

INSPIREMD, INC.

FORM 8-K (Current report filing)

Filed 03/28/19 for the Period Ending 03/25/19

Telephone	(888) 776-6804
CIK	0001433607
Symbol	NSPR
SIC Code	3841 - Surgical and Medical Instruments and Apparatus
Industry	Medical Equipment, Supplies & Distribution
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): March 25, 2019

InspireMD, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-35731

(Commission
File Number)

26-2123838

(IRS Employer
Identification No.)

4 Menorat Hamaor St.
Tel Aviv, Israel

(Address of principal executive offices)

6744832

(Zip Code)

Registrant's telephone number, including area code: (888) 776-6804

(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.

Item 3.03 Material Modification to Rights of Security Holders.

To the extent required by Item 3.03 of Form 8-K, the information contained in Item 5.03 of this report is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*Third Amendment to Shore Employment Agreement*

On March 25, 2019, InspireMD, Inc. (the “Company”) and Craig Shore, the Company’s chief financial officer, chief administrative officer, secretary and treasurer, entered into the third amendment (the “Shore Amendment”) to that certain Amended and Restated Employment Agreement dated as of May 5, 2014, as amended on January 5, 2015, and on July 25, 2016, in order to amend the term of Mr. Shore’s employment, so that the initial term of Mr. Shore’s employment will end on December 31, 2020, which will automatically be renewed for additional one-year periods on January 1, 2021, and on each January 1st thereafter, unless either party gives the other party written notice of its election not to extend such employment at least six months prior to the next January 1st renewal date.

A copy of the Shore Amendment is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.03 Amendment to Articles of Incorporation or Bylaws; Change in Fiscal Year.

As previously disclosed, on March 21, 2019, the Company held its annual meeting of its stockholders (the “Annual Meeting”). At the Annual Meeting, the stockholders approved the proposal to authorize the board of directors (the “Board”), in its discretion, to amend the Amended and Restated Certificate of Incorporation of the Company (the “Certificate of Incorporation”) to effect a reverse stock split of the Company’s common stock at a ratio in the range of 1-for-25 to 1-for-50, such ratio to be determined by the Board and included in a public announcement.

On March 22, 2019, the Board approved a 1-for-50 reverse stock split of the Company’s issued and outstanding shares of common stock (the “Reverse Stock Split”), and on March 27, 2019, the Company filed with the Secretary of State of the State of Delaware a Certificate of Amendment to its Certificate of Incorporation (the “Certificate Amendment”) to effect the Reverse Stock Split, which will become effective as of 5:00 p.m. Eastern Time on March 29, 2019. The Company’s common stock will begin trading on a split-adjusted basis when the market opens on April 1, 2019.

When the Reverse Stock Split becomes effective, every 50 shares of the Company’s issued and outstanding common stock (and such shares held in treasury) will automatically be converted into one share of common stock, without any change in the par value per share. In addition, a proportionate adjustment will be made to the per share exercise price and the number of shares issuable upon conversion of the Company’s outstanding shares of preferred stock and exercise of all outstanding stock options and warrants to purchase shares of common stock and the number of shares reserved for issuance pursuant to the Company’s equity incentive compensation plans. Any fraction of a share of common stock that would otherwise have resulted from the Reverse Stock Split will be rounded up to the nearest whole share.

The Company’s common stock will continue to trade on the NYSE American under the symbol “NSPR.” The new CUSIP number for common stock following the Reverse Stock Split will be 45779A 853.

Action Stock Transfer Corp, the Company’s transfer agent, will act as the exchange agent for the Reverse Stock Split.

For more information about the Reverse Stock Split, see the Company's definitive proxy statement filed with the Securities and Exchange Commission on February 19, 2019, the relevant portions of which are incorporated herein by reference. A copy of the Certificate Amendment is attached as Exhibit 3.1 hereto and incorporated herein by reference.

Item 8.01 Other Events.

On March 26, 2019, the Company announced that the Board approved a one-for-fifty reverse stock split of its common stock that is scheduled to become effective after trading closes on March 29, 2019.

A copy of the press release announcing these events is attached as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
3.1	Certificate of Amendment to Amended and Restated Certificate of Incorporation of InspireMD, Inc.
10.1	Third Amendment to Amended and Restated Employment Agreement, dated March 25, 2019, by and between InspireMD, Inc. and Craig Shore
99.1	Press release dated March 26, 2019

SIGNATURES

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

InspireMD, Inc.

Date: March 28, 2019

By: /s/ Craig Shore

Name: Craig Shore

Title: Chief Financial Officer

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
INSPIREMD, INC.

InspireMD, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the “Corporation”), does hereby certify that:

1. Resolutions were duly adopted by the Board of Directors of the Corporation setting forth this proposed Amendment to the Certificate of Incorporation of the Corporation and declaring said amendment to be advisable and calling a meeting of the stockholders of the Corporation for consideration thereof.

