CERUS CORP

FORM 8-K
(Current report filing)

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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): November 16, 2007

CERUS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**0-21937**	**68-0262011**
(State of jurisdiction)	**(Commission File No.)**	**(IRS Employer Identification No.)**

2411 Stanwell Drive
Concord, California 94520
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (925) 288-6000

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 (see General Instruction A.2. below):

☐ 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))

Item 1.01 Entry into a Material Definitive Agreement.

On November 20, 2007, Cerus Corporation, a Delaware corporation (the "Company"), and Anza Therapeutics, Inc., a Delaware corporation ("Anza"), entered into, and closed the transaction contemplated by, an Asset Transfer and License Agreement (the "Agreement") pursuant to which Anza has (i) acquired substantially all of the assets of the Company used in or necessary for the Company's immunotherapy programs, including the Company's Listeria and KBMA platform technologies (the "Business"), (ii) licensed certain intangible assets used in or necessary for the Business from the Company, and (iii) generally assumed post-closing liabilities related to the purchased assets as set forth in the Agreement (collectively, the "Transaction"). Under the Agreement, the Company has agreed not to research, develop or commercialize, on its own or through any third party, any immunotherapy products or services anywhere in the world for a specified period.

The Company received an equity interest of approximately 15.5% of Anza's fully diluted equity, subject to Anza's right to redeem up to 20% of such shares in certain circumstances set forth in the Agreement. Subject to the satisfaction of certain milestones, the Company is eligible to receive up to an additional $1.5 million in Anza equity or, under certain circumstances, in cash. In addition to equity, the Company is eligible to receive future cash milestone payments of up to $94 million, as well as royalty payments, if vaccine candidates generated from the transferred assets are successfully developed and commercialized.

The Agreement contains customary representations, warranties and covenants. The Company and Anza have each agreed to indemnify the other for damages arising from the breach of its representations, warranties, covenants or obligations in the Agreement.

In connection with the Transaction, the Company and Anza have also entered into the following agreements: (i) a Transition Services Agreement pursuant to which the Company has agreed to provide transition services (including services related to facilities management, human resources, environmental health and safety, sample management, quality assurance, information technology and computer services, and laboratory services) to Anza at cost for periods generally ranging from three months to one year during the five-year term of the Transition Services Agreement, and (ii) a Supply Agreement pursuant to which the Company will supply certain raw materials and devices related to the Business to Anza at cost.

In anticipation of the Transaction, David N. Cook, Ph.D., the Company's Corporate Senior Vice President, and Thomas W. Dubensky, Ph.D., the Company's Vice President, Research, ceased to be employees of the Company effective as of November 16, 2007 and joined Anza as chief executive officer and chief scientific officer, respectively.

A copy of the press release further describing the Transaction is filed as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

The information in Item 1.01 with respect to David N. Cook, Ph.D., is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release, dated November 20, 2007, entitled “Cerus Announces Spin-Off of Immunotherapy Business.”

SIGNATURE

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.

CERUS CORPORATION

Dated: November 20, 2007

By: /s/ William J. Dawson
William J. Dawson
Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release, dated November 20, 2007, entitled “Cerus Announces Spin-Off of Immunotherapy Business.”

Exhibit 99.1

CERUS ANNOUNCES SPIN-OFF OF IMMUNOTHERAPY BUSINESS

- Cerus to Focus Resources Solely on Blood Safety Business -

CONCORD, Calif. – November 20, 2007 — Cerus Corporation (NASDAQ:CERS) announced today that it has spun-off certain assets that make up its immunotherapy programs, including Cerus' Listeria and KBMA platform technologies, to a newly-formed independent company financed by a syndicate of leading venture capital firms. Cerus received an equity interest of approximately 15.5% of the new company's fully diluted equity. Subject to the satisfaction of milestones, Cerus is eligible to receive up to an additional $1.5 million of equity in the new company or, under certain circumstances, in cash. In addition to equity, Cerus is eligible to receive future cash milestone payments of up to in excess of $90 million, as well as royalty payments, if vaccine candidates generated from the transferred assets are successfully developed and commercialized. Cerus is no longer funding operations of the immunotherapy business that has been transferred to the new company. As part of the transaction, David N. Cook, Ph.D. and Thomas W. Dubensky, Ph.D. have joined the new company as CEO and chief scientific officer, respectively. Both were members of Cerus' executive management team.

"The completion of this transaction allows Cerus to focus organizational and financial resources solely on our core strengths in the blood safety business," said Claes Glassell, president and chief executive officer, Cerus Corporation. "We remain confident that the immunotherapy programs and technologies that we have transferred to the new company will ultimately prove to represent important advances in the treatment of cancer and infectious diseases. On a personal note, we wish David Cook, Tom Dubensky and the many very capable scientific, clinical and regulatory people associated with our immunotherapy business continued success in their new roles."

With the spin-off of the immunotherapy business completed, Cerus is now solely focused on commercializing the INTERCEPT Blood System. Both the INTERCEPT platelet and plasma systems have been approved and are being sold in Europe and in other countries that recognize the CE mark. Cerus has worldwide rights to the INTERCEPT Blood System, except in Asia, where Cerus has licensed marketing rights to the platelet and plasma systems to BioOne Corporation. In addition to its direct sales force in Europe, Cerus has engaged country-specific distributors in Spain, Portugal, Greece, Turkey, Kuwait, Russia and other CIS countries. Cerus has conducted Phase III clinical trials of the platelet and plasma systems in the United States and is in early-stage clinical development of a modified red blood cell system.

ABOUT CERUS

Cerus Corporation is a biopharmaceutical company focused on the development and commercialization of the INTERCEPT Blood System ®. The INTERCEPT ® system is designed to inactivate blood-borne pathogens in donated blood components intended for transfusion. The company currently markets the INTERCEPT system for both platelets and plasma in Europe. The company is also in Phase I clinical trials for development of the INTERCEPT system for red blood cells in the United States.

INTERCEPT and the INTERCEPT Blood System are trademarks of Cerus Corporation.

This press release contains forward-looking statements, including, without limitation, statements related to Cerus' receipt of future equity and cash milestone and royalty payments and the therapeutic and commercial potential of the immunotherapy programs that have been spun-off to the new company. Words such as "anticipated," "may" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Cerus' current expectations. Forward-looking statements involve risks and uncertainties. Cerus' actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to the early stage of development and high risk of failure of the vaccine programs that have been spun-off to the new company. These and other risk factors are discussed under "Risk Factors" in Cerus' Quarterly Report on Form 10-Q for the quarter ended September 30, 2007. Cerus expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein.

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