

Edgar Filing: COATES C ROBERT - Form DFAN14A

COATES C ROBERT
Form DFAN14A
August 22, 2002

=====

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant []
Filed by a Party other than the Registrant [X]

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 Rule 14a-12

NORTHFIELD LABORATORIES INC.

(Name of Registrant as Specified in its Charter)

C. ROBERT COATES

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.
- 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.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party: C. Robert Coates
 - 4) Date Filed: August 22, 2002

=====

C. ROBERT COATES' TRACK RECORD AT NORTHFIELD LABORATORIES, INC.

Edgar Filing: COATES C ROBERT - Form DFAN14A

| DATE | EVENT | Northfield Stock |
|--------------------|---|------------------|
| June 19, 2000 | * C. Robert Coates sends a letter to Northfield shareholders faulting the "Wall of Silence" policy of Northfield's management "toward communicating with shareholders, the medical community, the press, and Wall Street." The letter outlines how Northfield's share prices lagged those of other blood substitute companies. | \$12.38 |
| June 22, 2000 | * C. Robert Coates announces that he has retained Beacon Hill Partners, Inc. as strategic advisor regarding opportunities to improve the shareholder value of Northfield Labs. | \$16.25 |
| August 31, 2000 | * Mr. Coates announces his intention to file a slate of four candidates for election to the Board of Directors of Northfield Laboratories, Inc. | \$15.63 |
| September 26, 2000 | * Mr. Coates files a Schedule 14A Definitive Proxy Statement with the SEC. | \$12.94 |
| | * On that same day, Mr. Coates and Northfield's senior management, Richard E. DeWoskin and Steven A. Gould, MD meet to discuss ways to enhance the flow of information available to Northfield's shareholders and the scientific, business and investment communities. | |
| | * Subsequent to that meeting Northfield indicates that it plans to increase significantly the resources devoted to investor relations and to consider additional steps to provide enhanced information to its public investors. In addition, Northfield agrees to explore expanding its board to include additional independent directors with substantial FDA regulatory experience or a background in the pharmaceutical industry. Northfield also clarifies that shareholders attending the Annual Meeting would be free to ask questions and make statements. | |
| | * Following that meeting, Mr. Coates withdraws his proposed slate of directors and ELECTS NOT TO SOLICIT PROXIES in connection with the 2000 annual meeting. | |
| August 3, 2001 | * Northfield announces that it will host its Annual Meeting on August 31, 2001. For the years 2000, 1999, 1998 and 1997, the meeting dates had been October 12, October 28, September 28 and October 17 respectively. | \$16.69 |
| August 10, 2001 | * Mr. Coates files an action against Northfield and its directors. The suit alleges that the defendants inequitably advanced the 2001 annual | \$16.22 |

