PUMA BIOTECHNOLOGY, INC.
Form PRER14A
December 09, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. 3)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under Rule 14a-12

PUMA BIOTECHNOLOGY, INC.

(Name of the Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY COPY

SUBJECT TO COMPLETION DATED DECEMBER 9, 2015

, 2015

Dear Fellow Stockholder:

Fredric N. Eshelman, Pharm.D. (Eshelman) has commenced a process seeking to increase the size of the Board of Directors (the Board) of Puma Biotechnology, Inc. (the Company, Puma, we, us and our) and to elect four ne members to fill the resulting newly-created directorships with himself and three other individuals selected by him. Eshelman purchased his first shares in Puma only six months ago and, excluding options he acquired the week before he started this process, owns less than 0.5% of our stock (and less than 1% including those options).

The Board strongly believes that Eshelman s actions are not in the best interest of Puma or its stockholders. We believe that your Board and management should continue to pursue our plans to improve patient care by developing and commercializing innovative products to enhance cancer care. We continue to make significant progress with the clinical program for our lead product candidate, PB272 (neratinib), and anticipate filing for regulatory approval of neratinib for the extended adjuvant treatment of HER2-positive breast cancer in the first quarter of 2016. Additionally, we are expecting a number of additional milestones relating to various clinical trials in other cancer-related indications by the end of 2015. These include:

- presentations of additional data from the Phase III ExteNET Trial in the extended adjuvant treatment of early stage HER2-positive breast cancer;
- publication of the Phase III data from the ExteNET trial in the extended adjuvant treatment of early stage HER2-positive breast cancer;
- presentation of data from the Phase II FB-7 trial of PB272 as a neoadjuvant treatment for patients with HER2-positive breast cancer;
- presentation of data from our Phase II trial of PB272 in HER2 non-amplified breast cancer that has a HER2 mutation;
- reporting initial data from the Phase II trial of neratinib in extended adjuvant HER2-positive early stage breast cancer using loperamide prophylaxis;

publication of results to date on the use of prophylactic loperamide to reduce the neratinib-related diarrhea; and

expanding additional cohorts in our Phase II basket trial of PB272 in patients with solid tumors with activating HER2 mutations.

Against this backdrop of significant clinical development and success, Eshelman seeks to insert himself and three others into your company s Board. Your company s Board believes that Eshelman and his nominees provide no additional experience or expertise to the Board. Accordingly, the Board strongly urges you to reject Eshelman s effort to expand the Board at this time and to add him and his nominees as directors.

You can defend against Eshelman s efforts to increase the size of the Board and add his nominees by taking the following steps:

1. Do not sign Eshelman s white consent card;

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2. If you have signed Eshelman s white consent card, you may revoke that consent by signing, dating and returning the enclosed **BLUE** Consent Revocation Card immediately in the pre-paid envelope provided; and

3. Even if you have not signed Eshelman s white consent card, you can show your support for your Board and fellow stockholders by signing, dating and returning the enclosed **BLUE** Consent Revocation Card in the pre-paid envelope provided.

This Consent Revocation Statement contains important information as to why you should, and how to, submit the accompanying **BLUE** Consent Revocation Card to revoke any white consent card that you previously returned to Eshelman. We urge you to read it carefully. Regardless of the number of shares of common stock of the Company that you own, your revocation of consent is important. Whether or not you have previously executed a white consent card, the Board urges you to sign, date and deliver the enclosed **BLUE** Consent Revocation Card using the enclosed pre-paid envelope. Please act today. Thank you for your support.

Sincerely,

The Board of Directors

Puma Biotechnology, Inc.

If you have questions or need assistance revoking consent on your shares, please contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Shareholders may call toll-free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

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PUMA BIOTECHNOLOGY, INC.

10880 Wilshire Boulevard, Suite 2150

Los Angeles, California 90024

CONSENT REVOCATION STATEMENT

BY THE BOARD OF DIRECTORS OF PUMA BIOTECHNOLOGY, INC.

IN OPPOSITION TO

A CONSENT SOLICITATION BY FREDRIC N. ESHELMAN, PHARM.D.

, 2015

This Consent Revocation Statement (the Consent Revocation Statement) is furnished by the Board of Directors (the Board) of Puma Biotechnology, Inc., a Delaware corporation (the Company, Puma, we, us and our), to the ho outstanding shares of Puma s common stock, par value $0.0001 per share (the Common Stock), in connection with the Board s opposition to the solicitation of stockholder written consents (the Eshelman Consent Solicitation) by Fredric N. Eshelman, Pharm.D. (Eshelman), and Eshelman s Nominees listed below. This Consent Revocation Statement and the enclosed BLUE Consent Revocation Card are first being mailed to stockholders on or about , 2015.

