

INSPIREMD, INC.

FORM 8-K (Current report filing)

Filed 01/06/20 for the Period Ending 12/31/19

Telephone	(888) 776-6804
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Industry	Medical Equipment, Supplies & Distribution
Sector	Healthcare
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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): December 31, 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)

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

N/A
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.0001 per share	NSPR	NYSE American
Warrants, exercisable for one share of Common Stock	NSPR.WS	NYSE American
Series B Warrants, exercisable for one share of Common Stock	NSPR.WSB	NYSE American

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 2.02 Results of Operations and Financial Condition.

On January 6, 2020, InspireMD, Inc. (the “**Company**”) issued a press release announcing its preliminary unaudited revenue for the fourth quarter ended December 31, 2019, based on the information and data currently available. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K that is furnished pursuant to this Item 2.02 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

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

First Amendment to General Release and Severance Agreement with Departing CEO

As previously reported, on December 9, 2019, the Company entered into a General Release and Severance Agreement (the “**Separation Agreement**”) with James Barry, Ph.D., the chief executive officer, president and Class 3 director of the Company, pursuant to which Dr. Barry’s employment with the Company and any subsidiary of the Company ceased, and Dr. Barry resigned from all positions and offices of the Company, including the board of directors, effective December 31, 2019. The Separation Agreement, among other things, provided that Dr. Barry is entitled to receive an additional lump-sum payment of \$25,000 payable on the Company’s first regularly scheduled payroll date on or next following December 17, 2019, which amount is intended to offset the costs of any executive outplacement services or similar educational programs which may be incurred by Dr. Barry (the “**Outplacement Service Payment**”) on or after December 31, 2019.

On December 31, 2019, the Company and Dr. Barry entered into the First Amendment to the Separation Agreement providing that the Outplacement Service Payment is payable on the Company’s first regularly scheduled payroll date occurring in 2020.

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

First Amendment to Employment Agreement with Newly Appointed CEO

As previously reported, on December 9, 2019, the Company entered into an Employment Agreement with Marvin Slosman (the “**Slosman Employment Agreement**”), pursuant to which Mr. Slosman will serve as the new chief executive officer and president of the Company, commencing on January 1, 2020. The Slosman Employment Agreement provided that, among other things, (i) the Company will grant Mr. Slosman 5% of the Company’s issued and outstanding common stock determined on a fully diluted basis as of the date of grant (the “**Equity Awards**”), with 75% of the Equity Awards being granted as restricted stock units and with the remaining 25% of the Equity Awards being granted as stock options, with the Equity Awards subject to the terms and conditions of the Company’s 2013 Long-Term Incentive Plan (the “**LTIP**”) and of the award agreements to be entered for the Equity Awards; and (ii) on or before December 31, 2020, Mr. Slosman will become eligible to receive an additional grant of equity awards under the LTIP and the applicable award agreements up to 5% (including the Equity Awards) of the Company’s actual outstanding shares of common stock on the date of grant (the “**Potential Additional Equity Awards**”), provided that the actual amount of the grant shall be based on the achievement of certain performance/financial criteria as established by the board of directors of the Company after consultation with Mr. Slosman, in its reasonable discretion.

On December 31, 2019, the Company and Mr. Slosman entered into the First Amendment to the Slosman Employment Agreement providing (i) that the Equity Awards will be granted outside of the LTIP; (ii) the definition of the phrase “fully diluted basis” as the sum of the total shares of common stock then outstanding, the shares of common stock issuable upon the conversion of the Company’s then outstanding shares of Series B Convertible Preferred Stock and Series C Convertible Preferred Stock and the shares of common stock issuable upon the exercise of the Company’s then outstanding pre-funded warrants; and (iii) that the Potential Additional Equity Awards Mr. Slosman may receive on or before December 31, 2020, shall be up to 5% (including the Equity Awards) of the Company’s issued and outstanding shares of common stock determined on a fully diluted basis on the date of grant calculated using the definition of the phrase “fully diluted basis” as set forth in the First Amendment to the Slosman Employment Agreement. On January 2, 2019, the Company granted the Equity Awards to Mr. Slosman, pursuant to the Slosman Employment Agreement, as amended.

