

BIOSANTE PHARMACEUTICALS INC
Form DEF 14A
July 02, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

BioSante Pharmaceuticals, Inc.
(Name of Registrant as Specified In Its Charter)

Not Applicable
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

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**BIOSANTE
PHARMACEUTICALS, INC.**

**210 Main Street West
Baudette, Minnesota 56623**

July 2, 2013

Dear Stockholders:

We are pleased to invite you to join us for the BioSante Pharmaceuticals, Inc. Special Meeting of Stockholders to be held on Wednesday, July 17, 2013, at 10:00 a.m., local time, at the offices of MVP Capital Partners located at 259 N. Radnor-Chester Road, Suite 130, Radnor, Pennsylvania 19087. Details about the meeting and the matters to be acted on at the meeting are presented in the Notice of Special Meeting of Stockholders and proxy statement that follow.

It is important that your shares be represented at the meeting, regardless of the number of shares you hold. Accordingly, please exercise your right to vote by completing, signing, dating and returning your proxy card, or by using Internet or telephone voting as described in the proxy statement.

On behalf of BioSante's Board of Directors and management, it is my pleasure to express our appreciation for your continued support.

Sincerely,

Arthur S. Przybyl
President and Chief Executive Officer

Your vote is important. Please exercise your right to vote as soon as possible by completing, signing, dating and returning your proxy card, or by using Internet or telephone voting as described in the proxy statement. By doing so, you may save us the expense of additional solicitation.

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**BIOSANTE
PHARMACEUTICALS, INC.**

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON JULY 17, 2013

To the Stockholders of BioSante Pharmaceuticals, Inc.:

A Special Meeting of Stockholders of BioSante Pharmaceuticals, Inc., a Delaware corporation, will be held on Wednesday, July 17, 2013, at 10:00 a.m., local time, at the offices of MVP Capital Partners located at 259 N. Radnor-Chester Road, Suite 130, Radnor, Pennsylvania 19087, for the following purposes:

1. To consider and vote upon a proposal to approve an amendment to BioSante's Restated Certificate of Incorporation to effect a reverse split of BioSante's common stock and class C special stock at the discretion of the Board of Directors at a specific ratio within a range from 1-for-4 to 1-for-7 and simultaneously with the reverse split, reduce proportionally the number of authorized shares of common stock, class C special stock and blank check preferred stock, and to authorize the Board of Directors to determine, in its discretion, the timing of the amendment and the specific ratio of the reverse stock split.
2. To consider and vote upon a proposal to approve an amendment to BioSante's Restated Certificate of Incorporation to change the name of the company to ANI Pharmaceuticals, Inc.
3. To ratify the selection by the Audit Committee of EisnerAmper LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013.
4. To consider and vote upon a proposal to approve an adjournment of the Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Proposals No. 1 or 2.
5. To transact such other business as may properly come before the meeting or any adjournment of the meeting.

Only stockholders of record at the close of business on June 27, 2013 will be entitled to notice of, and to vote at, the meeting and any adjournments thereof. A stockholder list will be available at BioSante's corporate office beginning July 5, 2013 during normal business hours for examination by any stockholder registered on BioSante's stock ledger as of the record date for any purpose germane to the Special Meeting.

By Order of the Board of Directors,

Charlotte C. Arnold
Vice President, Chief Financial Officer and Secretary

July 2, 2013

Baudette, Minnesota

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**BIOSANTE
PHARMACEUTICALS, INC.**

**PROXY STATEMENT FOR
SPECIAL MEETING OF STOCKHOLDERS**

July 17, 2013

The Board of Directors of BioSante Pharmaceuticals, Inc. is soliciting your proxy for use at a Special Meeting of Stockholders to be held on Wednesday, July 17, 2013. The Board of Directors expects to send this proxy statement and a form of proxy to stockholders on or about July 3, 2013.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

Our proxy statement is available at www.biosantepharma.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements of BioSante within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein regarding BioSante, other than statements of historical fact, may be forward-looking statements under the provisions of such Act. Statements that include words such as expect, believe, will, may, might, anticipate, continue, plan, estimate, should, can, likely, could, predict, project, forecast, potential, possible or the negative of these words or other words or expressions may identify forward-looking statements. These forward-looking statements are found at various places throughout this proxy statement and relate to a variety of matters, including but not limited to:

- the expected benefits of and potential value created by the merger for the stockholders of BioSante and ANI; and
- the expected benefits of the reverse stock split, including BioSante's ability to maintain listing of its common stock on the NASDAQ Global Market, and the potential increase in investor interest.