As you may be aware, Eshelman is attempting to expand the Board and to fill the resulting newly-created directorships with himself and a slate of three additional nominees selected by him. Specifically, Eshelman is asking you to: (i) repeal any provision of our Bylaws (the Bylaws) in effect at the time this proposal becomes effective that was not included in our Bylaws when filed with the Securities and Exchange Commission (the SEC) on September 14, 2007; (ii) remove, without cause, any person or persons, other than those elected pursuant to the Eshelman Consent Solicitation, elected, appointed or designated by the Board (or any committee thereof) to fill any vacancy or newly created directorship on or after September 9, 2015 and prior to the time that any of the actions proposed to be taken by the Eshelman Consent Solicitation become effective; (iii) increase the size of the Board from five (5) to nine (9) directors; and (iv) elect Fredric N. Eshelman, James M. Daly, Seth A. Rudnick, and Kenneth B. Lee, Jr. (each, an Eshelman Nominee and collectively, the Eshelman Nominees) to the Board to serve as directors of the Company until our next annual meeting of stockholders and until their successors are duly elected and qualified.

Your directors were selected through processes designed by the Board to foster good corporate governance and representation of all stockholders. These processes are described in detail in our annual proxy statement and this Consent Revocation Statement. Each current member of the Board, other than Mr. Alan H. Auerbach, is independent under the criteria established by the New York Stock Exchange (the NYSE) and the Securities and Exchange Commission (the SEC) for director independence. A consent in favor of the Eshelman Consent Solicitation would be a consent to expand the Board and elect the Eshelman Nominees. If successful, the Board believes that this action would allow Eshelman, a less than 1% holder of the Company s Common Stock, to significantly impact the Company s operations without providing you any benefit. The Board believes that such a drastic change would bring unnecessary disruption to the management and operation of the Company at a critical time in its development. Your Board is committed to acting in the best interests of all of our stockholders and believes that we are well positioned to recognize and act upon our strategic opportunities and to maximize the value to our stockholders through our business plan. The Board is committed to being highly responsive to stockholder interests and concerns.

THE BOARD HAS UNANIMOUSLY DETERMINED THAT THE ESHELMAN CONSENT SOLICITATION IS CONTRARY TO THE BEST INTERESTS OF THE COMPANY AND ITS STOCKHOLDERS. ACCORDINGLY, THE BOARD RECOMMENDS THAT YOU NOT SIGN ANY WHITE CONSENT CARD SENT TO YOU BY ESHELMAN. WHETHER OR NOT YOU HAVE PREVIOUSLY EXECUTED A WHITE CONSENT CARD, THE BOARD URGES YOU TO SIGN, DATE AND DELIVER THE ENCLOSED **BLUE** REVOCATION CARD USING THE ENCLOSED PRE-PAID ENVELOPE. IF YOU HAVE ALREADY SIGNED A WHITE CONSENT CARD, IT IS IMPERATIVE YOU SIGN, DATE AND DELIVER THE **BLUE** REVOCATION CARD USING THE ENCLOSED PRE-PAID ENVELOPE.

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In accordance with Delaware law and our governing documents, Eshelman delivered to us a signed written consent, which established a record date of , 2015 (the Record Date), for the determination of the Company s stockholders who are entitled to execute, withhold or revoke consents relating to the Eshelman Consent Solicitation. Only holders of record as of the close of business on the Record Date may execute, withhold or revoke consents with respect to the Eshelman Consent Solicitation.

If you have any questions about giving your consent revocation or require assistance, please call Innisfree M&A Incorporated toll-free at (888) 750-5834.

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FORWARD-LOOKING STATEMENTS

This Consent Revocation Statement contains forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995). These statements are based on our current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding actions to be taken by us. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect our business, particularly those mentioned in the risk factors in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC and in our subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

DESCRIPTION OF THE ESHELMAN CONSENT SOLICITATION

As set forth in the Eshelman Consent Solicitation and related materials filed with the SEC, Eshelman is soliciting your consents in favor of the following proposals (collectively, the Eshelman Consent Proposals) to:

(1) Repeal any provision of the Bylaws of the Company (the Bylaws) in effect at the time this Proposal becomes effective that was not included in the Bylaws as filed by the Company with the SEC on September 14, 2007.

(2) Remove, without cause, any person or persons, other than those elected pursuant to the Eshelman Consent Solicitation, elected, appointed or designated by the board of directors of Puma Biotechnology, Inc. (the Board) (or any committee thereof) to fill any vacancy or newly created directorship on or after September 9, 2015 and prior to the time that any of the actions proposed to be taken by the Eshelman Consent Solicitation become effective.

(3) Increase the size of the Board from five (5) to nine (9) directors.

(4) Elect Fredric N. Eshelman, James M. Daly, Seth A. Rudnick, and Kenneth B. Lee, Jr. (each, an Eshelman Nominee and collectively, the Eshelman Nominees) to the Board to serve as directors of the Company until the next annual meeting of stockholders of the Company and until their successors are duly elected and qualified.

