NEUROCRINE BIOSCIENCES INC
Form 4
January 13, 2015

# FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

OMB APPROVAL

| | |
|---|---|
| OMB Number: | 3235-0287 |
| Expires: | January 31, 2005 |
| Estimated average burden hours per response... | 0.5 |

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Coughlin Timothy P

(Last) (First) (Middle)

NEUROCRINE BIOSCIENCES, INC., 12780 EL CAMINO REAL

(Street)

SAN DIEGO, CA 92130

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
NEUROCRINE BIOSCIENCES INC [NBIX]

3. Date of Earliest Transaction (Month/Day/Year)
01/12/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 01/12/2015 | | S (1) | | 1,750 | D | $ 28.37 (2) | 99,624 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Coughlin Timothy P<br>NEUROCRINE BIOSCIENCES, INC.<br>12780 EL CAMINO REAL<br>SAN DIEGO, CA 92130 | | | Chief Financial Officer | |

# Signatures

| | |
|---|---|
| Darin Lippoldt, By Power of Attorney | 01/13/2015 |
| **Signature of Reporting Person | Date |

# Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

**(1)** Sale of 1,750 shares of common stock issued upon vesting of 3,500 restricted stock units on January 12, 2015 to cover payroll and withholding taxes, with the balance of the shares (1,750) maintained by the Reporting Person; the sale was affected by a broker pursuant to instructions set forth in a Rule 10b5-1 plan adopted by the Reporting Person and delivered to the broker on May 28, 2013.

**(2)** Represents a weighted average sales price per share. The prices actually received ranged from $27.22 to $29.57. The Reporting Person has provided to the issuer, and will provide to any security holder of the issuer or the SEC staff, upon request, information regarding the number of shares sold at each price within the range.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. , 2003 and 2002 was $5.3 million and $1.0 million, respectively.

General and administrative expenses amounted to $766,000 for the nine-month period ended September 30, 2003 as compared to $525,000 for the same period in 2002. Such increase is mainly a result of legal fees incurred in 2003 in connection with the recent enactment of the Sarbanes-Oxley Act of 2002 and the related rules promulgated by the Securities and Exchange Commission. General and administrative expenses incurred by the Trust primarily relate to administrative services provided by Torch and the Trustee and legal fees.

Distributable income for the nine-month period ended September 30, 2003 was $6.8 million, or $0.79 per Unit, as compared to $6.3 million, or $0.73 per Unit, for the same period in 2002. Cash distributions of $6.8 million, or $0.79 per Unit, were made to Unitholders during the nine-month period ended September 30, 2003, as compared to $6.3 million, or $0.73 per Unit, for the same period in 2002. The Section 29 Credits relating to distributions received by Unitholders during the nine months ended September 30, 2003 and 2002, generated from production during the nine-month periods ended June 30, 2003 and 2002, respectively, were approximately $0.07 and $0.21 per Unit, respectively. The right to receive the Section 29 Credits expired December 31, 2002.

**TORCH ENERGY ROYALTY TRUST**

Net profits income (in thousands) received by the Trust during the three-month and nine-month periods ended September 30, 2003 and 2002, derived from production sold during the three-month and nine-month periods ended June 30, 2003 and 2002, respectively, was computed as shown in the following tables:

| | Three Months Ended September 30, 2003 | | | Three Months Ended September 30, 2002 | | |
|---|---|---|---|---|---|---|
| | Chalkley, Cotton Valley and Austin Chalk Fields | Robinson s Bend Field | Total | Chalkley, Cotton Valley and Austin Chalk Fields | Robinson s Bend Field | Total |
| Oil and gas revenues | $ 2,751 | $ 1,604 | | $ 2,216 | $ 1,157 | |
| Direct operating expenses: | | | | | | |
| Lease operating expenses and property tax | 364 | 1,335 | | 366 | | |
| Severance tax | 166 | 133 | | 213 | 65 | |
| | 530 | 1,468 | | 579 | 65 | |
| Net proceeds before capital expenditures | 2,221 | 136 | | 1,637 | 1,092 | |
| Capital expenditures | 5 | 204 | | 6 | | |
| Net proceeds | 2,216 | (68) | | 1,631 | 1,092 | |
| Net profits percentage | 95% | n/a(a) | | 95% | 95% | |
| | 2,105 | 0 | | 1,549 | 1,037 | |
| Prior quarter adjustment | | (30)(b) | | | | 2,586 |
| Net profits income | $ 2,105 | $ (30) | $ 2,075 | $ 1,549 | $ 1,037 | $ 2,586 |