2. Effective as of 5:00 p.m., New York time, on March 29, 2019 (the “Effective Time”), each fifty (50) issued and outstanding shares of the Corporation’s Common Stock, par value \$0.0001 per share, shall be converted into one (1) share of the Corporation’s Common Stock, par value \$0.0001 per share, as constituted following the Effective Time.

3. The Certificate of Incorporation of the Corporation is hereby amended by deleting subsection (B) of ARTICLE FOURTH thereof in its entirety and inserting the following in lieu thereof:

“B. Effective as of 5:00 p.m., New York time, on March 29, 2019 (the “Effective Time”), each share of the Corporation’s common stock, \$0.0001 par value per share (the “Old Common Stock”), either issued or outstanding or held by the Corporation as treasury stock, immediately prior to the Effective Time, will be automatically reclassified as and converted (without any further act) into 1/50 of a fully paid and nonassessable share of common stock, \$0.0001 par value per share, of the Corporation (the “New Common Stock”) without increasing or decreasing the amount of stated capital or paid-in surplus of the Corporation (the “Reverse Stock Split”), provided that no fractional shares shall be issued to any registered holder of Old Common Stock immediately prior to the Effective Time, and that instead of issuing such fractional shares to such holders, such fractional shares shall be rounded up to the next even number of shares of Common Stock issued as a result of this Reverse Stock Split at no cost to the stockholder. Any stock certificate that, immediately prior to the Effective Time, represented shares of the Old Common Stock will, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent the number of shares of the New Common Stock as equals the product obtained by multiplying the number of shares of Old Common Stock represented by such certificate immediately prior to the Effective Time by 1/50.”

4. Pursuant to the resolution of the Board of Directors, a special meeting of the stockholders of the Corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of foregoing the amendment.

5. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT]

IN WITNESS WHEREOF, InspireMD, Inc. has caused this Certificate to be executed by its duly authorized officer on this 27th of March 2019.

INSPIREMD, INC.

By: /s/ Craig Shore

Name: Craig Shore

Title: Chief Financial Officer, Treasurer and
Secretary

THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “*Amendment*”) is made and entered as of this 25th day of March, 2019 (the “*Amendment Effective Date*”) by and between InspireMD, Inc., a Delaware corporation (the “*Company*”), and Craig Shore (the “*Executive*”) for purposes of amending that certain Amended and Restated Employment Agreement dated as of May 5, 2014, as amended on January 5, 2015 and July 25, 2016, by and between the Company and the Executive (the “*Agreement*”). Terms used in this Amendment with initial capital letters that are not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

WHEREAS, Section 7.5 of the Agreement provides that the parties to the Agreement may amend the Agreement in a writing signed by the parties; and

WHEREAS, the parties hereto desire to amend the Agreement in certain respects.

NOW THEREFORE, pursuant to Section 7.5 of the Agreement, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Company and the Executive agree as follows:

1. Section 1.3 of the Agreement is hereby amended as of the Amendment Effective Date by deleting said section in its entirety and substituting in lieu thereof the following new Section 1.3:

1.3 Term of Employment. The term of this Agreement shall continue until 11:59 p.m. Eastern Time on December 31, 2020 (the “Initial Term”) unless sooner terminated or extended as provided hereunder. This Agreement shall automatically renew for additional one-year periods on January 1, 2021 and on each and every January 1st thereafter (each such extension, the “Renewal Term”) unless either party gives the other party written notice of its or his election not to extend such employment at least six months prior to the next January 1st renewal date. Further, if a Change in Control occurs when less than two full years remain in the Initial Term or during any Renewal Term, this Agreement shall automatically be extended for two years only from the Change in Control Date and thereafter shall terminate on the second anniversary of the Change in Control Date in accordance with its terms. The Initial Term, together with any Renewal Term or extension as a result of a Change in Control, are collectively referred to herein as the “Term.” In the event that the Executive continues to be employed by the Company after the Term, unless otherwise agreed by the parties in writing, such continued employment shall be on an at-will, month-to-month basis upon terms agreed upon at such time without regard to the terms and conditions of this Agreement (except as expressly provided herein) and this Agreement shall be deemed terminated at the end of the Term, regardless of whether such employment continues at-will, other than Articles VI and VII, plus specified provisions of Articles IV and V to the extent they relate to termination of employment after expiration of the Term, which shall survive the termination or expiration of this Agreement for any reason.

2. Except as expressly amended by this Amendment, the Agreement shall continue in full force and effect in accordance with the provisions thereof.
3. In the event of a conflict between the Agreement and this Amendment, this Amendment shall govern.

*[Remainder of Page Intentionally Left Blank
Signature Page Follows .]*

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Amended and Restated Employment Agreement as of the Amendment Effective Date.

THE COMPANY:

INSPIREMD, INC.