A consent in favor of the Eshelman Consent Proposals would be a consent to increase the size of the Board to nine (9) directors and add the Eshelman Nominees to the Board.

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REASONS TO REJECT THE ESHELMAN CONSENT PROPOSALS

Eshelman currently owns less than 0.5% of Puma, excluding the options that he purchased to increase his ownership just prior to filing his preliminary consent statement. He currently claims to own approximately 1% of our outstanding Common Stock, though if he does not exercise his newly purchased options he will be entitled to vote shares representing less than 0.5% of our outstanding Common Stock in favor of his proposals. There are several compelling reasons the Board recommends you reject the Eshelman Consent Proposals as outlined below, including:

The Board is committed to the Company s current business plan, which is focused on improving patient care by developing and commercializing innovative products to enhance cancer care. While the Company s Common Stock may have suffered a decline in value in recent months, the Company s business remains strong and productive. The Company continues to make significant progress with the clinical program for its lead product candidate, PB272 (neratinib), and anticipates filing for regulatory approval of PB272 for the extended adjuvant treatment of HER2-positive breast cancer in the first quarter of 2016.

The current members of the Board possess a well-diversified range of experience and all Board members other than Alan H. Auerbach, the Company s President and Chief Executive Officer, are independent under the standards of the NYSE and the SEC. Moreover, the current Board includes two recent additions who provide additional expertise in the field of biotechnology investments and clinical and regulatory affairs.

The Company believes the current size of its Board is appropriate for effectively governing the Company. A five-member board fosters active participation and contribution by providing each member sufficient time to ask questions and provide insight on all matters. As board size increases contribution from individual directors can become more difficult and members cannot participate to the same extent. For large companies with massive operations, the additional directors may be necessary to obtain the relevant experience needed to advise the board. Puma is an early-stage drug development company with no currently approved drugs, no revenue, no sales force, no material international operations, no direct manufacturing operations and less than 200 employees. Its five-member board possesses the necessary experience and its size enables more active and fulsome discussion. Similarly, its smaller size allows it to be more responsive. The nature of Puma s business requires that it be nimble and quick in responding to various opportunities and challenges. Logistically, a nine-member board is difficult to convene on short notice and the Company believes that the benefit of the additional voices would likely be outweighed by its inability to react quickly.

The Company s current Board has the experience necessary to continue to guide the Company through the next stages of its development, which includes the expected filing of an NDA for PB272 (neratinib) for the extended adjuvant treatment of HER2-positive breast cancer in the first quarter of 2016 and, if approved, the subsequent commercialization of PB272. The current Board members collectively have over 60 years of experience serving as directors or officers of various public and private life sciences companies. As officers, they have collectively filled various roles, including chief executive officer, chief financial officer, chief medical officer and vice president of clinical and regulatory affairs of various companies involved in the development of products to enhance cancer care and treatment. One director, Dr. Adrian M. Senderowicz, also held positions in the Oncology Drug Division at the U.S. Food and Drug Administration (the FDA), the Prostate Cancer Drug Development Clinic and the Molecular Therapeutics Unit with the National Cancer

Institute/National Institutes of Health and another, Mr. Zavrl, was a partner for nine years at Adage Capital Partners L.P., a major biotechnology investment firm, where he led their initial investment in Puma.

The Company s management has a proven track record of product development. Mr. Auerbach was formerly President and Chief Executive Officer of Cougar Biotechnology, Inc., which was responsible for the development of abiraterone, a drug used for the treatment of advanced prostate cancer. Cougar

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Biotechnology was purchased by Johnson & Johnson for approximately $1 billion while abiraterone was in Phase III clinical trials.

Eshelman has never met with the Company s management, has rejected our Chief Executive Officer s offer to meet with him to discuss the Company and has offered no proposed business or strategic plan for the Company.

The timing of the Eshelman Consent Solicitation is not in the best interest of the stockholders and is a costly and unnecessary distraction that will only hinder the Company s execution of the Board s strategic plan.

The Eshelman Consent Proposals may place a dissident minority of directors on the Board. While these directors, like any other director, would have a fiduciary duty to act in the best interests of the Company and its stockholders, they will have been selected by a single stockholder that only recently acquired his shares and beneficially owns less than 1.0% of the Company s Common Stock. In contrast, Mr. Auerbach beneficially owns approximately 19.0% of Puma s Common Stock and represents only one board seat. Similarly, Mr. Zavrl, the Company s independent director with the largest ownership interest, beneficially owns approximately 2.8% of Puma s Common Stock and represents only one board seat. The remaining three directors collectively and beneficially own less than 1.0% of Puma s Common Stock.