| | Nine Months Ended September 30, 2003 | | | Nine Months Ended September 30, 2002 | | |
|---|---|---|---|---|---|---|
| | Chalkley, Cotton Valley and Austin Chalk Fields | Robinson s Bend Field | Total | Chalkley, Cotton Valley and Austin Chalk Fields | Robinson s Bend Field | Total |
| Oil and gas revenues | $ 8,327 | $ 4,769 | | $ 5,839 | $ 3,056 | |
| Direct operating expenses: | | | | | | |
| Lease operating expenses and property tax | 1,195 | 2,799 | | 1,086 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Severance tax | 500 | 382 | | 497 | 149 | |
| | 1,695 | 3,181 | | 1,583 | 149 | |
| Net proceeds before capital Expenditures | 6,632 | 1,588 | | 4,256 | 2,907 | |
| Capital expenditures | 32 | 275 | | 3 | | |
| Net proceeds | 6,600 | 1,313 | | 4,253 | 2,907 | |
| Net profits percentage | 95% | (a) | | 95% | 95% | |
| | 6,270 | 1,313 | | 4,040 | 2,762 | |
| Prior quarter adjustment | | (30)(b) | | | | |
| Net profits income | $ 6,270 | $ 1,283 | $ 7,553 | $ 4,040 | $ 2,762 | $ 6,802 |

(a) If costs and expenses deductible in computing Net Proceeds exceed gross proceeds for a conveyance, the Trust is not liable to pay such expenses directly. Accordingly, the Robinson s Bend Field cash flow deficit of $68,000 during the quarter ended September 30, 2003 is excluded from the net profits income calculation.

(b) Represents an adjustment to the Robinson s Bend Field net profits income received by Unitholders during the quarter ended June 30, 2003, pertaining to production during the quarter ended March 31, 2003.

18

**TORCH ENERGY ROYALTY TRUST**

Net Proceeds Attributable to the Robinson s Bend Have Decreased Significantly

Prior to December 31, 2002, lease operating expenses were not deducted in calculating the Net Proceeds payable to the Trust from the Robinson s Bend Field. In accordance with the provisions of the net profits conveyance in the Robinson s Bend Field, commencing with the second quarter 2003 distribution, which pertains to the quarter ended March 31, 2003 production, lease operating expenses and capital expenditures have been deducted in calculating Net Proceeds. As a result, Net Proceeds paid to the Trust attributable to the Robinson s Bend Field have decreased substantially.

Lease operating expenses and capital expenditures, pertaining to the quarter ended June 30, 2003 production, totaling $1.5 million were deducted in calculating the Robinson s Bend Net Proceeds for the third quarter of 2003. During the same period in 2002, lease operating expenses and capital expenditures in the Robinson s Bend Field were $1.3 million. Such costs were not deducted from Net Proceeds in 2002 pursuant to the provisions of the net profits conveyance in the Robinson s Bend Field.

In calculating third quarter 2003 Robinson s Bend Field Net Proceeds (pertaining to the quarter ended June 30, 2003 production), costs and expenses exceeded revenues, net to the Trust, by approximately $68,000. Neither the Trust nor Unitholders are liable to pay the $68,000 directly. However, the Trust will receive no payments for distributions to Unitholders with respect to the sale of production from the Robinson s Bend Field until future proceeds exceed the sum of future costs and expenses and the cumulative excess of such costs and expenses including interest. Torch does not currently anticipate that the Net Proceeds attributable to the Robinson s Bend Field, if any, will be significant in the future.