These statements are subject to risks and uncertainties, including the risks described in this proxy statement, BioSante's annual report on Form 10-K for the year ended December 31, 2012 and BioSante's proxy statement/prospectus filed on May 8, 2013, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements in this proxy statement. Forward-looking statements are not guarantees of performance. These statements are based upon the current beliefs and expectations of management of BioSante and are subject to a number of factors that could cause actual outcomes and results to be materially different from

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those projected or anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. Except to the extent required by applicable law or regulation, BioSante does not undertake any obligation to update or publish revised forward-looking statements to reflect events or circumstances after the date hereof or the date of the forward-looking statements or to reflect the occurrence of unanticipated events.

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GENERAL INFORMATION ABOUT THE SPECIAL MEETING AND VOTING

Date, Time, Place and Purposes of Meeting

A Special Meeting of Stockholders of BioSante Pharmaceuticals, Inc. will be held on Wednesday, July 17, 2013, at 10:00 a.m., local time, at the offices of MVP Capital Partners located at 259 N. Radnor-Chester Road, Suite 130, Radnor, Pennsylvania 19087 for the purposes set forth in the Notice of Special Meeting of Stockholders.

Who Can Vote

Stockholders of record at the close of business on June 27, 2013 will be entitled to notice of and to vote at the meeting or any adjournment of the Special Meeting. As of that date, there were 57,236,744 shares of our common stock and 65,211 shares of our class C special stock outstanding. No shares of preferred stock were outstanding as of that date. Each share of our common stock and class C special stock is entitled to one vote on each matter to be voted on at the Special Meeting. Stockholders are not entitled to cumulate voting rights.

How You Can Vote

Your vote is important. Whether you hold shares directly as a stockholder of record or beneficially in street name (through a broker, bank or other nominee), you may vote your shares without attending the Special Meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee.

If you are a stockholder whose shares are registered in your name, you may vote your shares in person at the meeting or by completing, signing, dating and mailing the enclosed proxy card in the envelope provided if you received a paper copy of these proxy materials.

Vote by Internet, by going to the web address <https://www.proxyvote.com> and following the instructions (please note you must type an s after http).

Vote by Telephone, by dialing 1-800-690-6903 and following the instructions for telephone voting shown on your proxy card.

Vote by Proxy Card, by completing, signing, dating and mailing the enclosed proxy card in the envelope provided if you received a paper copy of these proxy materials. If you vote by Internet or telephone, please do not mail your proxy card.

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If your shares are held in street name, you may receive a separate voting instruction form or you may need to contact your broker, bank or other nominee to determine whether you will be able to vote electronically using the Internet or telephone.

Please see your proxy card or the information your bank, broker or other holder of record provided to you for more information on your options for voting.

If you return your signed proxy card or use Internet or telephone voting before the Special Meeting, the named proxies will vote your shares as you direct.

For Proposal No. 1 Approval of Amendment to Restated Certificate of Incorporation to Effect a Reverse Split of Common Stock and Class C Special Stock at the Discretion of the Board of Directors and Reduce Proportionally the Number of Authorized Shares of Common Stock, Class C Special Stock and Blank Check Preferred Stock, Proposal No. 2 Approval of Amendment to Restated Certificate of Incorporation to Change Our Name, Proposal No. 3 Ratification of Selection of EisnerAmper LLP as our Independent Registered Public Accounting Firm, and Proposal No. 4 Adjournment of Special Meeting, if Necessary, to Solicit Additional Proxies if There are Insufficient Votes in Favor of Proposals No. 1 or 2, you may:

- Vote **FOR** the proposal,
- Vote **AGAINST** the proposal or
- **ABSTAIN** from voting on the proposal.

If you send in your proxy card or use Internet or telephone voting, but you do not specify how you want to vote your shares, the proxies will vote your shares FOR Proposal No. 1 Approval of Amendment to Restated Certificate of Incorporation to Effect a Reverse Split of Common Stock and Class C Special Stock at the Discretion of the Board of Directors and Reduce Proportionally the

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Number of Authorized Shares of Common Stock, Class C Special Stock and Blank Check Preferred Stock, FOR Proposal No. 2 Approval of Amendment to Restated Certificate of Incorporation to Change Our Name, FOR Proposal No. 3 Ratification of Selection of EisnerAmper LLP as our Independent Registered Public Accounting Firm, and FOR Proposal No. 4 Adjournment of Special Meeting, if Necessary, to Solicit Additional Proxies if There are Insufficient Votes in Favor of Proposals No. 1 or 2.

