

ENDOCYTE INC
Form SC 13D
November 01, 2018

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No.)***

ENDOCYTE, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

29269A102

(CUSIP Number of Class of Securities)

Alec N. Litowitz

Magnetar Capital LLC

1603 Orrington Ave.

Evanston, Illinois 60201

(847) 905-4400

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

October 22, 2018

(Date of Event Which Requires Filing of this Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7(B) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 29269A102

SCHEDULE 13D

1. Name of Reporting Person:
Magnetar Financial LLC
2. Check the Appropriate Box if a Member of a Group
(a)
(b)
3. SEC Use Only
4. Source of Funds
OO
5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
Delaware
7. Sole Voting Power
0
8. Shared Voting Power
5,214,176
9. Sole Dispositive Power
0
10. Shared Dispositive Power
5,214,176
11. Aggregate Amount Beneficially Owned by Each Reporting Person
5,214,176
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares
13. Percent of Class Represented by Amount in Row (11)
6.38%
14. Type of Reporting Person
IA; OO

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 29269A102

SCHEDULE 13D

1. Name of Reporting Person:
Magnetar Capital Partners LP
2. Check the Appropriate Box if a Member of a Group
(a)
(b)
3. SEC Use Only
4. Source of Funds
OO
5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
Delaware
7. Sole Voting Power
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8. Shared Voting Power
5,214,176
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5,214,176
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares
13. Percent of Class Represented by Amount in Row (11)
6.38%
14. Type of Reporting Person
HC; OO

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 29269A102

SCHEDULE 13D

1. Name of Reporting Person:
Supernova Management LLC
2. Check the Appropriate Box if a Member of a Group
(a)
(b)
3. SEC Use Only
4. Source of Funds
OO
5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
Delaware
7. Sole Voting Power
0
8. Shared Voting Power
5,214,176
9. Sole Dispositive Power
0
10. Shared Dispositive Power
5,214,176
11. Aggregate Amount Beneficially Owned by Each Reporting Person
5,214,176
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares
13. Percent of Class Represented by Amount in Row (11)
6.38%
14. Type of Reporting Person
HC; OO

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 29269A102

SCHEDULE 13D

1. Name of Reporting Person:
Alec N. Litowitz
2. Check the Appropriate Box if a Member of a Group
(a)
(b)
3. SEC Use Only
4. Source of Funds
OO
5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
United States of America
7. Sole Voting Power
0
8. Shared Voting Power
5,214,176
9. Sole Dispositive Power
0
10. Shared Dispositive Power
5,214,176
11. Aggregate Amount Beneficially Owned by Each Reporting Person
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12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares
13. Percent of Class Represented by Amount in Row (11)
6.38%
14. Type of Reporting Person
HC; IN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

SCHEDULE 13D

Item 1. Security and Issuer

This Schedule 13D (this Statement) relates to the shares of common stock, par value \$0.001 per share (the Shares), of Endocyte, Inc., a Delaware corporation (the Company). The principal executive offices of the Company are located at 3000 Kent Avenue, Suite A1-100, West Lafayette, IN 47906.

Item 2. Identity and Background

(a) The persons filing this Statement are Magnetar Financial LLC, a Delaware limited liability company (Magnetar Financial), Magnetar Capital Partners LP, a Delaware limited partnership (Magnetar Capital Partners), Supernova Management LLC, a Delaware limited liability company (Supernova Management), and Alec N. Litowitz (Mr. Litowitz) (collectively, the Reporting Persons).

This Statement relates to Shares held for the accounts of each of (i) Magnetar Capital Master Fund, Ltd, a Cayman Islands exempted company (Magnetar Capital Master Fund), (ii) Magnetar PRA Master Fund Ltd, a Cayman Islands exempted company (PRA Master Fund), (iii) Magnetar Constellation Fund II-PRA LP, a Delaware limited partnership (Constellation Fund), (iv) Magnetar MSW Master Fund Ltd, a Cayman Islands exempted company (MSW Master Fund), and (v) Magnetar Multi-Strategy Alternative Risk Premia Master Fund Ltd, a Cayman Islands exempted company, (Premia Master Fund), collectively (the Funds), and (vi) one managed account for a client of Magnetar Financial (the Managed Account).

Magnetar Financial is a Securities and Exchange Commission (SEC) registered investment adviser under Section 203 of the Investment Advisers Act of 1940, as amended, and manager of private investment funds and managed accounts. Magnetar Financial serves as investment adviser to each of the Funds and Managed Account. In such capacity, Magnetar Financial exercises voting and investment power over the Shares held for the accounts of each of the Funds and Managed Account. Magnetar Capital Partners serves as the sole member and parent holding company of Magnetar Financial. Supernova Management is the general partner of Magnetar Capital Partners. The manager of Supernova Management is Mr. Litowitz.

(b) The business address of each of the Reporting Persons is 1603 Orrington Avenue, 13th Floor, Evanston, Illinois 60201.

