

CATALYST PHARMACEUTICAL PARTNERS, INC.

Form 10-Q

August 14, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[Mark One]

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

For the Quarterly Period Ended June 30, 2012

OR

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 001-33057

CATALYST PHARMACEUTICAL PARTNERS, INC.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	76-0837053 (IRS Employer Identification No.)
355 Alhambra Circle Suite 1500	
Coral Gables, Florida (Address of principal executive offices)	33134 (Zip Code)
Registrant's telephone number, including area code: <u>(305) 529-2522</u>	

Indicate by checkmark 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 report(s), 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 definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 30,741,520 shares of common stock, \$0.001 par value per share, were outstanding as of August 10, 2012.

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ASSETS	June 30, 2012 (unaudited)	December 31, 2011
Current Assets:		
Cash and cash equivalents	\$ 7,514,843	\$ 6,029,067
Prepaid expenses	166,788	199,116
Total current assets	7,681,631	6,228,183
Property and equipment, net	13,556	12,186
Deposits	8,888	8,888
Total assets	\$ 7,704,075	\$ 6,249,257
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 222,983	\$ 263,934
Accrued expenses and other liabilities	454,059	569,867
Total current liabilities	677,042	833,801
Accrued expenses and other liabilities, non-current	22,004	9,518
Warrants liability, at fair value	594,114	1,645,240
Total liabilities	1,293,160	2,488,559
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized: none issued and outstanding		
Common stock, \$0.001 par value, 100,000,000 shares authorized; 30,741,520 shares and 24,701,420 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively	30,742	24,701
Additional paid-in capital	45,861,056	41,838,614
Deficit accumulated during the development stage	(39,480,883)	(38,102,617)
Total stockholders' equity	6,410,915	3,760,698
Total liabilities and stockholders' equity	\$ 7,704,075	\$ 6,249,257

The accompanying notes are an integral part of these condensed financial statements.

Table of Contents**CATALYST PHARMACEUTICAL PARTNERS, INC.****(a development stage company)****CONDENSED STATEMENTS OF OPERATIONS****CONDENSED STATEMENTS OF OPERATIONS (unaudited)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		Cumulative Period from January 4, 2002 (date of inception) to June 30, 2012
	2012	2011	2012	2011	
Revenues - government grant	\$	\$	\$	\$	\$ 488,958
Operating costs and expenses:					
Research and development	532,741	905,635	1,260,068	1,809,588	26,903,776
General and administrative	534,623	491,828	1,172,006	1,107,125	15,277,754
Total operating costs and expenses	1,067,364	1,397,463	2,432,074	2,916,713	42,181,530
Loss from operations	(1,067,364)	(1,397,463)	(2,432,074)	(2,916,713)	(41,692,572)
Interest income	1,365	3,312	2,682	5,426	1,480,471
Change in fair value of warrants liability	776,919		1,051,126		731,218
Loss before income taxes	(289,080)	(1,394,151)	(1,378,266)	(2,911,287)	(39,480,883)
Provision for income taxes					
Net loss	\$ (289,080)	\$ (1,394,151)	\$ (1,378,266)	\$ (2,911,287)	\$ (39,480,883)
Loss per share basic and diluted	\$ (0.01)	\$ (0.06)	\$ (0.05)	\$ (0.14)	
Weighted average shares outstanding basic and diluted	26,851,410	21,654,680	25,781,106	20,793,155	

The accompanying notes are an integral part of these condensed financial statements.

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CATALYST PHARMACEUTICAL PARTNERS, INC.

(a development stage company)

CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY

CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (unaudited)

For the six months ended June 30, 2012

	Preferred Stock	Common Stock	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total
Balance at December 31, 2011	\$	\$ 24,701	\$ 41,838,614	\$ (38,102,617)	\$ 3,760,698
Issuance of common stock, net		41	(41)		
Issuance of stock options for services			90,180		90,180
Issuance of common stock and warrants, net		6,000	3,932,303		3,938,303
Net loss				(1,378,266)	(1,378,266)
Balance at June 30, 2012	\$	\$ 30,742	\$ 45,861,056	\$ (39,480,883)	\$ 6,410,915

The accompanying notes are an integral part of these condensed financial statements.

Table of Contents**CATALYST PHARMACEUTICAL PARTNERS, INC.****(a development stage company)****CONDENSED STATEMENTS OF CASH FLOWS****CONDENSED STATEMENTS OF CASH FLOWS (unaudited)**

	For the Six Months Ended, June 30,		Cumulative Period from January 4, 2002 (date of inception) through June 30, 2012
	2012	2011	
Operating Activities:			
Net loss	\$ (1,378,266)	\$ (2,911,287)	\$ (39,480,883)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	5,511	27,468	159,500
Stock-based compensation	90,180	118,827	5,712,341
Change in fair value of warrants liability	(1,051,126)		(731,218)
(Increase) decrease in:			
Government grant receivable		134,025	
Prepaid expenses and deposits	32,328	155	(175,676)
Increase (decrease) in:			
Accounts payable	(40,951)	372,078	222,983
Accrued expenses and other liabilities	(103,322)	(35,479)	412,711
Net cash used in operating activities	(2,445,646)	(2,294,213)	(33,880,242)
Investing Activities:			
Capital expenditures	(6,881)	(1,800)	(109,707)
Purchase of certificates of deposits		(2,001,688)	
Net cash used in investing activities	(6,881)	(2,003,488)	(109,707)
Financing Activities:			
Proceeds from issuance of common stock and warrants, net	3,938,303	2,228,634	37,512,605