How the Board of Directors Recommends that You Vote

The Board of Directors recommends that you vote:

FOR Proposal No. 1 Approval of Amendment to Restated Certificate of Incorporation to Effect a Reverse Split of Common Stock and Class C Special Stock at the Discretion of the Board of Directors and Reduce Proportionally the Number of Authorized Shares of Common Stock, Class C Special Stock and Blank Check Preferred Stock;

FOR Proposal No. 2 Approval of Amendment to Restated Certificate of Incorporation to Change Our Name;

FOR Proposal No. 3 Ratification of Selection of EisnerAmper LLP as our Independent Registered Public Accounting Firm; and

FOR Proposal No. 4 Adjournment of Special Meeting, if Necessary, to Solicit Additional Proxies if There are Insufficient Votes in Favor of Proposals No. 1 or 2.

How You May Revoke or Change Your Vote

If you are a stockholder whose shares are registered in your name, you may revoke your proxy at any time before it is voted by one of the following methods:

- Submitting another proper proxy with a more recent date than that of the proxy first given by following the Internet or telephone voting instructions or completing, signing, dating and returning a proxy card to us;
- Sending written notice of revocation to our Corporate Secretary; or
- Attending the Special Meeting and voting by ballot.

If you hold your shares through a broker, bank or other nominee, you may revoke your proxy by following instructions your broker, bank or other nominee provides.

Quorum Requirement

The presence at the Special Meeting, in person or by proxy, of the holders of one-third (19,100,652 shares) of the outstanding shares of our common stock and class C special stock as of the record date will constitute a quorum for the transaction of business at the Special Meeting. In general, shares of our common stock and shares of our class C special stock represented by a properly signed and returned proxy card will be counted as shares present and entitled to vote at the Special Meeting for purposes of determining a quorum. Shares represented by proxies marked Abstain are counted in determining whether a quorum is present, as are broker non-votes. A broker non-vote is a proxy returned by a broker on behalf of its beneficial owner customer that is not voted on a particular matter because voting instructions have not been received by the broker from the customer, and the broker does not have discretionary authority to vote on behalf of such customer on such matter. If there is not a quorum, a majority of the shares present at the Special Meeting may adjourn the Special Meeting to a later date as discussed below under Discretionary Voting.

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Vote Required

Assuming a quorum is represented at the Special Meeting, either in person or by proxy, the following vote is required for each of the following matters:

Proposal No. 1 Approval of Amendment to Restated Certificate of Incorporation to Effect a Reverse Split of Common Stock and Class C Special Stock at the Discretion of the Board of Directors and Reduce Proportionally the Number of Authorized Shares of Common Stock, Class C Special Stock and Blank Check Preferred Stock requires the affirmative vote of a majority of the outstanding shares of our common stock and class C special stock, voting together as a single class, and entitled to vote.

Proposal No. 2 Approval of Amendment to Restated Certificate of Incorporation to Change Our Name requires the affirmative vote of a majority of the outstanding shares of our common stock and class C special stock, voting together as a single class, and entitled to vote.

Proposal No. 3 Ratification of Selection of EisnerAmper LLP as our Independent Registered Public Accounting Firm requires the affirmative vote of a majority of our common stock and class C special stock, present in person or by proxy, voting together as a single class and entitled to vote.

Proposal No. 4 Adjournment of Special Meeting, if Necessary, to Solicit Additional Proxies if There are Insufficient Votes in Favor of Proposals Nos. 1 or 2 requires the affirmative vote of a majority of our common stock and class C special stock, present in person or by proxy, voting together as a single class and entitled to vote.

If your shares are held in street name and you do not indicate how you wish to vote, your broker is permitted to exercise its discretion to vote your shares on certain routine matters, but is not permitted to exercise its discretion on non-routine matters. None of the proposals above, other than Proposal No. 3, are routine matters. Accordingly, if you do not direct your broker how to vote for Proposals 1, 2 or 4, your broker may not exercise discretion and may not vote your shares on that proposal.