(c) Each of the Funds is a private investment fund; the Managed Account is an account managed for a client of Magnetar Financial; Magnetar Financial is a privately-held SEC registered investment adviser and manager of private investment funds and managed accounts, including each of the Funds and the Managed Account; Magnetar Capital Partners is a privately-held limited partnership and serves as the sole member and parent holding company of Magnetar Financial; Supernova Management is a privately-held limited liability company and is the general partner of Magnetar Capital Partners; and Mr. Litowitz is a citizen of the United States of America, manager of Supernova Management and Chief Executive Officer of Magnetar Financial.

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(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such Reporting Person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Magnetar Financial is a Delaware limited liability company. Magnetar Capital Partners is a Delaware limited partnership. Supernova Management is a Delaware limited liability company. Mr. Litowitz is a citizen of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration

The aggregate amount of funds used by the Reporting Persons in purchasing the 5,214,176 Shares reported herein on behalf of the Funds and Managed Account have come directly from the assets of the Funds and Managed Account controlled by such Reporting Persons and their affiliates, which may, at any given time, have included margin loans made by brokerage firms in the ordinary course of business. The aggregate amount of funds used by the Reporting Persons in purchasing the Shares since the merger announcement on behalf of the Funds and Managed Account was \$122,116,958 (excluding commissions and other execution-related costs).

The aggregate amount of funds used by the Reporting Persons in purchasing 7,500 Shares reported herein on behalf of Magnetar Equity Opportunities Master Fund, Ltd, Cayman Islands exempted company, managed by Magnetar Financial was \$138,750 (excluding commissions and other execution-related costs).

Item 4. Purpose of Transaction

The Reporting Persons acquired the 5,214,176 Shares reported herein on behalf of the Funds and the Managed Account after the public announcement of the Merger Agreement (as defined below) for purposes of receiving the merger consideration described below upon consummation of the Merger (as described below). The Reporting Persons currently intend to vote the 5,214,176 Shares reported herein on behalf of the Funds in favor of the Merger.

Each of the Reporting Persons reserves the right to acquire additional securities of the Company in the open market, in privately negotiated transactions, or otherwise, to dispose of all or a portion of the Shares and/or other securities reported in this Statement, or to change their intention with respect to any or all of the matters referred to in this Item 4.

Other than as described above in this Item 4, the Reporting Persons do not have any plans or proposals that relate to, or would result in, any actions or events specified in clauses (a) through (j) of Item 4 to Schedule 13D.

Item 5. Interest in Securities of the Issuer

The Company reported in their Form 8-K dated October 17, 2018 that 81,759,272 Shares were issued and outstanding as of October 16, 2018.

(a) As of November 1, 2018, each of the Reporting Persons may have been deemed to have beneficial ownership of 5,214,176 Shares, which consisted of (i) 272,316 Shares held for the benefit of Magnetar Capital Master Fund, (ii) 2,131,153 Shares held for the benefit of PRA Master Fund, (iii) 1,021,185 Shares held for the benefit of Constellation Fund; (iv) 172,266 Shares held for the benefit of MSW Master Fund; (v) 40,246 Shares held for the benefit of Premia Master Fund and (vi) 1,577,010 Shares held for the benefit of the Managed Account, and all such Shares represented beneficial ownership of approximately 6.38% of the Shares.

(b) As of November 1, 2018, each of the Reporting Persons may have been deemed to share the power to vote and direct the disposition of 5,214,176 Shares, which consisted of (i) 272,316 Shares held for the benefit of Magnetar Capital Master Fund, (ii) 2,131,153 Shares held for the benefit of PRA Master Fund, (iii) 1,021,185 Shares held for the benefit of Constellation Fund; (iv) 172,266 Shares held for the benefit of MSW Master Fund; (v) 40,246 Shares held for the benefit of Premia Master Fund and (vi) 1,577,010 Shares held for the benefit of the Managed Account, and all such Shares represented beneficial ownership of approximately 6.38% of the Shares.

(c) Except as set forth on Schedule A attached hereto and Item 6, the Funds and the Managed Account had no transactions in the Shares during the 60 days preceding the date of filing of this Statement. All of the transactions set forth on Schedule A attached hereto were effected in the ordinary course of business of Magnetar Financial for the accounts of each of the Funds. The transactions in the Shares set forth on Schedule A were effected in open market transactions on NASDAQ and various other trading markets.

As disclosed by the Company in the Form 8-K filed with the SEC on October 17, 2018:

On October 17, 2018, Endocyte, Inc., a Delaware corporation (the Company), entered into an Agreement and Plan of Merger (the Merger Agreement) with Novartis AG, a company organized under the laws of Switzerland (Parent), and Edinburgh Merger Corporation, a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub). Subject to the terms and conditions of the Merger Agreement, Merger Sub will be merged with and into the Company (the Merger), with the Company continuing as the surviving corporation and a wholly-owned subsidiary of Parent.