The Board has a process for taking recommendations from stockholders for the Company s Board, Eshelman has decided to go outside these channels to nominate himself and three other individuals that your Board believes do not possess the attributes, ability or experience that that would be unique or additive to the Board s current composition.

The Company regularly attends investor conferences and participates in private one-on-one meetings with existing investors. During these meetings, several significant investors have conveyed their support for our Company, our management and our current Board and expressed anger and frustration at the expense and distraction of management and the Company caused by having to engage in a contested solicitation. The Company estimates, based on a review of its existing stockholder lists, that investors expressing these concerns beneficially own more than 50% of Puma s Common Stock. These expressions of support from existing stockholders do not necessarily reflect the projected results of the consent solicitation since stockholders maintain the right to execute, not execute or revoke their consents for the Eshelman Consent Proposals, and any stockholder s final decision in this respect will not be known until the final results of the consent solicitation are determined.

FOR THE FOREGOING REASONS, YOUR BOARD STRONGLY BELIEVES THAT THE ESHELMAN CONSENT PROPOSALS ARE NOT IN THE BEST INTEREST OF THE COMPANY AND ITS STOCKHOLDERS.

In addition to the reasons indicated above, your Board believes you should reject each proposal for the following reasons.

Proposal 1: We recommend rejection of Proposal 1 because this proposal is speculative and is designed to nullify unspecified provisions of the Bylaws that may be adopted by the Board in its judgment to act in, and protect the best

interest of, the Company and its stockholders for reasons unrelated to the Eshelman Consent Solicitation. Furthermore, the Board s fiduciary duties under Delaware law require that the Board retain flexibility to adopt, at any time any amendment to the Bylaws that it believes is proper and in the best interest of the Company s stockholders. The automatic repeal of any duly adopted Bylaw amendment, irrespective of its content, could have the unfortunate effect of repealing one or more properly adopted Bylaw amendments determined by the Board to be in the best interests of the Company and its stockholders, even if unrelated to the Eshelman Consent Solicitation. The Board has not adopted any amendments to the Company s Bylaws and does not intend to adopt any amendments to the Bylaws during Eshelman s consent solicitation process.

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Proposal 2: We recommend rejection of Proposal 2 because this proposal is speculative and designed to remove any directors properly elected, appointed or designated to the Board after an arbitrary date. The Board has determined that the current composition of the Board is in the best interest of all of the Company s stockholders. The Board s fiduciary duties under Delaware law require that the Board retain the ability to ensure the Board has the proper composition of business experience to maximize the Company s value for the benefit of all of its stockholders. The automatic removal of one or more properly elected, appointed or designated directors could have the unfortunate effect of removing a director whose service the Board has determined to be in the best interests of the Company and its stockholders, even if unrelated to the Eshelman Consent Solicitation. The Board has not appointed any new directors since September 8, 2015 and does not intend to appoint any new directors during Eshelman s consent solicitation process.

Proposal 3: We recommend rejection of Proposal 3 because we believe the Board currently consists of a sufficient number of directors who are committed and obligated to maximizing the Company s value for the benefit of all its stockholders. Eshelman has provided no reason why further increasing the size of the Board will increase the Company s value. We believe the current size of the Board is appropriate for effectively governing the Company and has produced a Board with sufficient Board and business experience and insight to help the Company achieve its goal of maximizing value for all of its stockholders, while at the same time allowing the Board to operate efficiently and to react quickly to changing dynamics within the biotechnology industry. A five-member Board fosters active participation and contribution from each of the directors and also provides for efficient decision-making.

Proposal 4: We recommend rejection of Proposal 4 because we do not believe that the addition of the Eshelman Nominees is in the best interest of the Company or is useful for the achievement of the Company s goal of maximizing value for all of its stockholders. The current members of the Board possess a well-diversified range of experience. Our directors have served on numerous private and public company boards within the healthcare industry. Many have also served in executive roles at public companies. Collectively, they represent over 60 years of experience in managing or investing in companies in the healthcare industry. Not only are additional directors not needed to advance the Company s strategic plans, we believe that the introduction of four new members to the Board could actually disrupt and delay those plans possibly to the detriment of the Company s stockholders. The Company recently added two new independent directors to the Board. The Proposals would add four more, resulting in six of the nine directors having served on the Board for less than a year.

WE URGE STOCKHOLDERS TO REJECT THE ESHELMAN CONSENT PROPOSALS AND REVOKE ANY CONSENT PREVIOUSLY SUBMITTED.

DO NOT DELAY. IN ORDER TO HELP ENSURE THAT THE CURRENT BOARD IS ABLE TO ACT IN YOUR BEST INTEREST, PLEASE SIGN, DATE AND DELIVER THE ENCLOSED **BLUE** CONSENT REVOCATION CARD USING THE ENCLOSED PRE-PAID ENVELOPE AS PROMPTLY AS POSSIBLE WHETHER OR NOT YOU HAVE SIGNED THE WHITE CONSENT CARD FROM ESHELMAN.

