reporting Persons was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 5. Interest in Securities of the Issuer

Item 5 is hereby amended and restated in its entirety to read as follows:

(a) The aggregate number and percentage of shares of Common Stock reported owned by each of the Reporting Persons herein is (i) based upon 40,352,091 outstanding shares of Common Stock of the Issuer as of November 2, 2012 as reported in the Issuer's Form 10-Q filed with the SEC on November 14, 2012 and (ii) assumes the conversion into Common Stock of all of the shares of Series C Preferred Stock beneficially owned by such person.

Beneficial Owner	Aggregate Number of Shares Owned		Percentage of Class	
Life Sciences Opportunities Fund II, L.P.	2,529,993.0806	(1)	6.25	%
Life Sciences Opportunities Funds (Institutional) II, L.P.	14,141,091.7469	(2)	34.34	%
Life Sciences Opportunities Fund II, L.P. and Life Sciences Opportunities Fund (Institutional) II, L.P.	16,671,084.8275	(3)	40.34	%
Signet Healthcare Partners, LLC	16,671,084.8275	(3)	40.34	%
SMW Investments I, LLC	17,009,266.8275	(4)	41.15	%
Don A. Sanders	17,597,909.4750	(4)(5)	41.89	%
Ben T. Morris	17,034,266.8275	(4)	41.21	%
Donald V. Weir	17,245,498.7100	(4)(6)	41.69	%
James C. Gale	16,765,708.8275	(3)(7)	41.46	%
Joyce Erony	16,736,433.8275	(3)(8)	41.41	%

(1) Includes 147,826.0806 shares of Common Stock issuable upon conversion of 102 shares of Series C Preferred Stock held by LOF.

(2) Includes 830,434.7469 shares of Common Stock issuable upon conversion of 573 shares of Series C Preferred Stock held by LOFI.

(3) Includes (i) 2,382,167 shares of Common Stock held by LOF, (ii) 13,310,657 shares of Common Stock held by LOFI, (iii) 147,826.0806 shares of Common Stock issuable upon conversion of 102 shares of Series C Preferred Stock held by LOF, and (iv) 830,434.7469 shares of Common Stock issuable upon conversion of 573 shares of Series C Preferred Stock held by LOFI.

(4) Includes (i) 2,832,167 shares of Common Stock held by LOF, (ii) 13,310,657 shares of Common Stock held by LOFI, (iii) 147,826.0806 shares of Common Stock issuable upon conversion of 102 shares of Series C Preferred Stock held by LOF, (iv) 830,434.7469 shares of Common Stock issuable upon conversion of 573 shares of Series C Preferred Stock held by LOFI, and (v) 338,182 shares of Common

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Stock issuable upon exercise of a stock purchase warrant at a price of \$1.21 per share expiring on December 8, 2015, held by SMW.

(5) Includes (i) 221,270 shares of Common Stock beneficially owned by the Sanders Opportunity Fund (Institutional), L.P. for which Mr. Sanders serves as chief investment officer, (ii) 68,730 shares of Common Stock owned by the Sanders Opportunity Fund, L.P. for which Mr. Sanders acts as chief investment officer, and (iii) 108,695.6475 shares of Common Stock issuable upon conversion of 75 shares of Series C Preferred Stock held by Mr. Sanders.

Includes (i) 150,000 shares of Common Stock held by a trust for which Mr. Weir serves as trustee and (ii) (6) 36,231.8825 shares of Common Stock issuable upon conversion of 25 shares of Series C Preferred Stock held by Mr. Weir.

(7) Includes 90,000 shares of Common Stock issuable upon exercise of stock options.

(8) Includes 60,000 shares of Common stock issuable upon exercise of stock options.

(b) The number of shares of Common Stock as to which there is (i) sole power to vote or direct the vote, (ii) shared power to vote or direct the vote, (iii) sole power to dispose or direct the disposition, or (iv) shared power to dispose or direct the disposition for each of the Reporting Persons is set forth on the cover pages, and such information is incorporated herein by reference.

(c) No transactions involving shares of the Issuer's Common Stock were effected by the Reporting Persons during the sixty days before the date of this Amendment No. 4 to Schedule 13D.

(d) Except as set forth in Item 5(a), no other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Securities.

(e) On October 1, 2012, Sanders Morris Harris Inc. and Sanders Morris Harris Group Inc. (now known as The Edelman Financial group Inc.) ceased to be Reporting Persons.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby supplemented to add the following:

The description of the Series C Registration Rights Agreement in Item 4 is incorporated herein by reference. The description of the Series C Registration Rights Agreement is qualified in its entirety by the Series C Registration Rights Agreement, which is attached hereto as Exhibit 3 and is incorporated herein by reference.

The terms of the Series C Preferred Stock including, but not limited to, voting and dividend rights thereof, are described in Item 4 under the heading “*The Series C Preferred Stock*”, which such description is incorporated herein by reference. The description of the Series C Certificate of Designation is qualified in its entirety by the Series C Certificate of Designation, which is filed as Exhibit 3 hereto and incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby supplemented to add the following exhibits:

Exhibit Title

1* Joint Filing Agreement of the Reporting Persons.

* Filed herewith.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 11, 2012

Life Sciences
Opportunities Fund II, L.P.

By: Signet Healthcare
Partners, LLC

By: /s/ James C. Gale
Name: James C. Gale
Title: Manager

Life Sciences
Opportunities Fund
(Institutional) II, L.P.

By: Signet Healthcare
Partners, LLC

By: /s/ James C. Gale
Name: James C. Gale
Title: Manager

Signet Healthcare Partners,
LLC

By: SMW Investment I,
LLC

By: /s/ Ben T. Morris
Name: Ben T. Morris
Title: Manager

SMW Investment I, LLC

By: /s/ Ben T. Morris
Name: Ben T. Morris

Title: Manager

/s/ James C. Gale
James C. Gale

/s/ Joyce Erony
Joyce Erony

/s/ Ben T. Morris
Ben T. Morris

/s/ Don A. Sanders
Don A. Sanders

/s/ Donald V. Weir
Donald V. Weir