As previously disclosed, Mr. Slosman, 55, has served as chief operating officer for MEDCURA Inc. from May 2019 to December 2019. From September 2017 to September 2019, Mr. Slosman served as a Business Consultant, overseeing international commercial strategy and market development, at Integra Life Sciences, a leading innovator in orthopedic extremity surgery, neurosurgery, and reconstructive and general surgery. From 2010 to 2014 Mr. Slosman served as President of Itamar Medical, Inc., a medical technology company focused on cardiovascular and sleep diagnostics. Mr. Slosman also served as chief executive officer of Ovalum Vascular Ltd. from 2008 to 2010. Mr. Slosman’s qualifications to serve on the board of directors of the Company include his significant experience in senior management positions of leading medical device companies.

The foregoing summary of the First Amendment to the Slosman Employment Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the First Amendment to the Slosman Employment Agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	First Amendment to General Release and Severance Agreement, dated December 31, 2019, by and between the Company and James Barry
10.2	First Amendment to Employment Agreement, dated December 31, 2019, by and between the Company and Marvin Slosman
99.1	Press release, dated January 6, 2020 (furnished herewith pursuant to Item 2.02)

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: January 6, 2020

By: /s/ Craig Shore

Name: Craig Shore

Title: Chief Financial Officer

**FIRST AMENDMENT TO
GENERAL RELEASE AND SEVERANCE AGREEMENT**

This FIRST AMENDMENT TO GENERAL RELEASE AND SEVERANCE AGREEMENT (this “*Amendment*”) is made and entered as of this 31st day of December, 2019 (the “*Amendment Effective Date*”), by and between InspireMD, Inc., a Delaware corporation (the “*Company*”), and James Barry (the “*Executive*”) for purposes of amending that certain General Release and Severance Agreement dated as of December 9, 2019, 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 3(ii) of the Agreement provides that the Company shall pay the Executive a lump-sum cash payment in the amount of \$25,000, less all applicable deductions and withholdings (the “*Outplacement Amount*”), on the Company’s first regularly scheduled payroll date on or next following the Effective Date (as defined in the Agreement), which payroll date would be December 31, 2019;

WHEREAS, the Agreement may only be amended in a writing signed by the parties thereto; and

WHEREAS, the parties mutually desire to amend the Agreement to change the date on which the Outplacement Amount would be paid to the Executive.

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

1. Section 3(ii) of the Agreement is hereby amended by deleting the phrase “on or next following the Effective Date” and replacing it with the phrase “occurring in 2020”.
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 First Amendment to General Release and Severance Agreement as of the Amendment Effective Date.

THE COMPANY:

INSPIREMD, INC.

By: /s/ Paul Stuka

Name: Paul Stuka

Title: Chairman of the Board

THE EXECUTIVE:

/s/ James Barry

James Barry

*Signature Page to
First Amendment to
General Release and Severance Agreement*

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this “*Amendment*”) is made and entered as of this 31st day of December, 2019 (the “*Amendment Effective Date*”), by and between InspireMD, Inc., a Delaware corporation (the “*Company*”), and Marvin Slosman (the “*Executive*”) for purposes of amending that certain Employment Agreement dated as of December 9, 2019, 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, Article II, Section D of the Agreement provides that the Company shall grant the Executive certain stock option and restricted stock unit awards (collectively, the “*Equity Awards*”) under the InspireMD, Inc. 2013 Long-Term Incentive Plan (the “*LTIP*”);

WHEREAS, Article V, Section G of the Agreement provides that the Parties may amend the Agreement in a writing signed by the Parties; and

WHEREAS, the Parties desire to amend the Agreement to (i) reflect that the Equity Awards shall be granted outside of the LTIP and (ii) include a definition for the phrase “fully diluted basis.”

NOW THEREFORE, pursuant to Article V, Section G 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. Article II, Section D of the Agreement is hereby amended by deleting the phrase “shall be subject to the terms and conditions of the Company’s 2013 Long-Term Incentive Plan (the “*LTIP*”) and” in the second sentence of said section and replacing it with the phrase “shall be granted outside of the Company’s 2013 Long-Term Incentive Plan (the “*LTIP*”) and shall be subject to the terms and conditions”.

2. Article II, Section D of the Agreement is hereby further amended by adding the following new paragraph immediately to the end of said section:

For purposes of this Agreement, the number of shares of the Company’s issued and outstanding Common Stock determined on a “fully diluted basis” on any particular date shall equal the sum of (i) the total shares of Common Stock then outstanding; (ii) the shares of Common Stock issuable upon the conversion of the Company’s then outstanding shares of Series B Convertible Preferred Stock and Series C Convertible Preferred Stock; and (iii) the shares of Common Stock issuable upon the exercise of the Company’s then outstanding pre-funded warrants. As of the date hereof, the number of shares of Common Stock outstanding, as calculated on a fully diluted basis, is 4,863,476.