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BACKGROUND OF THE ESHELMAN CONSENT SOLICITATION

On July 16, 2015, Eshelman sent a letter (the Initial 220 Request) to Alan H. Auerbach, our President and Chief Executive Officer, demanding inspection of certain of the Company s books and records, including board minutes, revenue projections and other board materials concerning potential strategic transactions, pursuant to Section 220 of the Delaware General Corporation Law (the DGCL). Eshelman also demanded communications between and among members of the Board concerning these materials. Eshelman indicated that the purpose of the request was to enable him to analyze and value his stockholdings in the Company and to ascertain whether our Board had breached its fiduciary duties in connection with the consideration of business combinations, asset sales, mergers or other strategic transactions. In support of his request, Eshelman included a letter from UBS Financial Services stating only that Eshelman owned more than 1,000 shares of Puma Common Stock.

Eshelman s counsel and our counsel engaged in discussions by telephone and email regarding the Initial 220 Request.

On July 29, 2015, our counsel responded in writing to the Initial 220 Request noting several points. First, the Initial 220 Request failed to identify how the category of documents requested by Eshelman were necessary and essential to the valuation of his shares of the Company s Common Stock. Delaware courts have limited inspection of documents to those that are necessary and essential for the stockholder s stated purpose. Our counsel requested that Eshelman provide specific information regarding his need for these documents so that we could evaluate our obligation to produce them. Similarly, our counsel s response noted that, with respect to the allegations of breach of fiduciary duty, the Initial 220 Request did not contain credible evidence from which the wrongdoing could be inferred. Again, our counsel s letter requested additional information that supported Eshelman s concern. Lastly, our counsel s response noted that the Initial 220 Request must state a valid reason for the request, or in other words, it must describe what Eshelman intends to do with the information, if provided. Once again, our counsel s letter requested additional information in this respect. Our counsel s letter made clear that, on all accounts, the Company was open to considering additional information that would support Eshelman s request.

On August 20, 2015, Eshelman s counsel sent a letter reiterating his demands for books and records. This letter provided none of the information requested by us and, instead, simply argued that providing such additional information was unnecessary to support the request. Rather than seeking to assist us by providing some insight into Eshelman s concerns or the end purpose of his investigation, the letter closed by threatening legal action in Delaware court if Eshelman s demands were not met.

On August 25, 2015, our counsel sent a letter to Eshelman s counsel clarifying the rights of stockholders under the DGCL and again requesting additional information that would identify a proper purpose for the Initial 220 Request.

On August 27, 2015, our counsel and Eshelman s counsel had a conference call to further discuss the Initial 220 Request. During that call, Eshelman s counsel indicated that Eshelman owned less than 5% and more than 3% of our Common Stock and stated that he is a major player and a serious investor.

We had no record of Eshelman s alleged 3% - 5% ownership interest and were surprised to learn that we were not acquainted with such a purportedly significant stockholder. As a result, in an email dated August 28, 2015, our counsel requested proof of Eshelman s purported ownership interest and communicated to Eshelman s counsel that, conditioned only on receiving that proof, Mr. Auerbach would meet Eshelman face to face to discuss his concerns and any other matters regarding the Company. The email noted that [i]t is very important to Mr. Auerbach that shareholders have access to him directly, that management and the board have a relationship with investors, especially large institutional ones, and that all shareholders know management s and the board s conviction in their fiduciary responsibilities to the shareholders. Eshelman would not provide evidence of his purported ownership interest and did

not respond to the offer to meet with Mr. Auerbach. We would learn later,

upon the filing of Eshelman s Preliminary Consent Statement, that at the time of the Initial 220 Request, Eshelman owned 150,000 shares of our Common Stock, or less than 0.5% of the outstanding shares of our Common Stock. Rather than provide evidence of his purported ownership interest, which of course did not exist, on September 10, 2015, Eshelman s counsel offered that Eshelman would withdraw the allegations of breaches of fiduciary duty if we would provide the requested documents. Again, notwithstanding our belief that Eshelman failed to state a valid business purpose for his Initial 220 Request, we offered an in-person discussion following proof of Eshelman s claimed ownership interest. Again, Eshelman never responded and never tried to meet with Mr. Auerbach.

The next interaction with Eshelman occurred more than thirty days later when he filed his preliminary consent statement on Schedule 14A (Preliminary Consent Statement) with the SEC on October 28, 2015. Based on information in Eshelman s Preliminary Consent Statement, we learned that, at the time of the Initial 220 Request, Eshelman owned 150,000 shares of our Common Stock, representing less than 0.5% of the outstanding shares of our Common Stock. We also learned that in the six days prior to filing the Preliminary Consent Statement, Eshelman attempted to increase his stock ownership in our Company by purchasing options. As of the date of the Preliminary Consent Statement, he had acquired options to purchase an additional 89,000 shares (though those options remain unexercised). Together with the shares he actually owned, this raised Eshelman s ownership interest in the Company to approximately 0.7% (assuming he exercised the options), well below the at least 3% Eshelman had claimed to own.

