

INSPIREMD, INC.

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): June 6, 2016

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.)

321 Columbus Avenue
Boston, MA
(Address of principal executive offices)

02116
(Zip Code)

Registrant's telephone number, including area code: (857) 305-2410

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

Appointment of President and Chief Executive Officer

On June 6, 2016, the board of directors (the “**Board**”) of InspireMD, Inc. (the “**Company**”), appointed James Barry, Ph.D., as the Company’s president and chief executive officer, effective as of June 6, 2016 (the “**Effective Date**”).

Dr. Barry, age 56, has served as a director of the Company since January 30, 2012 and as the Company’s executive vice president and chief operating officer since July 14, 2014. Dr. Barry served as president and chief executive officer at Arsenal Medical Inc., a medical device company focused on local therapy, from November 2012 until December 2013 and as executive vice president and chief operating officer from September 2011 until November 2012. Dr. Barry also heads his own consulting firm, Convergent Biomedical Group LLC, advising medtech companies on product development, strategy, regulatory challenges and fund raising. Until June 2010, he was senior vice president, corporate technology development at Boston Scientific Corporation, where he was in charge of the corporate research and development and pre-clinical sciences functions. Dr. Barry joined Boston Scientific in 1992 and oversaw its efforts in the identification and development of drug, device and biological systems for applications with implantable and catheter-based delivery systems. He currently serves on a number of advisory boards including the College of Biomedical Engineering at Yale University, the College of Sciences at University of Massachusetts-Lowell and the Massachusetts Life Science Center and as a director of pSivida Corp (NASDAQ: PSDV). Dr. Barry received his Ph.D. in Biochemistry from the University of Massachusetts-Lowell and holds a B.A. degree in Chemistry from Saint Anselm College.

Fourth Amendment to Barry Employment Agreement

In connection with his appointment, on June 6, 2016, the Company and Dr. Barry entered into a fourth amendment (the “**Amendment**”) to that certain Employment Agreement dated as of July 14, 2014, as amended on each of January 5, 2015, February 22, 2015 and March 28, 2016 (collectively, the “**Barry Employment Agreement**”), in order to, among other things, (i) change Dr. Barry’s title to president and chief executive officer; (ii) modify the term of Dr. Barry’s employment to (a) continue until May 31, 2017, with Dr. Barry resigning as a member of the Board at the end of such term if requested by the Company and (b) provide that in the event that the term is not extended beyond May 31, 2017 by mutual agreement of the parties and the Company does not offer Dr. Barry a position as chief executive officer and/or chief operating officer on the same or more favorable terms with a base salary that is at least 10% greater than his current base salary, Dr. Barry’s termination will be deemed a termination without cause; and (iii) amend the terms and conditions of Dr. Barry’s compensation, as described below.

Pursuant to the Amendment, for the period (the “**Reduction Period**”) beginning on June 1, 2016 and ending on the earlier of (i) the closing of a transaction with investors where the Company raises an aggregate of \$5 million (the “**Financing**”) and (ii) March 15, 2017, Dr. Barry will receive 50% of his base salary in cash payments, payable in accordance with the Company’s regular payroll practices, with the remaining 50% of his base salary paid in a lump-sum payment on the first to occur of (a) the first payroll period that is on or after the 20th business day following the Financing or (b) March 15, 2017 (such earlier date, the “**Reduction Amount Payment Date**”). The Amendment also amends the terms of Dr. Barry’s bonus compensation to provide that (i) Dr. Barry is eligible to receive annual bonus compensation in an amount equal to 100% of his base salary upon the achievement of reasonable target objectives and performance goals as may be determined by the Board in consultation with Dr. Barry and (ii) on the Reduction Amount Payment Date, Dr. Barry will receive a lump-sum retention bonus in an amount equal to \$106,458, subject to Dr. Barry’s continued employment through such date.