Broker non-votes are not considered to be shares entitled to vote at the meeting. As such, a broker non-vote will not be counted as a vote For or Against Proposals 3 or 4, but will count as a vote Against Proposals 1 or 2. Proxies marked Abstain will be counted in determining the total number of shares entitled to vote on each of the proposals and will have the effect of a vote Against a proposal.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of June 27, 2013 with respect to the beneficial ownership of each class of our capital stock for:

- each person known by us to beneficially own more than five percent of any class of our voting securities;
- each of our directors;
- each of our executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

The number of shares beneficially owned by a person includes shares subject to options and warrants held by that person that are currently exercisable or that become exercisable within 60 days of June 27, 2013. Percentage calculations are based on 57,236,744 shares of our common stock outstanding as of June 27, 2013, and do not include 65,511 shares of class C special stock outstanding as of such date. Percentage calculations assume, for each person and group, that all shares that may be acquired by such person or group pursuant to options and warrants currently exercisable or that become exercisable within 60 days of June 27, 2013 are outstanding for the purpose of computing the percentage of capital stock of the Company owned by such person or group. However, such unissued shares of capital stock are not deemed to be outstanding for calculating the percentage of capital stock owned by any other person. Except as otherwise indicated and subject to the voting agreements described under the section entitled "Voting and Other Ancillary Agreements" in the proxy statement/prospectus filed by us with the SEC on May 8, 2013, which description is incorporated by reference herein, we believe that the beneficial owners of capital stock listed in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to community property laws where applicable. Unless otherwise indicated in the notes below, the address for each of the stockholders in the table below is c/o BioSante Pharmaceuticals, Inc., 210 Main Street West, Baudette, Minnesota 56623.

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| Name of Beneficial Owner | Common Stock Owners | | Class C Special Stock | | Common Stock and Common Stock Equivalents | Percentage of Total Voting Power |
|--|---------------------|------|-----------------------|------|---|----------------------------------|
| | Number | % | Number | % | | |
| <i>5% Stock Owners</i> | | | | | | |
| Meridian Venture Partners II, L.P.(1) | 16,918,469 | 29.6 | | | 16,918,469 | 29.6 |
| First Analysis Funds(2) | 4,850,644 | 8.5 | | | 4,850,644 | 8.5 |
| Argentum Capital Partners II, L.P.(3) | 3,345,849 | 5.9 | | | 3,345,849 | 5.9 |
| Louis W. Sullivan, M.D. | 41,314 | * | 16,666 | 25.6 | 57,980 | * |
| Hans Michael Jebsen(4) | 12,500 | * | 16,666 | 25.6 | 29,166 | * |
| Marcus Jebsen(5) | 4,166 | * | 8,333 | 12.8 | 12,499 | * |
| Angela Ho(6) | 1,219 | * | 16,666 | 25.6 | 17,885 | * |
| <i>Directors and Named Executive Officers</i> | | | | | | |
| Robert E. Brown, Jr.(7) | 16,918,469 | 29.6 | | | 16,918,469 | 29.6 |
| Arthur S. Przybyl(8) | 72,570 | * | | | 72,570 | * |
| Tracy L. Marshbanks, Ph.D.(9) | 4,850,644 | 8.5 | | | 4,850,644 | 8.5 |
| Thomas A. Penn(10) | 16,918,469 | 29.6 | | | 16,918,469 | 29.6 |
| Robert Schrepfer(11) | | | | | | |
| Fred Holubow | 38,538 | * | | | 38,538 | * |
| Ross Mangano(12) | 422,563 | * | | | 422,563 | * |
| Charlotte C. Arnold(8) | 25,820 | * | | | 25,820 | * |
| James G. Marken(13) | 289,612 | * | | | 289,612 | * |
| Robert J. Jamnick(13) | 273,710 | * | | | 273,710 | * |
| All directors and executive officers as a group (10 persons) | 22,883,632 | 39.9 | | | 22,883,632 | 39.9 |

*Represents beneficial ownership of less than one percent.

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(1) Meridian Venture Partners II GP, L.P. (GP) is the general partner of Meridian Venture Partners II, L.P. (MVP II), the record holder of the securities. Meridian Venture Partners II, Co. (MVP Corp.) is the general partner of GP. MVP Management Company (MVP Management) d/b/a MVP Capital Partners, is the management company for MVP II and also renders financial and business advisory services to several of the companies in which MVP II has invested. MVP Management is described herein solely as a result of its affiliate relationship with MVP II, GP, MVP Corp. and Messrs. Brown and Penn. Robert E. Brown, Jr., a director of BioSante, is the President, sole stockholder and sole director of MVP Corp., the sole stockholder, sole director and President of MVP Management, as well as a limited partner of GP and one of two principals of MVP II that are licensed by the Small Business Administration (SBA). SBA-licensed principals are charged with approving all investment-related decisions on behalf of small business investment companies licensed by the SBA, such as MVP II. Thomas A. Penn, a director of BioSante, is a Vice President of MVP Corp., an employee of MVP Management, a limited partner of GP and one of the two SBA-licensed principals of MVP II. As such, GP, MVP Corp., Mr. Brown and Mr. Penn may be deemed to share voting and dispositive power with respect to the shares that are held of record by MVP II. GP, MVP Corp., Mr. Brown and Mr. Penn disclaim beneficial ownership in such shares of capital stock except to the extent of their respective pecuniary interests therein.