Termination of the Trust

The Trust will terminate on March 1, of any year after 2002 if it is determined that the pre-tax future net cash flows, discounted at 10%, attributable to estimated net proved reserves of the Net Profits Interests on the preceding December 31 are less than $25.0 million. The pre-tax future net cash flows, discounted at 10%, attributable to estimated net proved reserves of the Net Profits Interests as of December 31, 2002 were approximately $40.8 million. Such reserve report was prepared pursuant to Securities and Exchange Commission guidelines and utilized an unescalated Purchase Contract price (after gathering, treating and transportation fees) of $3.42 per Mcf. The computation of the $3.42 per Mcf Purchase Contract price was based on a New York Mercantile Exchange ( NYMEX ) year-end gas price of $4.79 per MMBtu. Based on the oil and gas reserve estimates at December 31, 2002 prepared by independent reserve engineers, Torch projects that unless the NYMEX price of natural gas on December 31, 2003 exceeds approximately $2.80 per MMBtu, the Trust will terminate on March 1,

**TORCH ENERGY ROYALTY TRUST**

2004. Upon termination of the Trust, the Trustee is required to sell the Net Profits Interests. No assurance can be given that the Trustee will be able to sell the Net Profits Interests, or as to the price that will be received for such Net Profits Interests, or the amount that will be distributed to Unitholders following such a sale. Such distributions could be below the market value of the Units.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

The Trust is exposed to market risk, including adverse changes in commodity prices. The Trust s assets constitute Net Profits Interests in the Underlying Properties. As a result, the Trust s operating results can be significantly affected by fluctuations in commodity prices caused by changing market forces and the price received for production from the Underlying Properties.

All production from the Underlying Properties is sold pursuant to a Purchase Contract between TRC, Velasco and TEMI. Pursuant to the Purchase Contract, TEMI is obligated to purchase all net production attributable to the Underlying Properties for an Index Price, less certain other charges. The Index Price is calculated based on market prices of oil and gas and therefore is subject to commodity price risk. The Purchase Contract expires upon termination of the Trust and provides a Minimum Price of $1.70 per MMBtu, adjusted annually for inflation, paid by TEMI for gas. When TEMI pays a purchase price based on the Minimum Price it receives Price Credits equal to the difference between the Index Price and the Minimum Price that it is entitled to deduct when the Index Price exceeds the Minimum Price. Additionally, if the Index Price exceeds $2.10 per MMBtu, adjusted annually for inflation, TEMI is entitled to deduct 50% of such excess, the Price Differential. TEMI has an annual option to discontinue the Minimum Price commitment. However, if TEMI discontinues the Minimum Price commitment, it will no longer be entitled to deduct the Price Differential and will forfeit all accrued Price Credits. TEMI elected not to discontinue the Minimum Price Commitment for 2003. TEMI has purchased put option contracts granting TEMI the right to certain gas production at a price intended to limit TEMI s losses in the event the Index Price falls below the Minimum Price.

**Item 4. Controls and Procedures**

Based on their evaluation as of the end of the period covered by this quarterly report on Form 10-Q, the Trustee has concluded that the Trust s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934) were effective as of the end of the period covered by this Quarterly Report on Form 10-Q. In its evaluation of disclosure controls and procedures, the Trustee has relied, to the extent considered reasonable, on information provided by Torch.

There were no significant changes in the Trust s internal control over financial reporting during the Trust s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Trust s internal control over financial reporting.

**TORCH ENERGY ROYALTY TRUST**

PART II. OTHER INFORMATION

ITEM 1. **Legal Proceedings**

None.

ITEM 2. **Changes in Securities**

None.

ITEM 3. **Defaults upon Senior Securities**

None.

ITEM 4. **Submission of Matters to a Vote of Unitholders**

None.

ITEM 5. **Other Information**

None.

ITEM 6. **Exhibits and Reports on Form 8-K**

(a) Exhibits

4. Instruments of defining the rights of security holders, including indentures.

| | |
|---|---|
| 4.1 | Form of Torch Energy Royalty Trust Agreement.* |
| 4.2 | Form of Louisiana Trust Agreement.* |
| 4.3 | Specimen Trust Unit Certificate.* |
| 4.4 | Designation of Ancillary Trustee.* |
| 31.1 | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

(b) Reports on Form 8-K

None

* Incorporated by reference from Registration Statements on Form S-1 of Torch Energy Advisors Incorporated (Registration No. 33-68688) dated November 16, 1993.

**TORCH ENERGY ROYALTY TRUST**

**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 thereunto duly authorized.

TORCH ENERGY ROYALTY TRUST

| | |
|---|---|
| By: | Wilmington Trust Company, Trustee |
| By: | /s/ Bruce L. Bisson |

Bruce L. Bisson
Vice President

Date: November 13, 2003

(The Trust has no employees, directors or executive officers.)