

Buterbaugh Richard C  
 Form 4  
 February 21, 2018

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
 OMB Number: 3235-0287  
 Expires: January 31, 2015  
 Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Buterbaugh Richard C

2. Issuer Name and Ticker or Trading Symbol  
 Laredo Petroleum, Inc. [LPI]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 15 W. SIXTH STREET, SUITE 900  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/16/2018

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Executive Vice President & CFO

TULSA, OK 74119  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount		
Common Stock	02/16/2018		F		5,029 <sup>(1)</sup>	D	\$ 0 253,827 D
Common Stock	02/16/2018		A		157,005 <sup>(2)</sup>	A	\$ 8.36 410,832 D
Common Stock	02/16/2018		A		44,082 <sup>(3)</sup>	A	\$ 8.36 454,914 D
Common Stock	02/16/2018		F		11,329 <sup>(1)</sup>	D	\$ 0 443,585 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Performance Units	(4)	02/16/2018(4)		A	157,005	02/16/2021	(4)	Common Stock
Stock Option (Right to buy)	\$ 14.12					02/17/2018(5)	02/17/2027	Common Stock
Performance Units	(6)					02/17/2020	(6)	Common Stock
Stock Option (Right to buy)	\$ 4.1					02/19/2017(5)	02/19/2026	Common Stock
Performance Units	(7)					02/19/2019	(7)	Common Stock
Stock Option (Right to buy)	\$ 11.93					02/27/2016(5)	02/27/2025	Common Stock
Performance Units	(8)					02/27/2018	(8)	Common Stock
Stock Option (Right to buy)	\$ 25.6					02/27/2015(5)	02/27/2024	Common Stock
Stock Option (Right to buy)	\$ 17.34					02/15/2014(5)	02/15/2023	Common Stock

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Buterbaugh Richard C  
15 W. SIXTH STREET, SUITE 900  
TULSA, OK 74119

Executive Vice President & CFO

## Signatures

/s/ Kenneth E. Dornblaser as attorney-in-fact for Richard C.  
Buterbaugh

02/21/2018

  \*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Represents shares of common stock withheld by the Issuer to satisfy tax withholding obligations of the Reporting Persons in connection  
(1) with the vesting of a portion of restricted shares previously granted to the Reporting Person under the Issuer's Omnibus Equity Incentive Plan.

(2) These restricted shares are granted under the Issuer's Omnibus Equity Incentive Plan and will vest in three equal annual installments beginning on the first anniversary date of the grant.

(3) These restricted shares are granted under the Issuer's Omnibus Equity Incentive Plan and will vest one year after the date of the grant.

These performance share units are granted under the Issuer's Omnibus Equity Incentive Plan. Each performance share unit represents a share of common stock. The performance share units will be payable, if at all, in common stock, based upon the Issuer's total shareholders  
(4) return measured (i) against an industry peer group, (ii) on an absolute share return basis and (iii) based on a return on average capital employed metric, over a three year performance period ending December 31, 2020. The final number of shares of common stock granted can range from 0% to 200% of the performance share units.

(5) This stock option was granted under the Issuer's Omnibus Equity Incentive Plan and is exercisable as to 25% on each of the first four anniversaries of the date of the grant.

These performance share units are granted under the Issuer's Omnibus Equity Incentive Plan. Each performance share unit represents a share of common stock. The performance share units will be payable, if at all, in common stock, based upon the Issuer's total shareholders  
(6) return measured against an industry peer group, over a three year performance period ending December 31, 2019. The final number of shares of common stock granted can range from 0% to 200% of the performance share units.

These performance share units are granted under the Issuer's Omnibus Equity Incentive Plan. Each performance share unit represents a share of common stock. The performance share units will be payable, if at all, in common stock, based upon the Issuer's total shareholders  
(7) return measured against an industry peer group, over a three year performance period ending December 31, 2018. The final number of shares of common stock granted can range from 0% to 200% of the performance share units.

These performance share units are granted under the Issuer's Omnibus Equity Incentive Plan. Each performance share unit represents a share of common stock. The performance share units will be payable, if at all, in common stock, based upon the Issuer's total shareholders  
(8) return measured against an industry peer group, over a three year performance period ending December 31, 2017. The final number of shares of common stock granted can range from 0% to 200% of the performance share units.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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Outstanding at December 31, 2015

7,759,002 7.84 \$18,648,477

## ROCKWELL MEDICAL, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 14. LONG TERM INCENTIVE PLAN &amp; STOCK OPTIONS (Continued)