By: /s/ James J. Barry

Name: James J. Barry

Title: President and Chief Executive Officer

EXECUTIVE:

/s/ Craig Shore

Craig Shore



InspireMD Announces 1-for-50 Reverse Stock Split

Tel Aviv, Israel— March 26, 2019 - InspireMD, Inc. (NYSE American: NSPR, NSPR.WS, NSPR.WSB), a leader in embolic prevention systems (EPS) / thrombus management technologies and neurovascular devices, today announced that its Board of Directors has approved a one-for-fifty reverse stock split of its common stock that is scheduled to become effective after trading closes on March 29, 2019. Beginning on April 1, 2019, the Company's common stock will trade on the NYSE American on a split adjusted basis under a new CUSIP number 45779A 853. The Company's common stock will continue to trade on the NYSE American under the symbol "NSPR." As previously disclosed, at the InspireMD Annual Meeting of Stockholders held on March 21, 2019, the Company's stockholders approved a proposal authorizing the Company's Board of Directors to effect a reverse stock split at a ratio in the range of one-for-twenty-five and one-for-fifty in order to help regain compliance with the NYSE American's minimum price requirements.

Upon effectiveness after market close on March 29, 2019, the reverse stock split will cause a reduction in the number of shares of common stock outstanding and issuable upon the conversion of the Company's outstanding shares of preferred stock and the exercise of its outstanding stock options and warrants in proportion to the ratio of the reverse stock split and will cause a proportionate increase in the conversion and exercise prices of such preferred stock, stock options and warrants. The number of shares of common stock issuable upon exercise or vesting of outstanding stock options and warrants will be rounded up to the nearest whole share. Accordingly, upon effectiveness of the reverse stock split, each outstanding warrant currently trading on the NYSE American under the symbol "NSPR.WS" shall become a warrant to purchase 1/1,750 of one share of common stock at an exercise price of \$8,750 per full share of common stock, and each outstanding warrant currently trading on the NYSE American under the symbol "NSPR.WSB" shall become a warrant to purchase 1/1,750 of one share of common stock at an exercise price of \$3,500.00 per full share of common stock, pursuant to the terms of such warrants. Warrants may only be exercisable for a whole number of shares of common stock. Warrants exercised on or prior to March 29, 2019, will be on a pre-adjusted basis.

The number of authorized shares of the Company's common stock will remain at 150,000,000, while the number of outstanding shares will be reduced from approximately 44 million to 0.9 million. No fractional shares will be issued following the reverse stock split.

Registered stockholders holding their shares of common stock in book-entry or through a bank, broker or other nominee form do not need to take any action in connection with the reverse stock split. For those stockholders holding physical stock certificates, the Company's transfer agent, Action Stock Transfer Corp, will send instructions for exchanging those certificates for new certificates representing the post-split number of shares. Action Stock Transfer Corp can be reached at (801) 274-1088.

Additional information about the reverse stock split can be found in the Company's definitive proxy statement filed with the Securities and Exchange Commission on February 19, 2019, a copy of which is also available at www.sec.gov or at www.inspiremd.com under the SEC Filings tab located on the Investors page.

About InspireMD, Inc.

InspireMD seeks to utilize its proprietary MicroNet® technology to make its products the industry standard for treatment of carotid artery disease by providing outstanding acute results and durable stroke free long-term outcomes.

InspireMD's common stock is quoted on the NYSE American under the ticker symbol NSPR and certain warrants are quoted on the NYSE American under the ticker symbol NSPR.WS.

Forward-looking Statements

This press release contains “forward-looking statements.” Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company’s control, and cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) market acceptance of our existing and new products, (ii) negative clinical trial results or lengthy product delays in key markets, (iii) an inability to secure regulatory approvals for the sale of our products, (iv) intense competition in the medical device industry from much larger, multinational companies, (v) product liability claims, (vi) product malfunctions, (vii) our limited manufacturing capabilities and reliance on subcontractors for assistance, (viii) insufficient or inadequate reimbursement by governmental and other third party payers for our products, (ix) our efforts to successfully obtain and maintain intellectual property protection covering our products, which may not be successful, (x) legislative or regulatory reform of the healthcare system in both the U.S. and foreign jurisdictions, (xi) our reliance on single suppliers for certain product components, (xii) the fact that we will need to raise additional capital to meet our business requirements in the future and that such capital raising may be costly, dilutive or difficult to obtain and (xiii) the fact that we conduct business in multiple foreign jurisdictions, exposing us to foreign currency exchange rate fluctuations, logistical and communications challenges, burdens and costs of compliance with foreign laws and political and economic instability in each jurisdiction. More detailed information about the Company and the risk factors that may affect the realization of forward looking statements is set forth in the Company’s filings with the Securities and Exchange Commission (SEC), including the Company’s Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q. Investors and security holders are urged to read these documents free of charge on the SEC’s web site at <http://www.sec.gov>. The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

Investor Contacts:

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