(2) These shares are held by FA Private Equity Fund IV, L.P. (FAPEF IV), FA Private Equity Fund IV GmbH & Co. Beteiligungs KG (GmbH), The Productivity Fund IV, L.P. (Productivity Fund) and The Productivity Fund IV Advisors Fund, L.P. (Advisors Fund). We refer to these funds collectively as the First Analysis Funds.

FA Private Equity Management IV, L.L.C. (FAPEM IV) is the sole general partner of FAPEF IV. First Analysis Venture Operations and Research, L.L.C. (FAVOR) is the ultimate managing member of FAPEM IV and, in that capacity, exercises voting and dispositive control over the shares held by FAPEF IV. Tracy L. Marshbanks, Ph.D., a director of BioSante, is a managing director of First Analysis Corporation, which manages FAVOR.

FAPEM IV is the managing limited partner of GmbH. FAVOR is the ultimate managing member of FAPEM IV and, in that capacity, exercises voting and dispositive control over the shares held by GmbH. Dr. Marshbanks is a managing director of First Analysis Corporation, which manages FAVOR.

First Analysis Management Company IV, L.L.C. (FAMC IV) is the sole general partner of Productivity Fund. FAVOR is the managing member of FAMC IV and, in that capacity, exercises voting and dispositive control over the shares held by Productivity Fund. Dr. Marshbanks is a managing director of First Analysis Corporation, which manages FAVOR.

FAMC IV is the sole general partner of Advisors Fund. FAVOR is the managing member of FAMC IV and, in that capacity, exercises voting and dispositive control over the shares held by Advisors Fund. Dr. Marshbanks is a managing director of First Analysis Corporation, which manages FAVOR. Dr. Marshbanks may therefore be deemed to share voting and dispositive power with respect to the shares that are held of record by the First Analysis Funds. Dr. Marshbanks disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. The business address for the First Analysis Funds, FAVOR, FAPEM IV and First Analysis Corporation is c/o First Analysis, 1 S. Wacker Drive, Suite 3900, Chicago, Illinois 60606.

(3) These shares are held by Argentum Capital Partners II, L.P. (ACP II). Argentum Investments, LLC is the managing member of Argentum Partners II, LLC, which is the general partner of ACP II. Walter H. Barandiaran and Daniel Raynor are co-managing members of Argentum Investments, LLC. Each of Messrs. Barandiaran and Raynor, and Argentum Investments, LLC and Argentum Partners II, LLC, may be deemed to beneficially own the shares of common stock held by ACP II. Each of Messrs. Barandiaran and Raynor disclaims

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beneficial ownership of such shares, except to the extent of his pecuniary interest therein. The business address of ACP II is 60 Madison Avenue, Suite 701, New York, NY 10010.