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	NUMBER OF OPTIONS	REMAINING CONTRACTUAL LIFE	WEIGHTED EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
\$3.09 to \$4.93	418,334	3.0 - 7.5 yrs.	\$ 3.30	390,556	\$ 3.29
\$5.54 to \$7.13	2,493,000	1.9 - 7.7 yrs.	\$ 6.43	2,248,001	\$ 6.47
\$8.23 to 11.49	4,847,668	3.8 - 9.9 yrs.	\$ 8.95	2,005,834	\$ 9.22
Total	7,759,002	6.7 yrs.	\$ 7.84	4,644,391	\$ 7.39
Intrinsic Value	\$ 18,648,477			\$ 13,236,827	

	NUMBER OF UNVESTED OPTIONS	WEIGHTED AVERAGE FAIR MARKET VALUE AT GRANT DATE
As of December 31, 2012	1,579,000	
Granted	920,500	\$ 3.33
Forfeited	(58,000)	
Vested	(727,067)	
As of December 31, 2013	1,714,433	
Granted	1,731,500	\$ 5.91
Forfeited	(45,401)	
Vested	(820,032)	
As of December 31, 2014	2,580,500	
Granted	1,697,500	\$ 4.56
Forfeited	(28,333)	
Vested	(1,135,056)	
As of December 31, 2015	3,114,611	

The Company values stock options awarded using the Black-Scholes method. Assumptions used in the stock option valuations were:

	2015	2014	2013
Volatility of share price	58 - 61%	69 - 70%	59 - 67%
Risk free interest rate	1.5 - 1.7%	1.9 - 2.0%	0.1 - 2.0%
Expected option life	6 yrs.	6 yrs.	1 - 6 yrs.
Dividend Yield	0.0%	0.0%	0.0%

We believe this valuation methodology is appropriate for estimating the fair value of stock options we grant to employees and directors which are subject to ASC 718-10 requirements. We primarily base our determination of expected volatility through our assessment of the historical volatility of our common shares. We do not believe that we are able to rely on our historical stock option exercise and post-vested

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termination activity to provide accurate data for estimating our expected term for use in determining the fair value of these options. Therefore, as allowed by Staff Accounting Bulletin (SAB) No. 107, *Share-Based Payment*, we have opted to use the simplified method for estimating the expected

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**ROCKWELL MEDICAL, INC. AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. LONG TERM INCENTIVE PLAN & STOCK OPTIONS (Continued)**

option term equal to the midpoint between the vesting period and the contractual term. The contractual term of the option is 10 years from the date of grant and the vesting term of the option is three years from date of grant. Risk free interest rates utilized are based upon published U.S. Treasury yield curves at the date of the grant for the expected option term.

For the years ended December 31, 2015, 2014 and 2013, we recognized compensation expense of \$5,193,481, \$4,597,412 and \$3,877,695 respectively related to options granted to employees under the LTIP with a corresponding credit to common stock. At December 31, 2015, the amount of unrecorded stock-based compensation expense for stock options attributable to future periods was approximately \$11,953,417 which is expected to be amortized to expense over the remaining vesting periods of the options of 1 to 33 months.

As of December 31, 2015, the remaining number of common shares available for equity awards under the LTIP was 504,027.

**15. RISK MANAGEMENT**

**Insurance**

We evaluate various kinds of risk that we are exposed to in our business. In our evaluation of risk, we evaluate options and alternatives to mitigating such risks. For certain insurable risks we may acquire insurance policies to protect against potential losses or to partially insure against certain risks. For our subsidiary, Rockwell Transportation, Inc., we maintain a partially uninsured workers' compensation plan. Under the policy, the Company's self-insurance retention is \$350,000 per occurrence and \$630,370 in aggregate coverage for the policy year ending July 1, 2016. The total amount at December 31, 2015 by which retention limits exceed the claims paid and accrued is approximately \$630,000 for the policy year ending July 1, 2016. Estimated additional future claims subject to payment by the Company of approximately \$127,349 has been accrued for the year ended December 31, 2015.

At December 31, 2015, approximately \$400,000 was held in cash collateral and escrow by the insurance carrier for workers' compensation insurance. At December 31, 2015 amounts held in cash collateral and escrow are included in prepaid expenses and other non-current assets in the consolidated financial statements.

**16. SUBSEQUENT EVENT**

In February 2016, we announced that we entered into exclusive licensing and manufacturing supply agreements with Wanbang Biopharmaceutical Co., Ltd. ("Wanbang"), a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., for the rights to commercialize the Company's Triferic® and Calcitriol drugs for ESRD patients, that also includes new therapeutic indications for Triferic®, in the People's Republic of China. Triferic® is the Company's proprietary iron replacement and hemoglobin maintenance drug for treating anemia. Calcitriol is the Company's generic (active vitamin D) injection for treatment of secondary hyperparathyroidism in dialysis patients.