The Amendment further provides that on or within 20 business days of the closing of the Financing, Dr. Barry will be granted, subject to Board approval and Dr. Barry's continued employment by the Company through the applicable grant date, (i) a nonqualified stock option relating to the number of shares of the Company's common stock equal to 2% of the Company's outstanding common stock on the date of the closing of the Financing (the "**Financing Option**") and (ii) an award of a number of restricted shares of the Company's common stock equal to 2% of the Company's outstanding common stock on the date of the closing of the Financing (the "**Financing Restricted Stock Award**") and together with the Financing Option, the "**Financing Equity Grants**"), in each case, subject to the terms and conditions of the Company's 2013 Long-Term Incentive Plan and a nonqualified stock option agreement and a restricted stock award agreement to be entered into by the Company and Dr. Barry.

Resignation of Alan Milinazzo

In connection with the appointment of the Company's new president and chief executive officer, on June 6, 2016, the Board accepted the resignation of Alan Milinazzo, the Company's current president, chief executive officer and class 1 director, from all officer and director positions with the Company, effective as of the Effective Date. Mr. Milinazzo's resignation was not the result of any disagreement with the Company or its management on any matter relating to the Company's operations, policies or practices, or any other matter.

The foregoing summary of the Amendment is not complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01 Other Events.

On June 7, 2016, the Company issued a press release announcing the appointment of Dr. Barry as the Company's new president and chief executive officer. A copy of such press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Fourth Amendment to Employment Agreement, dated June 6, 2016, by and between InspireMD, Inc. and James Barry, Ph.D.
99.1	Press release dated June 7, 2016

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: June 7, 2016

By: /s/ Craig Shore

Name: Craig Shore

Title: Chief Financial Officer

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

This FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT (this “*Amendment*”) is made and entered as of this 6th day of June, 2016, (the “*Amendment Effective Date*”) by and between InspireMD, Inc., a Delaware corporation (the “*Company*”), and James J. Barry, PhD (the “*Executive*”) for purposes of amending that certain Employment Agreement dated as of July 14, 2014 and further amended as of January 5, 2015, February 22, 2015 and March 28, 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. Any and all references in the Agreement to the title of “Executive Vice President and Chief Operating Officer” shall be hereby amended by deleting each and every said reference and substituting in lieu thereof the title of “President and Chief Executive Officer.”

2. Section 1.3 of the Agreement is hereby amended by deleting said section in its entirety and substituting in lieu thereof the following new Section 1.3:

1.3 Term of Employment. Unless sooner terminated by either party as provided in Articles IV and V hereunder, or extended upon the mutual agreement of the parties, the term of this Agreement shall continue until May 31, 2017 (the “Term”). The Executive shall resign as a member of the Board at the end of the Term if requested by the Company. In the event that (i) the Term is not extended beyond May 31, 2017 upon the mutual agreement of the parties; and (ii) the Company does not offer the Executive a position as Chief Executive Officer and/or Chief Operating Officer on terms and conditions that are no less favorable to the Executive than the terms and conditions of this Agreement (including, to the extent the Financing Equity Grants have not been made to Executive as of such time, providing for equity awards substantially similar to the Financing Equity Grants) with a base salary that is at least 10% greater than the Executive’s current base salary, the Executive’s termination shall be deemed a termination pursuant to Section 4.5.

3. Section 2.3 of the Agreement is hereby amended by deleting said section in its entirety and substituting in lieu thereof the following new Section 2.3:

2.3 Bonus or other Incentive Compensation. During the Term, the Executive shall be eligible to receive annual bonus compensation in an amount equal to 100% of his base salary (the “Annual Bonus”) upon the achievement of reasonable target objectives and performance goals as may be determined by the Board in consultation with the Executive (the “Goals”). In the event the Executive’s actual performance exceeds the Goals, the Board may, in its sole discretion, pay the Executive bonus compensation of more than 100% of the Annual Bonus. In each case, the Annual Bonus shall be payable in accordance with the Company’s annual bonus plan (the “Bonus Plan”). Amounts payable under the Bonus Plan shall be determined by the Board and shall be payable following such fiscal year and no later than two and one-half months after the end of such fiscal year. Amounts paid will be less than the Annual Bonus or nothing if the Goals are not met as set forth under the terms of the Bonus Plan. Any bonus or incentive compensation under this Section 2.3, the Bonus Plan or otherwise is referred to herein as “Incentive Compensation.” Stock-based compensation shall not be considered Incentive Compensation under the terms of this Agreement unless the parties expressly agree otherwise in writing. The payment of any Incentive Compensation shall be subject to all federal, state and withholding taxes, social security deductions and other general withholding obligations.