Edgar Filing: COATES C ROBERT - Form DFAN14A

| | | |
|----------------------------|--|------------------|
| | meeting from October 11, 2001, the date Northfield had publicly identified as the expected meeting date, to August 31, 2001 for the purposes of preventing Mr. Coates from waging an effective proxy contest. | |
| | * The lawsuit also mentions "the lack of information stockholders and the investing public have about Northfield" - issues that Northfield had promised to rectify, as captured in a Northfield press release, one year earlier. | |
| ----- August 16, 2001 | * Northfield announces that it had completed preparation of all its Biologics License Application (BLA) components, including collection and analysis of its clinical trial data for PolyHeme. Neither Northfield's August 3, 2001 press release nor its August 3, 2001 Proxy Statement mentioned Northfield's plan to file the BLA. | ----- \$19.84 |
| ----- August 17, 2001 | * Upon learning of Northfield's plan to file its BLA Mr. Coates withdraws his lawsuit. The prepared 14A Proxy Statement is not filed and NO VOTES ARE SOLICITED. Mr. Coates wishes to be constructive, not disruptive to the FDA filing process by Northfield Laboratories. | ----- \$18.16 |
| | * Northfield's stock price reaches an intra-day high of \$21.25. | |
| | * Northfield issues a press release stating that "a shareholder of the company, has filed suit in Delaware to delay Northfield's annual meeting of shareholders scheduled for August 31, 2001." | |
| | * Northfield's stock price falls and ends at \$18.16 to close the day. | |
| ----- November 19, 2001 | * Northfield announces "that it received comments from the U.S. Food and Drug Administration's Center for Biologics Evaluation and Research (CBER) on its Biologics License Application (BLA), submitted August 2001. CBER indicated that they are seeking additional information before accepting the application for filing and issued a Refusal-to-File letter to the company." | ----- \$13.25 |
| ----- December 21, 2001 | * Northfield announces that "it hopes to get a meeting on the FDA's calendar in January to discuss modifications to its Biologics License Application (BLA)." | ----- \$9.95 |
| ----- May 13, 2002 | * TheStreet.com publishes an article titled "Northfield's Game Plan Remains a Mystery." | ----- \$6.73 |
| | * The article states, "It's been six months since U.S. drug regulators refused to review Northfield Laboratories' experimental blood substitute, PolyHeme. But company executives still aren't offering much insight into what's needed to get | |

Edgar Filing: COATES C ROBERT - Form DFAN14A

| | | |
|---------------|---|--------|
| | <p style="text-align: center;">the product back on track."</p> <p>* It also adds, "Thursday, Northfield President Steven Gould said he was optimistic that the 'constructive dialogue' with the Food and Drug Administration would lead the agency to reaccept PolyHeme's approval application for review. But Gould declined to give specifics, nor would he explain why these discussions are dragging on so long."</p> | |
| June 3, 2002 | <p>* C. Robert Coates files a proxy statement with the SEC announcing that he and Bert Williams III are running for election to the Northfield board at the upcoming annual meeting.</p> | \$4.03 |
| June 4, 2002 | <p>* Dow Jones reports that C. Robert Coates, if elected, "would immediately pressure the board to remove Richard DeWoskin as chief executive and then begin a search for a major equity partner with pharmaceutical experience to get PolyHeme to market as soon as possible."</p> | \$4.25 |
| July 9, 2002 | <p>* Messrs. Coates and Williams announce they will "challenge Northfield's CEO and directors in (a) proxy contest."</p> <p>* Mr. Coates adds, "Northfield needs more money, and it needs a CEO who can get the job done for the shareholders. We think the only way to remedy the present situation is to partner with a major pharmaceutical firm on terms satisfactory to shareholders. In addition to infusing much needed capital into the company before it runs out of money, this pharmaceutical company would provide Northfield with an experienced CEO and the marketing and manufacturing expertise that is missing."</p> | \$3.71 |
| July 11, 2002 | <p>* Northfield announces that it had received Messrs. Coates' and Williams' director nominations.</p> <p>* Northfield adds that "Coates has spoken by telephone with the members of the nominating committee to discuss his nomination", but fails to mention that:</p> <p style="padding-left: 40px;">* The nominating committee declined to discuss Mr. Coates' credentials.</p> <p style="padding-left: 40px;">* The nominating committee had not contacted Mr. Williams.</p> | \$3.46 |
| July 15, 2002 | <p>* In a press release Mr. Coates asks Northfield Labs' CEO and directors to focus on increasing the share price.</p> <p>* He adds, "DeWoskin and the directors can start by disclosing material information to shareholders including the FDA rejection letter and progress by Northfield in completing its BLA. This will immediately benefit the shareholders. The only</p> | \$3.34 |

Edgar Filing: COATES C ROBERT - Form DFAN14A

reason not to disclose this information is that it may cost DeWoskin and several of the directors their jobs at Northfield Labs."