3. Article II, Section D(i) of the Agreement is hereby amended by deleting the phrase “determined in accordance with terms of the LTIP” and replacing it with the phrase “which shall be determined in the same manner as is set forth in the LTIP”.

4. Article II, Section D(iii) of the Agreement is hereby amended by deleting the phrase “as defined in the LTIP” and replacing it with the phrase “as defined in the applicable award agreement”.

5. Article II, Section D(v) of the Agreement is hereby amended by deleting the phrase “,as defined by the LTIP,”.

6. Article II, Section E of the Agreement is hereby amended by deleting said section in its entirety and substituting in lieu thereof the following new Article II, Section E:

E. Additional Equity. On or before December 31, 2020, the Executive shall be eligible to receive a grant of equity awards under the LTIP and the applicable award agreement of up to 5% (including the Equity Awards) of the Company's issued and outstanding shares of Common Stock determined on a fully diluted basis on the date of grant (calculated in the same manner as described in Article II, Section D above), provided that the actual amount of the grant shall be based on the achievement of certain performance/financial criteria as established by the Board after consultation with the Executive, in the Board's reasonable discretion.

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

8. 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 First Amendment to Employment Agreement as of the Amendment Effective Date.

THE COMPANY:

INSPIREMD, INC.

By: /s/ Paul Stuka

Name: Paul Stuka

Title: Chairman of the Board

THE EXECUTIVE:

/s/ Marvin Slosman

Marvin Slosman



**InspireMD Announces Strong Preliminary Fourth Quarter 2019 Revenue and Reports
Inducement Award Under NYSE American Company Guide §711(a)**

Tel Aviv, Israel — January 6, 2020 – InspireMD, Inc. (NYSE American: NSPR), the developer of the CGuard™ Embolic Prevention System (EPS) for the prevention of stroke caused by carotid artery disease (CAD), today announced strong preliminary unaudited revenue for the fourth quarter and reported an inducement grant to the company’s new Chief Executive Officer, Marvin Slosman, who assumed the role effective January 1, 2020.

InspireMD anticipates that preliminary unaudited revenue for the fourth quarter ended December 31, 2019, will be within a range of \$1,000,000 to \$1,025,000, representing estimated growth of 22%-25% over the comparable period in 2018. The company’s revenue growth during the quarter was driven largely by growing demand for CGuard™ EPS, which increased sales more than 30% over the comparable period in 2018. Actual results may differ materially from the foregoing estimates due to developments or other information that may arise between now and the time the financial results for the fourth quarter of 2019 are finalized. These preliminary results should not be viewed as a substitute for the company’s fourth quarter reviewed consolidated financial statements prepared in accordance with GAAP.

“I assumed the role of Chief Executive Officer because, upon reviewing the significant body of evidence demonstrating the superiority of CGuard™ as compared to other interventional and surgical CAD treatment options, I believe we have a significant opportunity to transform patient care while creating long-term value for our shareholders,” said Marvin Slosman, Chief Executive Officer. “We believe our continued strong revenue growth reflects the increasing awareness of CGuard™ by treating physicians, including vascular surgeons, in our key territories. At the same time, we continue to work to introduce CGuard™ into new markets and anticipate that we will be able to sustain this momentum through 2020.”

InspireMD also today announced that the Company has granted Marvin Slosman, the new Chief Executive Officer of the company, stock options to purchase up to an aggregate of 60,794 shares of common stock of the company and 182,381 restricted stock units as inducement awards outside the company’s 2013 Long-Term Incentive Plan. The grant was approved by the Compensation Committee and was made as an inducement material to the employee entering into employment. The grant was made in reliance on the employment inducement exception to shareholder approval provided under the NYSE American Company Guide, Section 711(a), which requires public announcement of inducement awards.

The option award has an exercise price of \$1.10 per share, the closing price of the company’s common stock on January 2, 2020 and has a ten-year term. Both the option and restricted stock unit awards will vest in three equal installments on the first, second, and third anniversaries of the date of grant, provided Mr. Slosman remains employed by the company through the applicable vesting dates. These inducement awards also provide for accelerated vesting in connection with a change in control of the company or certain involuntary terminations of Mr. Slosman’s employment. The restricted stock units that vest will be converted into whole shares of the company’s common stock on the first to occur: 1) a change in control of the company, or 2) the date of Mr. Slosman’s termination of employment for any reason other than by the company for cause.

About InspireMD, Inc.

InspireMD seeks to utilize its proprietary MicroNet® technology to make its products the industry standard for carotid stenting 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 and NSPR.WSB.

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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