2.5: 4. Section 2.5 of the Agreement is hereby amended by deleting said section in its entirety and substituting in lieu thereof the following new Section

2.5 Base Salary Modification. Notwithstanding the provisions of this Agreement (including, without limitation, the provisions of Section 2.2), the Executive and the Company agree that for the period beginning on June 1, 2016 and ending on the earlier of (i) the closing of a transaction with investors where the Company raises an aggregate of \$5 million from such investors (the “Financing”), and (ii) March 15, 2017 (the “Reduction Period”), the Executive’s base salary shall be paid to him as follows: (x) 50% of his base salary (\$15,208.34 per month) for all days that the Executive is employed by the Company during the Reduction Period shall be made in cash payments, less applicable taxes and withholdings, payable in accordance with the Company’s regular payroll practices; and (y) a lump-sum payment equivalent to 50% of his base salary (\$15,208.34 per month) for all days that the Executive is employed during the Reduction Period, less applicable taxes and withholdings, shall be paid on the first to occur of (1) the first payroll period that is on or after the twentieth (20th) business day following the Financing, or (2) March 15, 2017 (the earlier of (1) and (2), the “Reduction Amount Payment Date”). For all periods after the Reduction Period that the Executive remains employed by the Company, the Executive’s base salary shall be paid in accordance with the Company’s regular payroll practices at 100% of his base salary (as determined in accordance with Section 2.2), less applicable taxes and withholdings.

5. Article II of the Agreement is hereby amended by adding the following new Sections 2.6 and 2.7 to the end of Article II:

2.6 Financing Equity Grants. On or within twenty (20) business days of the closing of the Financing (the “Date of Grant”), the Executive shall receive, subject to Board approval and provided that the Executive is employed by the Company on the Date of Grant, (x) a nonqualified stock option (the “Financing Option”) relating to the number of shares of the Company’s common stock equal to 2% of the Company’s outstanding common stock on the date of the closing of the Financing (the “Financing Option”), and (y) an award of a number of restricted shares of the Company’s common stock equal to 2% of the Company’s outstanding common stock on the date of the closing of the Financing (the “Financing Restricted Stock Award”) and together with the Financing Option, the “Financing Equity Grants”), in each case, subject to the terms and conditions of the InspireMD, Inc. 2013 Long-Term Incentive Plan (the “2013 LTIP”), together with the 2013 Employee Stock Incentive Plan (the “2013 Israeli Appendix”), which is a sub-plan to the 2013 LTIP (collectively, the 2013 LTIP and the 2013 Israeli Appendix being referred to herein as, the “Incentive Plan”) and a nonqualified stock option agreement and restricted stock award agreement (as applicable), which terms shall include, without limitation, (i) in the case of the Financing Option, an exercise price equal to the Fair Market Value (as defined by the Incentive Plan) of the Company’s common stock on the Date of Grant; (ii) vesting on the first anniversary of the Date of Grant (subject to forfeiture upon termination of the Executive’s employment for Cause or without Good Reason prior to the vesting date); (iii) vesting upon a termination of employment as provided by Section 5.1(c) below upon the Executive’s death, disability or termination of employment by the Company without Cause or by the Executive for Good Reason; and (iv) in the case of the Financing Option, exercisability during employment and for the five year period following termination of the Executive’s employment for any reason other than Cause (or, if earlier until the end of the option’s original term).

2.7. Retention Bonus. Subject to the Executive's continued employment through such date, on the Reduction Amount Payment Date, the Company shall pay to the Executive a lump-sum cash retention bonus in an amount equal to \$106,458, less applicable taxes and withholdings.

6. Except as expressly amended by this Amendment, the Agreement shall continue in full force and effect in accordance with the provisions thereof.

7. 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 Fourth Amendment to Employment Agreement as of the Amendment Effective Date.