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- (4) The address of Hans Michael Jebsen is c/o Jebsen & Co. Ltd., 28/F Caroline Center, 28 Yun Ping Road, Causeway Bay, Hong Kong, China.
- (5) The address of Marcus Jebsen is c/o MF Jebsen International Ltd., 24/F Caroline Centre, 28 Yun Ping Road, Causeway Bay, Hong Kong, China.
- (6) The address of Angela Ho is c/o Jet Asia Ltd., 39/F Shun Tak Center, 200 Connaught Road Central, Hong Kong, China.
- (7) See footnote (1) above.
- (8) As described under Transaction Bonus Agreements and Related Arrangements and Tax Withholding Arrangements on pages 290 - 294 of our proxy statement/prospectus filed with the SEC on May 8, 2013, which description is incorporated by reference herein (except as updated below), each of Mr. Przybyl and Ms. Arnold was paid a transaction bonus in shares of ANI series D preferred stock in connection with the merger, which was placed into a rabbi trust and converted into BioSante common stock at the closing of the merger. Beginning on August 14, 2013, shares are expected to be released ratably on a weekly basis to a broker/dealer, who will sell a portion of the shares under separate 10b5-1 trading plans to be entered into by Mr. Przybyl and Ms. Arnold in order to cover tax withholding obligations and release the remainder to Mr. Przybyl and Ms. Arnold. The initial release of the shares on August 14, 2013 may be delayed by up to 30 days at the discretion of the board of directors if it is deemed in the best interest of the Company. The gross bonus amounts for Mr. Przybyl and Ms. Arnold were 1,966,489 and 595,246 shares of BioSante common stock, respectively. The net bonus amounts (after payment of tax withholding obligations) were 1,052,267 and 374,406 shares of BioSante common stock, respectively. Within 60 days of June 27, 2013, 135,620 shares of common stock are expected to be released from Mr. Przybyl's rabbi trust, of which 63,050 shares would be sold to cover taxes, and 41,050 shares of common stock are expected to be released from Ms. Arnold's rabbi trust, of which 15,230 shares would be sold to cover taxes.
- (9) See footnote (2) above.
- (10) See footnote (1) above.
- (11) Does not include shares held by Healthcare Value Master Fund Ltd. (HVMF). While Mr. Schrepfer is an employee of Healthcare Value Capital, LLC (HVC), the investment adviser to HVMF, he does not have an ownership interest in, and does not serve as general partner or managing member of, HVC or its affiliates. Therefore, Mr. Schrepfer is not deemed to share voting or dispositive power with respect to the shares held by HVMF.
- (12) Mr. Mangano's beneficial ownership includes: (a) 321,610 shares of common stock held by JO & Co., of which Mr. Mangano is President; (b) 5,000 shares of common stock held by Oliver & Co., of which Mr. Mangano is the trustee; and (c) an aggregate of 39,998 shares of common stock held in various accounts, of which Mr. Mangano is an advisor and/or a trustee. Mr. Mangano has sole voting and investment

power over these shares.

(13) As described under Transaction Bonus Agreements and Related Arrangements and Tax Withholding Arrangements on pages 290 - 294 of our proxy statement/prospectus filed with the SEC on May 8, 2013, which description is incorporated by reference herein (except as updated below), each of Messrs. Marken and Jamnick was paid a transaction bonus in shares of ANI series D preferred stock in connection with the merger, which was converted into BioSante common stock at the closing of the merger. The gross bonus amounts for Mr. Marken and Mr. Jamnick were 435,241 and 411,964 shares of BioSante common stock, respectively. The net bonus

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amounts (after payment of tax withholding obligations) were 289,612 and 273,710 shares of BioSante common stock, respectively.

Change of Control

On April 12, 2013, BioSante and ANIP Acquisition Company, a Delaware corporation d/b/a ANI Pharmaceuticals (ANI) entered into an amended and restated agreement and plan of merger (the Merger Agreement) pursuant to which ANI merged with and into ANI Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of BioSante (the Merger Sub), after which ANI became a wholly owned subsidiary of BioSante (the Merger). Pursuant to the terms of the Merger Agreement, at 6:01 p.m. Eastern Time on June 19, 2013 (the Effective Time), each outstanding share of capital stock of ANI was converted into the right to receive a number of shares of BioSante common stock, if any, as determined pursuant to the exchange ratio described in the Merger Agreement and the provisions of ANI s certificate of incorporation, and all options, warrants or other rights to purchase shares of capital stock of ANI, were canceled without consideration therefor, except for certain warrants which were cancelled pursuant to separate agreements. No fractional shares of BioSante common stock was issued in connection with the Merger, and holders of ANI capital stock were entitled to receive cash in lieu thereof.

Following the Merger, the stockholders of ANI immediately prior to the Effective Time, which include MVP II, First Analysis Funds, ACP II, Messrs. Brown, Przybyl, Penn, Marken and Jannick, Dr. Marshbanks and Ms. Arnold, own approximately 57% of the outstanding shares of common stock of BioSante and the stockholders of BioSante immediately prior to the Effective Time own approximately 43% of the outstanding shares of common stock of BioSante. At the Effective Time, the board of directors of BioSante was reconstituted to consist of five former directors of ANI and two former directors of BioSante, and ANI s former executive officers commenced serving as executive officers of BioSante.

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PROPOSAL NO. 1

**APPROVAL OF AMENDMENT TO RESTATED CERTIFICATE OF INCORPORATION
TO EFFECT A REVERSE SPLIT OF COMMON STOCK AND CLASS C SPECIAL STOCK
AT THE DISCRETION OF THE BOARD OF DIRECTORS
AND REDUCE PROPORTIONALLY THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK, CLASS C SPECIAL
STOCK AND BLANK CHECK PREFERRED STOCK**

Summary

The Board of Directors has adopted and is recommending that our stockholders approve an amendment to our Restated Certificate of Incorporation, and thereby authorize the Board of Directors, in its discretion, to effect a reverse split of our outstanding shares of common stock and class C special stock at any time prior to our 2014 Annual Meeting of Stockholders at an exchange ratio of one of the following reverse split ratios: (i) 1-for-4; (ii) 1-for-5; (iii) 1-for-6; and (iv) 1-for-7. The Board of Directors believes that providing the flexibility for the Board to choose an exact split ratio and to effect the reverse stock split at any time prior to our 2014 Annual Meeting of Stockholders will enable the Board of Directors to act in the best interests of our company and stockholders. In the event the Board of Directors effects a reverse split, the total number of authorized shares of common stock, class C special stock and blank check preferred stock will be reduced in proportion to the reverse split ratio, but the par value of our common stock or class C special stock will not change.