On that same day, October 28, 2015, Eshelman sent a letter to our counsel alleging unspecified mismanagement on the part of our Board and senior management. Specifically, the letter stated [f]or some time now, Dr. Eshelman has been concerned that the board of directors (the Board) and senior management of the Company have mismanaged Puma and have not acted as proper stewards of his and the other stockholders investments in the Company. The letter provided no context for these allegations and threatened us if we took any defensive measures in response to his proposals to increase the size of the Board and add his Nominees.

On November 2, 2015, we filed a Current Report on Form 8-K with the SEC seeking to clarify the events preceding Eshelman s filing of the Preliminary Consent Statement. Notably, Eshelman s initial filing omitted any discussion of our attempt to engage in direct discussions with Eshelman, Eshelman s unwillingness to provide any information substantiating his right to the documents requested in the Initial 220 Request or that Eshelman grossly overstated his ownership of our Common Stock.

On October 29, 2015, Eshelman wrote a letter to the Company demanding stockholder information related to the mailing of the Eshelman Consent Solicitation (the Second 220 Request). On November 5, 2015, we provided Eshelman s counsel with the portion of requested information that was immediately available to us and engaged in discussions with Eshelman s counsel regarding what additional information would be available and when. Notwithstanding these discussions, Eshelman filed suit in the Delaware Court of Chancery to compel inspection of the requested stockholder documents. He also filed a motion to expedite the case and sent a letter to the Court requesting a half-day trial. All of this was premature and Eshelman ultimately withdrew the motion to expedite.

Additionally, Eshelman has revised his Preliminary Consent Statement on several occasions simply to reproduce all of the correspondence between Eshelman s counsel and our counsel regarding both the Initial 220 Request, the Second 220 Request and the lawsuit filed in the Delaware Court of Chancery. Over the course of these communications and still, as of the date of this Consent Revocation Statement, the Company believes that Eshelman has failed to provide any information supporting a proper purpose for obtaining the documents he demanded in the Initial 220 Request, failed to provide any evidence supporting his claims of breach of fiduciary duties, failed to provide any justifiable reason why he and the other Eshelman Nominees should be appointed to the Board, failed to identify what, if any, value the Eshelman Nominees would add to the Board and failed to describe any plans Eshelman and the Eshelman Nominees would have for maximizing the value of the Company for its stockholders.

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On November 18, 2015, Eshelman filed his Definitive Consent Statement with the SEC, which indicated that the Definitive Consent Statement was first being provided to the Company s stockholders on or about November 18, 2015.

On November 19, 2015, we filed a Current Report on Form 8-K with the SEC, which included our Board s recommendation to stockholders that they reject the Eshelman Consent Solicitation.

On November 23, 2015, we filed a Preliminary Consent Revocation Statement on Schedule 14A with the SEC.

On December 4, 2015, we filed an amended Preliminary Consent Revocation Statement on Schedule 14A with the SEC.

On December 7, 2015, we filed a second amended Preliminary Consent Revocation Statement on Schedule 14A with the SEC.

On December 9, 2015, we filed this third amended Preliminary Consent Revocation Statement on Schedule 14A with the SEC.

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QUESTIONS AND ANSWERS ABOUT THIS CONSENT REVOCATION SOLICITATION

Who is making this solicitation?

Your Board.

What are we asking you to do?

We are asking you to revoke any consent that you may have delivered in favor of the four proposals described in the Eshelman Consent Solicitation and, by doing so, preserve your current Board, which will continue to act in your best interests. Whether or not you have delivered a consent in favor of the Eshelman Consent Solicitation, we ask that you sign, date and deliver the enclosed **BLUE** Consent Revocation Card using the enclosed pre-paid envelope.

What is a consent solicitation?

Under Delaware law and our governing documents, stockholders may act without a meeting, without prior notice and without a vote, if consents in writing setting forth the action to be taken are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

What does the Board recommend?

Your Board strongly believes that the solicitation being undertaken by Eshelman is not in the best interests of all of the Company s stockholders for the reasons described above. Your Board unanimously opposes the solicitation by Eshelman and urges stockholders to reject the solicitation and revoke any consent previously submitted.

If I have already delivered a consent, is it too late for me to change my mind?

No. Until the requisite number of duly executed, unrevoked consents are delivered to the Company in accordance with Delaware law and the Company s governing documents, the consents will not be effective. At any time prior to the consents becoming effective, you have the right to revoke your consent by delivering a BLUE Consent Revocation Card, as discussed in the following question.

When will the consents become effective?