Pursuant to the Merger Agreement, at the effective time of the Merger (the Effective Time), each outstanding share of Company common stock, par value \$0.001 per share (other than shares owned by the Company, Parent or Merger Sub (which shares will be canceled) and shares with respect to which appraisal rights are properly exercised and not withdrawn under Delaware law), will automatically be converted into the right to receive \$24.00 in cash, without interest (the Merger Consideration).

At the Effective Time, each stock option to purchase shares of Company common stock that is outstanding and unexercised immediately prior to the Effective Time, whether vested or unvested, will (i) if the exercise price of such option is less than the Merger

Consideration, be canceled, with the holder becoming entitled to receive an amount in cash equal to (a) the excess of the Merger Consideration over the exercise price of the option, multiplied by (b) the number of shares of Company common stock subject to such option (subject to any applicable withholding taxes); or (ii) if the exercise price of such option is equal to or greater than the Merger Consideration, be canceled without any consideration being payable.

(d) No other person is known by the Reporting Persons to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, any Shares that are beneficially owned by the Reporting Persons.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to the Securities of the Issuer

Pursuant to Rule 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, as amended, the Reporting Persons have entered into an agreement with respect to the joint filing of this Statement, and any amendment or amendments hereto.

The 146 Shares were sold short on behalf of Premia Master Fund for which Magnetar Financial serves as the investment adviser, were obtained from prime brokers pursuant to customary securities lending agreements.

A client of Magnetar Financial has entered into a total return swap agreement giving it economic exposure to the Company.

Magnetar Asset Management LLC (Magnetar Asset Management) is a SEC registered investment adviser and an affiliate of Magnetar Financial. Magnetar Capital Partners serves as the sole member and parent holding company of Magnetar Asset Management. Certain clients of Magnetar Asset Management have entered into total return swap agreements giving them economic exposure to the Company.

Except as otherwise described herein, no contracts, arrangements, understandings or similar relationships exist with respect to the securities of the Company among or between the Reporting Persons or any other person or entity.

Item 7. Material to be Filed as Exhibits

Exhibit No.	Description
99.1	Joint Filing Agreement, dated as of November 1, 2018 among the Reporting Persons.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 1, 2018

MAGNETAR FINANCIAL LLC

By: Magnetar Capital Partners LP, its Sole Member

By: /s/ Alec N. Litowitz
Name: Alec N. Litowitz
Title: Manager of Supernova Management LLC,
the General Partner of Magnetar Capital
Partners LP

MAGNETAR CAPITAL PARTNERS LP

By: /s/ Alec N. Litowitz
Name: Alec N. Litowitz
Title: Manager of Supernova Management LLC,
the General Partner of Magnetar Capital
Partners LP

SUPERNOVA MANAGEMENT LLC

By: /s/ Alec N. Litowitz
Name: Alec N. Litowitz
Title: Manager

/s/ Alec N. Litowitz
Alec N. Litowitz

SCHEDULE A

Funds & Managed Accounts

Date	Number of Shares Bought	Price Per Share(\$)	(1)(2)
9/12/18	7,500	18.50	
10/18/18	2,804,366	23.40326	(3)
10/19/18	1,173,587	23.37482	(4)
10/22/18	430,861	23.48231	(5)
10/23/18	386,577	23.52624	(6)
10/24/18	418,785	23.49882	(7)

(1) Excludes commissions and other execution-related costs.

(2) Upon request by the staff of the Securities and Exchange Commission, full information regarding the number of shares bought or sold (as the case may be) at each separate price will be provided.

(3) Reflects a weighted average purchase price of \$23.40326 per share, at prices ranging from \$23.34 to \$23.535 per share.

(4) Reflects a weighted average purchase price of \$23.37482 per share, at prices ranging from \$23.305 to \$23.50 per share.

(5) Reflects a weighted average purchase price of \$23.48231 per share, at prices ranging from \$23.41 to \$23.59 per share.

(6) Reflects a weighted average purchase price of \$23.52624 per share, at prices ranging from \$23.45 to \$23.595 per share.

(7) Reflects a weighted average purchase price of \$23.49882 per share, at prices ranging from \$23.384 to \$23.55 per share.

Funds & Managed Account

Date	Number of Shares (Sold)	Price Per Share(\$) (1)(2)
9/12/18	7,500	20.02020(3)
10/2/18	146	17.34082(4)

(1) Excludes commissions and other execution-related costs.

(2) Upon request by the staff of the Securities and Exchange Commission, full information regarding the number of shares sold at each separate price will be provided.

(3) Reflects a weighted average sale price of \$20.02020 per share, at prices ranging from \$20.015 to \$20.025 per share.

(4) Reflects a weighted average sale price of \$17.34082 per share, at prices ranging from \$17.22 to \$17.52 per share.

EXHIBIT INDEX

Exhibit No.	Description
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