

VICAL INC

FORM 8-K (Current report filing)

Filed 10/17/06 for the Period Ending 10/13/06

Address	10390 PACIFIC CENTER COURT . SAN DIEGO, CA 92121-4340
Telephone	858-646-1100
CIK	0000819050
Symbol	VICL
SIC Code	2836 - Biological Products, Except Diagnostic Substances
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): October 13, 2006

VICAL INCORPORATED

(Exact name of registrant as specified in charter)

Delaware
(State or other
jurisdiction of
incorporation)

000-21088
(Commission File
Number)

93-0948554
(I.R.S. Employer
Identification No.)

10390 Pacific Center Court
San Diego, California
(Address of principal executive offices)

92121-4340
(Zip Code)

Registrant's telephone number, including area code: (858) 646-1100

Not Applicable.

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On October 13, 2006, Vical Incorporated entered into a common stock purchase agreement with certain institutional investors relating to a registered direct offering of 2,490,038 shares of Vical's common stock. Under the terms of the transaction, Vical will sell the common stock at \$5.02 per share to the institutional investors for gross proceeds of approximately \$12.5 million. The closing of the offering took place on October 17, 2006.

The common stock was issued pursuant to a prospectus supplement filed with the Securities and Exchange Commission on October 17, 2006, in connection with a shelf takedown from Vical's registration statement on Form S-3 (File No. 333-131307) which became effective on March 31, 2006. A copy of the opinion of Cooley Godward Kronish LLP relating to the legality of the issuance and sale of the shares in the offering is attached as Exhibit 5.1 hereto.

Proceeds from the transaction will be used in the further development of Vical's ongoing programs as well as for other general corporate purposes.

On October 16, 2006, Vical issued a press release announcing the offering. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
5.1	Opinion of Cooley Godward Kronish LLP.
23.1	Consent of Cooley Godward Kronish LLP (included in its opinion filed as Exhibit 5.1 hereto).
99.1	Press release of Vical Incorporated dated October 16, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VICAL INCORPORATED

Date: October 17, 2006

By: /s/ JILL M. CHURCH

Jill M. Church
Vice President, Chief Financial Officer
and Secretary

INDEX TO EXHIBITS

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October 17, 2006

Frederick T. Muto

Vical Incorporated
10390 Pacific Center Court
San Diego, CA 92121

T: (858) 550-6010
mutoft@cooley.com

Ladies and Gentlemen:

You have requested our opinion with respect to certain matters in connection with the offering by VICAL INCORPORATED, a Delaware corporation (the "**Company**"), of an aggregate of 2,490,038 shares of the Company's common stock, par value \$0.01 (the "**Shares**"), pursuant to a Registration Statement on Form S-3 (Registration Statement No. 333-131307) (the "**Registration Statement**"), filed with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**Act**"), the prospectus included within the Registration Statement (the "**Base Prospectus**"), and the supplemented form of prospectus relating to the Shares dated October 13, 2006 and filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations of the Act (the "**Prospectus Supplement**"). (The Base Prospectus and Prospectus Supplement are collectively referred to as the "**Prospectus** .") All of the Shares are to be sold by the Company as described in the Registration Statement and Prospectus.

In connection with this opinion, we have examined and relied upon the Registration Statement, the Prospectus, the Company's Restated Certificate of Incorporation, as amended, its Amended and Restated Bylaws, and the originals or copies certified to our satisfaction of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below. We have assumed the genuineness and authenticity of all documents submitted to us as originals, and the conformity to originals of all documents where due execution and delivery are a prerequisite to the effectiveness thereof.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold in accordance with the Registration Statement and Prospectus, will be validly issued, fully paid and nonassessable.

We consent to the reference to our firm under the caption "Legal Matters" in the Prospectus and to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

Cooley Godward Kronish LLP

By: /s/ FREDERICK T. MUTO
Frederick T. Muto



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858•646•1100, FAX: 858•646•1150
www.vical.com

News Release

FOR IMMEDIATE RELEASE
October 16, 2006

Contacts:	Investors:	Media:
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	Website: www.vical.com	

Vical to Raise \$12.5 Million in Registered Direct Offering

SAN DIEGO—October 16, 2006—Vical Incorporated (Nasdaq:VICL) today announced that it has obtained commitments to purchase approximately \$12.5 million of its common stock in a registered direct offering. Under the terms of the transaction, Vical expects to sell approximately 2.5 million shares pursuant to an effective shelf registration statement at a price of \$5.02 per share, the Nasdaq closing bid price on October 13, 2006, with no discounts or commissions. The closing of the offering is expected to take place on October 16, 2006. Proceeds from the transaction will be used in the further development of Vical's ongoing programs, as well as for other general corporate purposes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The shares of common stock may only be offered by means of a prospectus. Copies of the final prospectus supplement and accompanying base prospectus can be obtained from the Corporate Secretary, Vical Incorporated, 10390 Pacific Center Court, San Diego, CA 92121-4340.

About Vical

Vical researches and develops biopharmaceutical products based on its patented DNA delivery technologies for the prevention and treatment of serious or life-threatening diseases. Potential applications of the company's DNA delivery technology include DNA vaccines for infectious diseases or cancer, in which the expressed protein is an immunogen; cancer immunotherapeutics, in which the expressed protein is an immune system stimulant; and cardiovascular therapies, in which the expressed protein is an angiogenic growth factor. The company is developing certain infectious disease vaccines and cancer therapeutics internally. In addition, the

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company collaborates with major pharmaceutical companies and biotechnology companies that give it access to complementary technologies or greater resources. These strategic partnerships provide the company with mutually beneficial opportunities to expand its product pipeline and address significant unmet medical needs. Additional information on Vical is available at www.vical.com.

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected, including: whether the offering will close as expected on October 16, 2006, if at all; whether any product candidates will be shown to be safe and efficacious in clinical trials; the timing of clinical trials; whether Vical or its collaborative partners will seek or gain approval to market any product candidates; the dependence of the company on its collaborative partners; and additional risks set forth in the company's filings with the Securities and Exchange Commission. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

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