Under Section 228 of the Delaware General Corporation Law, the Eshelman Consent Proposals will become effective if valid, unrevoked consents signed by the holders of a majority of the shares of the Common Stock outstanding as of the Record Date are delivered to the Company within 60 days of the earliest-dated consent delivered to the Company. On , 2015, Eshelman delivered to the Company a signed written consent, dated , 2015. Consequently, the Eshelman Consent Proposals will become effective if valid, unrevoked consents signed by the holders of a majority of the shares of the Common Stock outstanding as of the Record Date are delivered to the Company no later than , 2016.

What is the effect of delivering a consent revocation card?

By marking the YES, REVOKE MY CONSENT boxes on the enclosed BLUE Consent Revocation Card and signing, dating and mailing the card in the pre-paid envelope provided, you will revoke any earlier dated consent that you may have delivered to Eshelman. Even if you have not submitted a consent card, you may submit a consent revocation as

described above. Even if you have not submitted a white consent card included in the Eshelman Consent Solicitation Statement, we urge you to submit a BLUE Consent Revocation Card, as it will help us keep track of the progress of the consent solicitation process.

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What happens if I do nothing?

If you do not execute and send in any white consent card that Eshelman sends you, you will effectively be voting AGAINST the Eshelman Consent Proposals.

If you have validly executed and delivered a white consent card, doing nothing further will mean that you have consented to the Eshelman Consent Proposals. If you have executed and delivered a white consent card that Eshelman sent you, the Board urges you to revoke any such consent previously submitted by executing and delivering the BLUE Consent Revocation Card.

Who should I call if I have questions about the solicitation?

Please contact Innisfree M&A Incorporated toll-free at (888) 750-5834.

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THE CONSENT PROCEDURE

Voting Securities and Record Date

In accordance with Delaware law and the Company s governing documents, on , 2015, Eshelman delivered to the Company a signed written consent, which established a record date of , 2015, for the determination of the Company s stockholders who are entitled to execute, withhold or revoke consents relating to the Eshelman Consent Proposals. As of November 2, 2015, there were 32,435,748 shares of Common Stock issued and outstanding. Each share of Common Stock outstanding as of the Record Date will be entitled to one vote per share.

Only stockholders of record as of the close of business on the Record Date are eligible to execute, withhold and revoke consents in connection with the Eshelman Consent Proposals. Persons beneficially owning shares of the Common Stock (but not holders of record), such as persons whose ownership of the Common Stock is through a broker, bank or other financial institution, should contact such broker, bank or financial institution and instruct such person to execute the BLUE Consent Revocation Card on their behalf. You may execute, withhold or revoke consents at any time before or after the Record Date, provided that any such consent or revocation will be valid only if you were a stockholder of record of the Company as of the close of business on the Record Date and the consent or revocation was otherwise valid.

Effectiveness of Consents

Under Delaware law and the Company s governing documents, stockholders may act without a meeting, without prior notice and without a vote, if consents in writing setting forth the action to be taken are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Under Section 228 of the Delaware General Corporation Law, the Eshelman Consent Proposals will become effective if valid, unrevoked consents signed by the holders of a majority of the shares of the Company s Common Stock outstanding as of the Record Date are delivered to the Company within 60 days of the earliest-dated consent delivered to the Company. On , 2015, Eshelman delivered a written consent to the Company, dated , 2015, therefore unrevoked consents signed by the holders of a majority of the shares of the Company s Common Stock outstanding as of the Record Date must be delivered to the Company by , 2016, in order for the Eshelman Consent Proposals to become effective.

Because the Eshelman Consent Proposals could become effective before the expiration of the 60-day period, we urge you to act promptly to return the BLUE Consent Revocation Card.

Effect of BLUE Consent Revocation Card

A stockholder may revoke any previously signed consent by signing, dating and returning to the Company a BLUE Consent Revocation Card. A consent may also be revoked by delivery of a written revocation of your consent to Eshelman. Stockholders are urged, however, to return all consent revocations in the envelope provided or to the Company. The Company requests that if a revocation is instead delivered to Eshelman, a copy of the revocation also be returned in the envelope provided so that the Company will be aware of all revocations and so that the inspector of elections can accurately account for all revocations.

Unless you mark No, Do Not Revoke My Consent on the BLUE Consent Revocation Card, by signing, dating and delivering the BLUE Consent Revocation Card, you will be deemed to have revoked consent to all of the Eshelman Consent Proposals.

Any consent revocation may itself be revoked by marking, signing, dating and delivering a written revocation of your BLUE Consent Revocation Card to the Company or to Eshelman or by delivering to Eshelman a subsequently dated white consent card that Eshelman sent to you.