Under the terms of the agreement, Wanbang will become the exclusive distributor for Triferic® and Calcitriol in China for an initial commercial term of 10 years, with an extended term of 10 or more years based on achievement of annual minimum purchase requirements. In consideration for the exclusive rights, the Company will receive an upfront fee plus regulatory and revenue milestone payments totaling \$39 million in aggregate of which \$4 million was received in February 2016. Rockwell

## ROCKWELL MEDICAL, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 16. SUBSEQUENT EVENT (Continued)

will receive ongoing earnings from product sales of Triferic® and Calcitriol, and other additional Triferic® therapeutic indications in China. The Company retains manufacturing responsibility for all products subject to this agreement. Wanbang is required to achieve annual minimum purchase requirements to retain exclusive commercialization rights. In addition to the hemodialysis indication, Wanbang has the exclusive right to develop and commercialize Triferic® for new therapeutic indications for the Chinese market. Wanbang is responsible for all clinical, regulatory and marketing expenses for Triferic® and Calcitriol in China as well as development and regulatory costs for new Triferic® indications.

## 17. QUARTERLY RESULTS OF OPERATIONS

The following is a summary of the quarterly results of operations for the years ended December 31, 2015 and 2014.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>2015</b>				
Sales	\$ 13,883,961	\$ 12,955,576	\$ 14,378,528	\$ 14,132,637
Cost of Sales	11,571,618	10,889,619	11,875,122	12,076,489
Gross Profit	2,312,343	2,065,957	2,503,406	2,056,148
Selling, General and Administrative	5,325,761	3,835,596	3,827,904	6,089,606
Research and Product Development	799,591	885,259	1,246,727	2,029,736
Operating Income (Loss)	(3,813,009)	(2,654,898)	(2,571,225)	(6,063,194)
Interest and Investment Income, net	113,815	118,151	156,672	293,238
Interest Expense				
Income (Loss) Before Income Taxes	(3,699,194)	(2,536,747)	(2,414,553)	(5,769,956)
Income Tax Expense				
Net Income (Loss)	\$ (3,699,194)	\$ (2,536,747)	\$ (2,414,553)	\$ (5,769,956)
Basic And Diluted Earnings (Loss) Per Share	\$ (.07)	\$ (.05)	\$ (.05)	\$ (.12)

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## ROCKWELL MEDICAL, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 17. QUARTERLY RESULTS OF OPERATIONS (Continued)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>2014</b>				
Sales	\$ 12,963,652	\$ 13,033,361	\$ 13,743,778	\$ 14,447,653
Cost of Sales	11,283,694	11,014,469	11,473,961	11,871,106
Gross Profit	1,679,958	2,018,892	2,269,817	2,576,547
Selling, General and Administrative	4,090,199	4,214,205	4,098,835	5,917,480
Research and Product Development	4,615,197	186,695	1,301,824	1,679,878
Operating Income (Loss)	(7,025,438)	(2,382,008)	(3,130,842)	(5,020,811)
Interest and Investment Income, net	74,215	69,633	55,263	187,144
Interest Expense	854,303	858,003	892,027	1,549,980
Income (Loss) Before Income Taxes	(7,805,526)	(3,170,378)	(3,967,606)	(6,383,647)
Income Tax Expense				
Net Income (Loss)	\$ (7,805,526)	\$ (3,170,378)	\$ (3,967,606)	\$ (6,383,647)
Basic And Diluted Earnings (Loss) Per Share	\$ (.20)	\$ (.08)	\$ (.10)	\$ (.14)

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SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Additions	(Deductions)	Balance at End of Period
<b>Allowance for Doubtful Accounts:</b>				
Year ended December 31, 2015	\$ 52,213	\$ 72,877	\$ (49,930)	\$ 75,160
Year ended December 31, 2014	\$ 37,392	\$ 40,714	\$ (25,893)	\$ 52,213
Year ended December 31, 2013	\$ 26,257	\$ 37,392	\$ (23,474)	\$ 37,392
<b>Inventory Reserve:</b>				
Year ended December 31, 2015	\$ 27,274	\$ 59,581	\$ (76,193)	\$ 10,662
Year ended December 31, 2014	\$ 35,009	\$ 19,701	\$ (27,435)	\$ 27,274
Year ended December 31, 2013	\$ 27,579	\$ 105,647	\$ (98,217)	\$ 35,009
<b>Deferred Tax Asset Valuation Allowance:</b>				
Year ended December 31, 2015	\$ 69,307,000	\$	\$ (293,000)	\$ 69,014,000
Year ended December 31, 2014	\$ 56,272,000	\$ 13,035,000	\$	\$ 69,307,000
Year ended December 31, 2013	\$ 38,266,000	\$ 18,006,000	\$	\$ 56,272,000

Allowances and reserves are deducted from the accounts to which they apply.

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