

LA JOLLA PHARMACEUTICAL CO
Form 10-Q
May 13, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 0-24274

LA JOLLA PHARMACEUTICAL COMPANY

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of

33-0361285
(I.R.S. Employer

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incorporation or organization) Identification No.)

4660 La Jolla Village Drive, Suite 1070

San Diego, CA 92122

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (858) 207-4264

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock, \$0.0001 par value per share, outstanding at May 10, 2013 was 30,486,228.

LA JOLLA PHARMACEUTICAL COMPANY

FORM 10-Q

QUARTERLY REPORT

INDEX

PART I FINANCIAL INFORMATION

ITEM 1. Condensed Financial Statements

Condensed Balance Sheets as of March 31, 2013 (Unaudited) and December 31, 2012 1

Condensed Statements of Comprehensive (Loss) Income for the three months ended March 31, 2013 and 2012 (Unaudited) 2

Condensed Statements of Cash Flows for the three months ended March 31, 2013 and 2012 (Unaudited) 3

Notes to Condensed Financial Statements 4

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 8

ITEM 4. Controls and Procedures 10

PART II OTHER INFORMATION

ITEM 1A. Risk Factors 11

ITEM 6. Exhibits 12

SIGNATURES 13

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

LA JOLLA PHARMACEUTICAL COMPANY

Condensed Balance Sheets

(in thousands, except share and par value amounts)

	March 31, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,700	\$ 3,405
Restricted cash	37	
Prepays and other current assets	76	25
Total current assets	2,813	3,430
	\$ 2,813	\$ 3,430
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 69	\$ 92
Accrued expenses	176	107
Accrued payroll and related expenses	26	17
Total current liabilities	271	216
Commitments		
Stockholders' equity:		
Common stock, \$ 0.0001 par value; 12,000,000,000 shares authorized, 18,881,242 and 14,267,383 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	2	1
Series C-1 ² Convertible Preferred Stock, \$ 0.0001 par value; 11,000 shares authorized, 5,780 and 5,792 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	5,780	5,792
Series C-2 ² Convertible Preferred Stock, \$ 0.0001 par value; 22,000 shares authorized, 500 and 500 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	500	500
	4,608	4,615

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Series D-1² Convertible Preferred Stock, \$ 0.0001 par value; 5,134 shares authorized, 4,608 and 4,615 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively

Additional paid-in capital	443,221	439,672
Accumulated deficit	(451,569)	(447,366)
Total stockholders' equity	2,542	3,214
	\$ 2,813	3,430

See accompanying notes.

LA JOLLA PHARMACEUTICAL COMPANY

Unaudited Condensed Statements of Comprehensive (Loss) Income

(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2013	2012
Expenses:		
Research and development	\$ 655	\$ 34
General and administrative	3,548	637
Total expenses	4,203	671
Loss from operations	(4,203)	(671)
Other income (expense):		
Adjustments to fair value of derivative liabilities		5,954
Other income (expense), net	1	1
Net (loss) income	(4,202)	5,284
Preferred stock dividends earned, net of forfeits	(93)	(186)
Comprehensive net (loss) income attributable to common stockholders	\$ (4,295)	\$ 5,098
Net (loss) income per share basic	\$ (0.25)	\$ 2.44
Net (loss) income per share diluted	\$ (0.25)	\$ 0.00
Shares used in computing basic net (loss) income per share	17,521	2,092
Shares used in computing diluted net (loss) income per share	17,521	5,472,245

See accompanying notes.

LA JOLLA PHARMACEUTICAL COMPANY

Unaudited Condensed Statements of Cash Flows

(in thousands)

	Three Months Ended March 31,	
	2013	2012
Operating activities		
Net (loss) income		\$
	\$ (4,202)	5,284
Adjustments to reconcile net (loss) income to net cash used for operating activities:		
Share-based compensation expense	3,530	
Gain on adjustment to fair value of derivative liabilities		(5,954)
Changes in operating assets and liabilities:		
Restricted cash	(37)	
Prepays and other current assets	(51)	10
Accounts payable and accrued expenses	46	1
Accrued payroll and related expenses	9	