THE COMPANY:

INSPIREMD, INC.

By: /s/ Craig Shore
Name: Craig Shore
Title: CFO

EXECUTIVE:

/s/ James J. Barry
James J. Barry PhD



InspireMD Names Dr. James Barry as President and CEO

Medical Device Veteran Brings Broad Industry Experience in Pioneering Technologies

BOSTON, MA – June 7, 2016 – InspireMD, Inc. (NYSE MKT: NSPR) (“InspireMD” or the “Company”), a leader in embolic prevention systems (EPS), neurovascular devices and thrombus management technologies, today announced the appointment of James Barry, Ph.D. as President and CEO effective immediately. Prior to this appointment, Dr. Barry served as InspireMD’s Chief Operating Officer since July 2014 and has been a member of the Company’s Board of Directors since January 2012. He replaces Alan Milinazzo, who previously announced his decision to step down as Director, President and CEO in January 2016. Mr. Milinazzo will continue to serve as an advisor to the Company.

Dr. Barry brings more than two decades of experience in the medical device industry. For more than 18 years, he held senior roles at Boston Scientific Corporation. Dr. Barry initiated and oversaw the development of Boston Scientific’s Taxus™ stent which quickly became the number one selling drug eluting stent worldwide. He also oversaw the development of the technology that is employed in the Synergy™ Everolimus-Eluting Stent System.

Sol J. Barer, Ph.D., Chairman of InspireMD commented, “We are extremely pleased to name Dr. Barry as President and CEO. Jim brings an invaluable set of capabilities, relationships, and experience inline with our efforts to pioneer and commercialize new device technologies that leverage our proprietary MicroNet™ platform. Jim is well-versed in the Company, as a Board Member and in his previous role as the Company’s Chief Operating Officer, where he led initiatives to realign the organization around corporate strategic objectives, such as the transition into the carotid and neuro interventional markets, and also to design, develop, obtain regulatory clearances, and begin commercial activities for CGuard™ EPS.”

Dr. Barry commented, “I am excited to take on the challenge of driving broad clinical and commercial acceptance of our CGuard™ technology. We have a growing body of clinical evidence that supports the therapeutic benefits of CGuard™, which has been well received so far by the clinical community. We are now well focused on bringing that innovative success to gaining commercial traction. I look forward to ongoing, targeted initiatives with our distributor partners, including Penumbra, to develop broad based markets where our products are of routine clinical use. Finally, I am delighted to continue to serve with and further build around the focused, dedicated and talented team of InspireMD.”

In addition to serving as a Board Member of InspireMD, Dr. Barry serves on a number of Advisory Boards including the College of Biomedical Engineering at Yale University, the College of Sciences at University of Massachusetts-Lowell, and the Massachusetts Life Science Center. Dr. Barry holds a Bachelor’s Degree in Chemistry from St. Anselm College and a Ph.D. in Biochemistry from the University of Massachusetts-Lowell.

About CGuard™ EPS

The proprietary CGuard™ Embolic Prevention System (EPS) uses the same MicroNet™ technology featured on the MGuard™ and MGuard Prime™ coronary Embolic Protection Systems. The CGuard™ EPS is designed to prevent peri-procedural and late embolization by trapping potential emboli against the arterial wall while maintaining excellent perfusion to the external carotid artery and branch vessels.

MicroNet™ is a bio-stable mesh woven from a single strand of 20 micron Polyethylene Terephthalate (PET).



CGuard™ EPS is CE Marked and not approved for sale in the U.S. by the U.S. Food and Drug Administration at this time.

About InspireMD, Inc.

InspireMD seeks to utilize its proprietary MicroNet™ technology to make its products the industry standard for embolic protection and to provide a superior solution to the key clinical issues of current stenting in patients with a high risk of distal embolization, no reflow and major adverse cardiac events.

InspireMD intends to pursue applications of this MicroNet™ technology in coronary, carotid (CGuard™), neurovascular, and peripheral artery procedures. InspireMD's common stock is quoted on the NYSE MKT under the ticker symbol NSPR.


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.

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