

CELLDEX THERAPEUTICS, INC.

FORM 8-K (Current report filing)

Filed 04/24/18 for the Period Ending 04/24/18

Address	53 FRONTAGE ROAD SUITE 220 HAMPTON, NJ, 08827
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CIK	0000744218
Symbol	CLDX
SIC Code	2835 - In Vitro and In Vivo Diagnostic Substances
Industry	Biotechnology & Medical Research
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): **April 24, 2018**

CELLDEX THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-15006
(Commission File Number)

13-3191702
(IRS Employer
Identification No.)

**Perryville III Building, 53 Frontage Road, Suite 220,
Hampton, New Jersey 08827**

(Address of principal executive offices) (Zip Code)

(908) 200-7500

(Registrant's telephone number, including area code)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On April 24, 2018, Celldex Therapeutics, Inc. (the “Company”) approved a reduction in workforce to reduce operating costs and better align its workforce with the needs of its business following (i) the Company’s recent announcement that the Company’s Phase 2b METRIC Study of glembatumumab vedotin failed to meet its primary endpoint, (ii) the Company’s decision to discontinue the glembatumumab vedotin program across all indications and (iii) the Company’s ongoing reprioritizing of its research and development pipeline.

Under this plan, the Company plans to reduce its 2018 budgeted workforce by 59 positions, including 41 employees that will be terminated and 18 budgeted and/or open positions that will not be filled, resulting in a workforce of 148 employees. The Company has offered severance benefits to the affected employees, including cash severance payments, reimbursement of medical insurance premiums, and outplacement services. Each affected employee’s eligibility for these severance benefits is contingent upon such employee’s execution (and no revocation) of a separation agreement, which includes a general release of claims against the Company.

In connection with this workforce reduction, the Company estimates that it will incur aggregate restructuring charges in the second quarter of 2018 of approximately \$1.3 million related to cash severance payments and other employee-related costs, which will primarily be paid during the second and third quarters of 2018. The Company’s estimates are subject to a number of assumptions, and actual results may differ. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the workforce reduction.

This Item 2.05 contains forward-looking statements, including, but not limited to, statements related to the expected costs associated with termination benefits and the financial impact of the reduction in force. These forward-looking statements are based on the Company’s current expectations and inherently involve significant risks and uncertainties. The Company’s 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 cost reduction efforts. In addition, the Company’s workforce reduction costs may be greater than anticipated and the workforce reduction may have an adverse impact on the Company’s development activities. A further description of the risks and uncertainties relating to the business of the Company is contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission (the “SEC”) on March 7, 2018, and the Company’s subsequent current and periodic reports filed with the SEC. The Company undertakes no duty or obligation to update any forward-looking statements contained in this Item 2.05 as a result of new information, future events or changes in its expectations.

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.

CELLEX THERAPEUTICS, INC.

Date: April 24, 2018

By: /s/ Sam Martin

Sam Martin

Title: Senior Vice President and Chief Financial Officer