

ACURA PHARMACEUTICALS, INC
Form 8-K/A
April 03, 2007

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

FORM 8-K/A

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act Of 1934**

March 30, 2007
Date of Report (Date of earliest event reported)

ACURA PHARMACEUTICALS, INC.
(Exact Name of Registrant as Specified in Charter)

State of New York
(State of Other Jurisdiction of
Incorporation)

1-10113
(Commission File Number)

11-0853640
(I.R.S. Employer Identification
Number)

616 N. North Court, Suite 120
Palatine, Illinois 60067
(Address of principal executive offices) (Zip Code)

(847) 705-7709
(Registrant's telephone number, including area code)

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 (17CFR 240.13e-4(c))
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Explanatory Note: This amendment to the Registrant's current report on Form 8-K, dated March 30, 2007 and filed with the Securities and Exchange Commission on April 2, 2007 (the "Form 8-K") corrects an inadvertent mistake in Item 1.01(iii) where the principal amount of the commitment for additional bridge funding from the VC Lenders (as defined below) was inadvertently reported as \$600,000 million instead of \$600,000. This amendment amends and restates Item 1.01 of the Form 8-K.

Item 1.01 Entry Into a Material Definitive Agreement

On March 30, 2007, the Registrant amended bridge loan agreements with Essex Woodlands Health Venture V, L.P., Care Capital Investments II, L.P., Care Capital Offshore Investments II, L.P., Galen Partners III, L.P., Galen Partners International III, L.P. and Galen Employee Fund III, L.P. (collectively, the "VC Lenders") and certain individual lenders, dated June 22, 2005, September 16, 2005, November 9, 2005 and January 31, 2006 (the "Bridge Loan Agreements"), under which the Registrant has borrowed the principal amount of \$9.340 million (inclusive of the March 30, 2007 bridge loan in the principal amount of \$600,000 described in Item 8.01) (collectively, the "Bridge Loans"). The amendments to the Bridge Loan Agreements provide for:

- (i) the extension of the maturity date of the Bridge Loans from March 31, 2007 to September 30, 2007;
- (ii) the continued satisfaction of interest payments in the Registrant's common stock based upon the average of the closing bid and asked prices of the common stock for the five (5) trading days immediately preceding the interest payment date;
- (iii) the commitment for additional bridge funding to be provided by the VC Lenders in the principal amount of up to \$600,000 (after giving effect to the Bridge Loan of \$600,000 made by the VC Lenders on March 30, 2007 and described in Item 8.01); and
- (iv) the right of the bridge lenders to convert the Bridge Loans (including the additional bridge loans to be advanced under subsection (iii) above) (the "Bridge Loan Financing"), into the Registrant's common stock upon the completion of a third-party equity financing providing gross proceeds to the Registrant in the aggregate amount of at least \$5 million (a "Third Party Equity Financing"), a Change of Control Transaction or upon the maturity date of the Bridge Loan Financing (each a "Triggering Event"). Upon the occurrence of a Triggering Event, the bridge lenders may convert the \$2.00 million of Bridge Loans secured from November 2006 through February 2007 (the "November 2006 Bridge Loans") and the Bridge Loans secured March 30, 2007 and any future Bridge Loans into the Registrant's common stock at a conversion price equal to (A) in the case of the completion of a Third Party Equity Financing, the lesser of (i) the average price of the securities sold by the Registrant in such Third Party Equity Financing, (ii) 80% of the average closing bid and asked prices of the Registrant's common stock for the twenty trading days immediately preceding the public announcement of the Third Party Equity Financing, and (iii) \$0.46 per share (\$0.44, in the case of the November 2006 Bridge Loans) and (B) in the case of a Change of Control Transaction or upon the maturity date of the Bridge Loan Financing, the lesser of (i) \$0.46 per share (\$0.44, in the case of the November 2006 Bridge Loans) and (ii) 80% of the average closing bid and asked prices of the Registrant's common stock for the twenty trading days immediately preceding the public announcement of the Change of Control Transaction or the maturity date, as applicable, but in no event in the case of clauses (A) and (B), less than \$0.21 per share. In addition, upon a Triggering Event, the bridge lenders may convert (i) \$2.55 million of Bridge Loan Financing into the Company's common stock at a conversion price of \$0.20 per share, (ii) \$2.3 million of Bridge Loan Financing at a conversion price of \$0.225 per share and (iii) \$1.894 million of bridge loan financing at a conversion price of \$0.25 per share, and in addition in the case of clauses (i)-(iii) of this sentence in a Third Party Equity Financing, on the same terms as provided in such Third-Party Equity Financing (but not less than \$0.21 per share).

GCE Holdings, LLC, which is controlled by the VC Lenders, beneficially owns approximately 78% of the Registrant's outstanding common stock and has the right to designate four directors (of which it has exercised the right with respect to three directors) to the Registrant's Board of Directors.

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 thereunto duly authorized.

ACURA PHARMACEUTICALS, INC.

By: /s/ Peter Clemens

Peter A. Clemens
Senior Vice President & Chief Financial Officer

Date: April 3, 2007