July 24, 2002

* Northfield announces the resignation of its CEO Richard DeWoskin and shares that its going forward plan contains the following action items:

\$4.79

* Working with the FDA to "resolve as quickly as possible" the issues with the BLA and move forward with PolyHeme's approval process.

* Raising additional capital.

* Partnering with a major pharmaceutical company.

* Increasing Northfield's profile in the scientific and investment communities.

* NORTHFIELD'S PLAN COPIES (ALMOST WORD FOR WORD) MOST OF MR. COATES' PLAN:

* "Pressure the board to remove Richard DeWoskin" (June 4, Dow Jones)

* "Get PolyHeme to market as soon as possible" (June 4, Dow Jones)

* "Infus[e] much needed capital into the company" (July 9, Filed with the SEC)

* "Partner with a major pharmaceutical firm on terms satisfactory to shareholders" (July 9, Filed with the SEC)

* Northfield's plan does not provide any action items on how it intends to address its marketing and manufacturing short-comings.

* In addition, NORTHFIELD ANNOUNCES TWO NEW DIRECTOR CANDIDATES: MR. BIERBAUM, REPRESENTING PEPSIAMERICAS, INC., AND MR. NESS, WHO WAS PAID \$80,000 FOR CONSULTING WORK BY NORTHFIELD AND WHO WILL KEEP THAT JOB WHILE A DIRECTOR AT THE COMPANY (IF ELECTED).

July 26, 2002

* Northfield's preliminary proxy filed with the SEC reveals that Mr. DeWoskin will benefit from a separation and a consulting agreement. The Northfield proxy statement says, "THE SEPARATION AGREEMENT WITH MR. DEWOSKIN PROVIDES FOR THE TERMINATION OF HIS EMPLOYMENT AGREEMENT WITH NORTHFIELD, WITH THE EXCEPTION THAT HE WILL CONTINUE TO BE ENTITLED TO RECEIVE A BONUS OF \$278,048 IF NORTHFIELD RECEIVES FDA APPROVAL FOR THE COMMERCIAL SALE OF POLYHEME IN THE UNITED STATES FOR ANY INDICATION ON OR PRIOR TO DECEMBER 31, 2004."

\$5.45

* In addition, Northfield stated that "Mr. DeWoskin's consulting agreement provides for the payment of a monthly consulting fee of \$26,962 and

Edgar Filing: COATES C ROBERT - Form DFAN14A

the reimbursement of certain reasonable out-of-pocket business and travel expenses incurred by Mr. DeWoskin on behalf of Northfield." MR. DEWOSKIN'S CONSULTING FEES ARE MORE THAN WHAT HE WAS MAKING AS A CEO (\$23,460 PER MONTH).

* Northfield's proxy states that Dr. Moss and Dr. Ness have provided consulting services to Northfield and have received compensation from Northfield for their services. Dr. Moss is a party to a consulting agreement under which he reviews and advises Northfield on research activities relating to PolyHeme. Dr. Moss' consulting agreement expires in August 2002, and it is expected the agreement will be EXTENDED for an additional year. Dr. Moss received \$60,000 from Northfield under his consulting agreement during our 2002 fiscal year. Dr. Ness has provided consulting services to Northfield relating to FDA regulatory matters and the sourcing of red blood cells from major blood banking organizations. Northfield expects to enter into an agreement with Dr. Ness under which he will AGREE TO CONTINUE to provide such services to Northfield. Dr. Ness RECEIVED \$80,000 from Northfield as payment for his consulting services during our 2002 fiscal year.

July 31, 2002

* C. Robert Coates announces that Northfield Laboratories is sending a "mixed message" by rehiring DeWoskin.

* Messrs. Coates and Williams vow to continue the fight as truly independent director candidates.

* Biopure files with the FDA seeking approval for its product (Hemopure).

\$4.35

August 9, 2002

* Northfield files its definitive proxy statement with the SEC but makes no mention of any progress towards the approval of PolyHeme by the FDA.

\$3.86