The form of proposed amendment to our Restated Certificate of Incorporation to effect the reverse stock split and reduce the number of authorized shares proportionally is attached to this proxy statement as Appendix A. We refer to this amendment as the reverse stock split amendment in this proxy statement.

If this proposal is approved, the Board of Directors will have the authority, but not the obligation, in its sole discretion and without any further action on the part of the stockholders, to effect the reverse stock split and the proportional reduction in authorized shares, at any time it believes to be most advantageous to our company and stockholders, but in any event prior to our 2014 Annual Meeting of Stockholders. This proposal would give the Board of Directors the authority to implement one, but not more than one, reverse stock split. The Board will also retain the authority not to effect the reverse stock split amendment even if we receive stockholder approval.

A reverse stock split would be effected by the filing of the reverse stock split amendment with the Secretary of State of the State of Delaware. If the reverse stock split amendment is not filed with the Secretary of State of the State of Delaware prior to our 2014 Annual Meeting of Stockholders, the reverse stock split amendment will be deemed abandoned, without any further effect. Thus, subject to stockholder approval, the Board of Directors, at its discretion, may file the amendment to effect a reverse stock split or abandon it and effect no reverse stock split if it determines that such action is not in the best interest of our company and stockholders. Furthermore, if both Proposal 1 and Proposal 2 are approved, we may decide to effect the corresponding amendments to our certificate of incorporation by combining them into one document and filing only one certificate of amendment with the Delaware Secretary of State.

If, following approval by our stockholders, a reverse stock split is undertaken, the number of issued and outstanding shares of our common stock and our class C special stock will be reduced in accordance with a reverse stock split ratio determined by the Board of Directors. Except for

adjustments that may result from the treatment of fractional shares, as described below, each stockholder will hold the same percentage of common stock and class C special stock outstanding immediately following the reverse stock split as such stockholder held immediately prior to the reverse stock split.

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Reasons for the Reverse Stock Split

NASDAQ Listing Compliance

We have been advised by NASDAQ that the Merger constituted a business combination that resulted in a change of control, requiring the Company to meet all of the criteria applicable to a company requesting initial listing on the NASDAQ Global Market and to complete NASDAQ's initial listing process prior to the Merger. One of these criteria is the requirement that the minimum bid price for our common stock be \$4.00. At the time of the Merger, the price for our common stock on the NASDAQ Global Market was \$1.22 per share. As a result, on June 20, 2013, the Company received a Delisting Determination Letter from NASDAQ. In connection with this notification, the Company on June 26, 2013 notified NASDAQ of its request to hold a hearing to present a plan for gaining compliance with the initial listing requirements. While the Company's request for a hearing temporarily stayed the delisting of its common stock, if the Company is not successful in effecting the proposed reverse split or the post-split stock price does not remain at a sufficiently high level to permit the Company to gain compliance with the minimum bid price requirement, the Company believes that its common stock would be delisted.

The Board intends for the reverse split to increase the per share market price of the Company's common stock. In order to continue trading on The NASDAQ Global Market, the closing price for our common stock on the NASDAQ Global Market must be at least \$4.00 for at least five trading days following the reverse split. Assuming our common stock in fact maintains that minimum closing price for such period and the Company receives notification from NASDAQ that it meets the initial listing requirements for business combinations that result in a change of control, the Company would then be subject to the continued listing requirements of the NASDAQ Global Market, which include a minimum bid price for the stock of \$1.00, among other requirements.

In addition to enabling the Company to meet the initial listing requirements, the Board of Directors believes that the increased market price of our common stock expected to result from the implementation of a reverse stock split will improve the marketability and liquidity of our common stock.

