

TorreyPines Therapeutics, Inc.
Form 10-Q
May 13, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2008

or

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

For the transition period from _____ to _____

Commission file number: 000-25571

TORREYPINES THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

86-0883978
(IRS Employer Id. No.)

11085 North Torrey Pines Road, Suite 300
La Jolla, CA
(Address of principal executive offices)

92037
(Zip code)

Registrant's telephone number, including area code: **(858-623-5665)**

Edgar Filing: TorreyPines Therapeutics, Inc. - Form 10-Q

Indicate by check mark 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 reports), and (2) has been subject to such filing requirements for the past 90 days. 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 large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

As of May 9, 2008, there were 15,745,127 shares of our Common Stock outstanding.

TorreyPines Therapeutics, Inc.

INDEX

| | |
|-------------------|---|
| <u>PART I.</u> | <u>FINANCIAL INFORMATION</u> |
| <u>Item 1.</u> | <u>Financial Statements</u> |
| | <u>Consolidated Balance Sheets as of March 31, 2008 (Unaudited) and December 31, 2007</u> |
| | <u>Consolidated Statements of Operations for the three months ended March 31, 2008 and 2007 (Unaudited)</u> |
| | <u>Consolidated Statements of Cash Flows for the three months ended March 31, 2008 and 2007 (Unaudited)</u> |
| | <u>Notes to Consolidated Financial Statements</u> |
| <u>Item 2.</u> | <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> |
| <u>Item 3.</u> | <u>Quantitative and Qualitative Disclosures About Market Risk</u> |
| <u>Item 4T.</u> | <u>Controls and Procedures</u> |
| <u>PART II.</u> | <u>OTHER INFORMATION</u> |
| <u>Item 1.</u> | <u>Legal Proceedings</u> |
| <u>Item 1A.</u> | <u>Risk Factors</u> |
| <u>Item 6.</u> | <u>Exhibits</u> |
| <u>Signatures</u> | |

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

TorreyPines Therapeutics, Inc.
Consolidated Balance Sheets

(in thousands, except share and per share data)

| | March 31, 2008 (Unaudited) | December 31, 2007 |
|---|----------------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 25,665 | \$ 32,500 |
| Prepaid expenses | 462 | 746 |
| Other current assets | 81 | 89 |
| Total current assets | 26,208 | 33,335 |
| Property and equipment, net | | |
| Purchased patents, net | 698 | 774 |
| Investment in OXIS International, Inc. | 3,417 | 3,515 |
| Other assets | 1,678 | 979 |
| Total assets | \$ 32,054 | \$ 38,652 |
| Liabilities and stockholders equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 4,468 | \$ 5,462 |
| Long-term debt, current portion | 3,674 | 3,574 |
| Total current liabilities | 8,142 | 9,036 |
| Long-term debt, net of current portion | | |
| Deferred revenue | 30 | 954 |
| Deferred rent | 900 | 2,183 |
| Total liabilities | 17 | 19 |
| Commitments and contingencies | | |
| Stockholders equity | | |
| Preferred stock, \$0.001 par value, 15,000,000 shares authorized, 0 shares outstanding at March 31, 2008 and December 31, 2007, respectively | | |
| Common stock, \$0.001 par value, 150,000,000 shares authorized, 15,745,127 and 15,738,496 shares issued and outstanding at March 31, 2008 and December 31, 2007, respectively | | |
| Additional paid-in capital | 16 | 16 |
| Accumulated other comprehensive income | 122,547 | 122,359 |
| Accumulated deficit | 696 | 486 |
| Total stockholders equity | (100,294) | (96,401) |
| | 22,965 | 26,460 |

Edgar Filing: TorreyPines Therapeutics, Inc. - Form 10-Q

| | | | | |
|--|----|--------|----|--------|
| Total liabilities and stockholders' equity | \$ | 32,054 | \$ | 38,652 |
|--|----|--------|----|--------|

See accompanying notes.

TorreyPines Therapeutics, Inc.
Consolidated Statements of Operations

(in thousands, except share and per share data)

(Unaudited)

| | Three months ended | |
|----------------------------|---------------------------|-------------|
| | March 31, | |
| | 2008 | 2007 |
| Revenue | | |
| License and option fees | \$ 1,283 | \$ 1,700 |
| Research funding | 763 | 763 |
| Total revenue | 2,046 | 2,463 |
| Operating expenses | | |
| Research and development | 5,260 | 5,177 |
| General and administrative | 1,448 | 1,395 |
| Total operating expenses | 6,708 | 6,572 |
| Loss from operations | (4,662) | (4,109) |