

# ACCELERON PHARMA INC

## **FORM 8-K** (Current report filing)

Filed 05/02/17 for the Period Ending 04/28/17

Address	128 SIDNEY STREET CAMBRIDGE, MA 02139
Telephone	617-649-9200
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Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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 28, 2017**

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**ACCELERON PHARMA INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**001-36065**

(Commission  
File Number)

**27-0072226**

(I.R.S. Employer  
Identification Number)

**128 Sidney Street  
Cambridge, MA**

(Address of principal  
executive offices)

**02139**

(Zip Code)

Registrant's telephone number, including area code: **(617) 649-9200**

**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))

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

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.

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On April 28, 2017, the employment agreement between Acceleron Pharma Inc. (the "Company") and Steven D. Ertel, the Company's Executive Vice President and Chief Operating Officer was amended (the "Amendment") due to Mr. Ertel's change in duties resulting from his diagnosis of amyotrophic lateral sclerosis (ALS). As of the date of the Amendment, Mr. Ertel will no longer serve as the Company's Executive Vice President and Chief Operating Officer and will serve as Special Advisor to the Chief Executive Officer.

Pursuant to the Amendment, Mr. Ertel shall receive a bonus for services during 2017 equal to one-half of his bonus target, or 20% of his annual base salary, payable within thirty days of the date of the Amendment. In addition, the Amendment provides that upon termination of Mr. Ertel's employment due to death or termination by the Company due to disability, all of Mr. Ertel's unvested and outstanding equity and equity-based awards shall vest in full as of the date of termination and all stock options then held by Mr. Ertel shall remain exercisable for the lesser of a period of three years from the date of Mr. Ertel's termination, or the original expiration date of such stock options. In the event of Mr. Ertel's termination due to disability, for one year from the date of termination the Company (i) will pay Mr. Ertel, at the time his base salary would otherwise have been paid, an amount equal to the amount by which 100% of his base salary of \$448,050 exceeds any Company-offered disability insurance benefits that he may actually receive, and (ii) will pay or reimburse Mr. Ertel for the full monthly premium cost of any group health plan and/or dental plan under COBRA in which Mr. Ertel is participating at the time of his termination for the twelve months following the date of his termination by the Company.

The foregoing summary of certain terms of the Amendment is qualified in its entirety by the terms of the Amendment, which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
10.1*	Amendment to Amended and Restated Employment Agreement between Steven D. Ertel and Acceleron Pharma Inc., dated as of April 28, 2017
*	Management contract or compensatory plan or arrangement.

**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.

**ACCELERON PHARMA INC.**

By: /s/ John Quisel, J.D., Ph.D.

John Quisel, J.D., Ph.D.

Senior Vice President and General Counsel

Date: May 2, 2017

## EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1*	Amendment to Amended and Restated Employment Agreement between Steven D. Ertel and Acceleron Pharma Inc., dated as of April 28, 2017
*	Management contract or compensatory plan or arrangement.

**AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This Amendment (“Amendment”), effective as of April 28, 2017 (the “Effective Date”), by and between Acceleron Pharma Inc., a Delaware corporation (“Acceleron”), and Steven D. Ertel (the “Executive”), amends that certain Amended and Restated Employment Letter between Executive and Acceleron, dated as of January 31, 2014, as amended (the “Agreement”). Together Acceleron and Executive are the “Parties” and each is a “Party”. All capitalized terms used in this Amendment but not defined shall have the meanings ascribed to them in the Agreement.

WHEREAS, in accordance with Section 12 of the Agreement, the Parties desire to amend the Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree to amend the Agreement as follows:

1. As of the Effective Date, the Executive shall cease to be the Company’s Chief Operating Officer and shall become the Company’s Special Advisor to the Chief Executive Officer. The reference in the Agreement to “Chief Business Officer” shall be deleted and replaced with “Special Advisor to the Chief Executive Officer” in each place it appears.

2. Section 2(b) of the Agreement is hereby amended and restated in its entirety with the following:

“ **Bonus Compensation.** For services during 2017, the Company shall pay you a one-time bonus equal to 50% of your target bonus, or 20% of your annual base salary. This one-time bonus shall be payable within 30 days of April 28, 2017.”

3. The reference in Section 4(e) of the Agreement to “120 days” shall be deleted and replaced with “95 days or the day after you qualify for Long Term Disability benefits, whichever is later”.

4. Section 5(a)(ii) of the Agreement is hereby amended and restated in its entirety with the following:

“(ii) in the event of your termination of employment as a result of your death or a termination of your employment by the Company due to your disability at any time pursuant to Section 4(e) of this Agreement, then (A) 100% of any then unvested and outstanding equity and equity-based awards that you hold at the time of such termination of employment, including, but not limited to, stock options and restricted stock units, if any, shall fully vest as of the date of termination (notwithstanding any contrary provision in any agreement evidencing such equity or equity-based awards); (B) all outstanding stock options held by you at the time of your termination of employment, including those that vested pursuant to Section 5(a)(ii)(A) hereof, shall remain exercisable for the lesser of (x) a period of three (3) years from the date of your termination, or (y) the original expiration date of such stock options; (C) in the event your employment is terminated by the Company due to your disability, to the extent the Company’s benefits do not include disability insurance benefits that will continue your base salary of \$448,050.00 at 100% of the amount of such base salary, for the period of one year from the date of termination, for such period the Company shall pay to you, at the time that your base salary would otherwise have been paid, an amount equal to the amount by which 100% of your base salary exceeds the disability insurance benefits, if any, actually paid to you; and (D) in the event your employment is terminated by the Company due to your disability, if you are participating in the Company’s group health plan and/or dental plan at the time your employment terminates and you exercise your right to continue participation in those plans under COBRA, the Company will pay or, at its option, reimburse you, on a monthly basis, for the full monthly premium cost of that participation for the 12 months following the date on which your employment with the Company terminates.”

5. As of the Effective Date, the Parties hereby agree that the Executive will no longer be entitled to an annual bonus pursuant to Section 2(b) of the Agreement, other than as provided in Section 2 of this Amendment.

6. The Parties hereby agree that the terms of this Amendment, including the change to the Executive’s title and corresponding duties to Special Advisor to the Chief Executive Officer, shall not constitute “Good Reason” for termination under Section 4(c) of the Agreement.

7. Except as expressly amended herein, the Agreement will continue in full force and effect in accordance with its terms. This Amendment embodies the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements and understandings, whether written or oral, with respect to the same. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. This is a Massachusetts contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict-of-laws principles thereof.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** , the Parties hereto by their duly authorized representatives have executed this Amendment effective as of the date first above written.

**ACCELERON PHARMA INC.**

By: /s/ Habib J. Dable  
Habib J. Dable  
Chief Executive Officer and President

**ACCEPTED AND AGREED:**

Signature: /s/ Steven D. Ertel  
Steven D. Ertel

Date: April 28, 2017