In determining the exact ratio for the reverse stock split, the Board of Directors intends to use either a 1-for-4, 1-for-5, 1-for-6 or 1-for-7 ratio that would result in a per share price of greater than \$4.00 per share following the reverse stock split. Notwithstanding the foregoing, there can be no assurance that the market price per share following the reverse stock split will remain in excess of the minimum bid price for a sustained period of time. In addition, there can be no assurance that our common stock will not be delisted due to a failure to meet other listing requirements even if the market price per share of our common stock on a post-reverse-stock-split basis remains in excess of the minimum bid price requirement.

The BioSante Board of Directors believes that a continued listing on The NASDAQ Global Market for the shares of common stock of BioSante may provide a broad market for its common stock and facilitate the use of the common stock in financing and other transactions.

Increased Investor Interest

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On July 1, 2013, the latest practicable date before the printing of this proxy statement, the closing price of our common stock was \$0.94 per share. An investment in our common stock may not appeal to brokerage firms that are reluctant to recommend lower-priced stocks to their clients. Also, the Board of Directors believes that most investment funds are reluctant to invest in lower-priced stocks. Investors also may be dissuaded from purchasing lower-priced stocks because the brokerage commissions, as a percentage of the total transaction, tend to be higher for such stocks. Moreover, analysts at many brokerage firms do not monitor the trading activity or otherwise provide coverage of lower-priced stocks.

For the foregoing reasons, we are asking our stockholders to approve the reverse stock split amendment authorizing a reverse stock split and proportional reduction in authorized shares and grant the Board of Directors the discretion to determine the exchange ratio of not less than 1-for-4 and not more than 1-for-7 and effect the reverse stock split at any time prior to our 2014 Annual Meeting of Stockholders.

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Effects of the Reverse Stock Split

If approved and implemented, the principal effects of the reverse stock split would include the following, all of which have been considered by the Board of Directors in approving the reverse stock split amendment:

The number of outstanding shares of our common stock and class C special stock will be reduced and each stockholder will own fewer shares than they currently own.

The number of shares of our common stock reserved and available for issuance under our equity-based compensation plans and the number of shares of our common stock issuable upon exercise of outstanding options and warrants will be reduced proportionately based on the reverse stock split ratio selected by the Board of Directors and the exercise price of all outstanding options and warrants will be increased proportionately. The number of shares of our common stock issuable upon conversion of our class C special stock will be reduced proportionately based on the reverse stock split ratio selected by the Board of Directors and the conversion price of such shares will be increased proportionately. The number of authorized shares of our common stock, class C special stock and blank check preferred stock will be reduced in proportion to the reverse stock split.

Except for adjustments that may result from the treatment of fractional shares resulting from the reverse stock split, which are explained below under the heading Fractional Shares, each stockholder will hold the same percentage of our outstanding common stock or class C special stock immediately following the reverse stock split as the stockholder held immediately prior to the reverse stock split.

The voting rights, rights to dividends and distributions and other rights of our common stock and class C special stock will not be changed as a result of the reverse stock split, except for the conversion price of our class C special stock as described above.

The following tables show the number of shares of common stock and class C special stock that would be (1) issued and outstanding; (2) authorized and reserved for issuance upon the exercise of outstanding stock options and warrants and in the case of our common stock, conversion of the class C special stock; (3) authorized and unreserved for issuance; and (4) authorized, in each case upon the implementation of the reverse stock split at each ratio from 1-for-4 to 1-for-7 based on our capitalization at June 20, 2013. In addition, the tables show the number of shares of blank check preferred stock that would be authorized in each case upon the implementation of the reverse stock split at each of those ratios. Because rounding for fractional shares will occur at the level of each beneficial holder, it is currently not possible to determine the exact number of new shares that will be issued in exchange for old shares in the reverse stock split and therefore, the post-split numbers of issued and outstanding stock in the following tables represent maximum values.

Common Stock

| Reverse Stock Split Ratio | Common Stock Issued and Outstanding | Common Stock Authorized and Reserved for | Common Stock Authorized and Unreserved for | Total Shares of Common Stock Authorized |
|----------------------------------|--|---|---|--|
|----------------------------------|--|---|---|--|

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| | | Issuance | Issuance | |
|-----------|------------|-----------------|-----------------|-------------|
| Pre-split | 57,236,744 | 2,106,683 | 140,656,573 | 200,000,000 |
| 1-for-4 | 14,309,186 | 526,670 | 35,164,144 | 50,000,000 |
| 1-for-5 | 11,447,348 | 421,336 | 28,131,316 | 40,000,000 |
| 1-for-6 | 9,539,457 | 351,113 | 23,442,763 | 33,333,334 |
| 1-for-7 | 8,176,677 | 300,954 | 20,093,797 | 28,571,429 |