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The Company has retained Innisfree M&A Incorporated (Innisfree), a proxy solicitation firm, to assist in communicating with stockholders in connection with the Eshelman Consent Solicitation and to assist in our efforts to obtain consent revocations. If you have any questions about how to complete or submit your BLUE Consent Revocation Card or any other questions, please contact Innisfree toll-free at (888) 750-5834.

If any shares of Common Stock that you owned on the Record Date were held for you in an account with a stock brokerage firm, bank nominee or other similar street name holder, you are not entitled to vote such shares directly, but rather must give instructions to the stock brokerage firm, bank nominee or other street name holder to grant or revoke consent for the shares of Common Stock held in your name. Accordingly, you should follow the instructions on the BLUE Consent Revocation Card to vote your shares. Alternatively, you can contact the person responsible for your account and direct him or her to execute the enclosed BLUE Consent Revocation Card on your behalf. You are urged to confirm in writing your instructions to the person responsible for your account and provide a copy of those instructions to the Company, at the address or facsimile number set forth above so that the Company will be aware of your instructions and can attempt to ensure each instruction is followed.

YOU HAVE THE RIGHT TO REVOKE ANY CONSENT YOU MAY HAVE PREVIOUSLY GIVEN TO ESHELMAN. TO DO SO, YOU NEED ONLY SIGN, DATE AND RETURN IN THE ENCLOSED PRE-PAID ENVELOPE THE **BLUE** CONSENT REVOCATION CARD ACCOMPANYING THIS CONSENT REVOCATION STATEMENT. IF YOU DO NOT INDICATE A SPECIFIC VOTE ON THE **BLUE** CONSENT REVOCATION CARD WITH RESPECT TO THE ESHELMAN CONSENT PROPOSALS, THE CONSENT REVOCATION CARD WILL BE USED IN ACCORDANCE WITH THE BOARD S RECOMMENDATION TO REVOKE ANY CONSENT WITH RESPECT TO ALL SUCH PROPOSALS.

You should carefully review this Consent Revocation Statement. YOUR TIMELY RESPONSE IS IMPORTANT. You are urged not to sign any white consent cards. Instead, reject the solicitation efforts of Eshelman by promptly completing, signing, dating and returning the enclosed BLUE Consent Revocation Card in the envelope provided. Please be aware that if you sign a white card but do not check any of the boxes on the card, you will be deemed to have consented to all of the Eshelman Consent Proposals.

Results of Consent Revocation Statement

The Company intends to retain an independent inspector of elections in connection with the Eshelman Consent Solicitation. The Company intends to notify stockholders of the results of the consent solicitation by issuing a press release, which it will also file with the SEC as an exhibit to a Current Report on Form 8-K.

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SOLICITATION OF CONSENT REVOCATIONS

Cost and Method

The cost of the solicitation of revocations of consent will be borne by the Company. The Company estimates that the total expenditures relating to the Company s consent revocation solicitation (other than salaries and wages of officers and employees, but including costs of any litigation related to the solicitation) will be approximately $, of which approximately $ has been incurred as of the date hereof. In addition to solicitation by mail, directors, officers and other employees of the Company may, without additional compensation, solicit revocations by mail, in person or by telephone or other forms of telecommunication.

The Company has retained Innisfree as proxy solicitors, at an estimated fee of $ plus reasonable out-of-pocket expenses, to assist in the solicitation of revocations. Innisfree will also assist the Company s communications with its stockholders with respect to the consent revocation solicitation and such other advisory services as may be requested from time to time by the Company. The Company will reimburse brokerage houses, banks, custodians and other nominees and fiduciaries for out-of-pocket expenses incurred in forwarding the Company s consent revocation materials to, and obtaining instructions relating to such materials from, beneficial owners of the Common Stock. In addition, Innisfree and certain related persons will be indemnified against certain liabilities arising out of or in connection with the engagement. Innisfree has advised the Company that approximately 20 of its employees will be involved in the solicitation of consent revocations on behalf of the Company.

Participants in the Company s Solicitation

Under applicable SEC regulations, each of our directors and certain executive officers of the Company may be deemed to be participants in this solicitation of consent revocations. Please refer to the sections entitled Security Ownership of Directors and Executive Officers and Certain Beneficial Owners and Certain Information Regarding Participants in this Consent Revocation Solicitation for information about our directors and certain of our executive officers who may be deemed to be participants in the solicitation. Except as described in this Consent Revocation Statement, there are no agreements or understandings between the Company and any such participants relating to employment with the Company or any future transactions.

Other than the persons described above, no general class of employee of the Company will be employed to solicit stockholders. However, in the course of their regular duties, employees may be asked to perform clerical or ministerial tasks in furtherance of this solicitation.

Except as set forth above, neither the Company nor any person acting on its behalf has employed, retained or agreed to compensate any person to make solicitations or recommendations to stockholders of the Company concerning the consent revocation solicitation.

APPRAISAL RIGHTS

Holders of shares of Common Stock do not have appraisal rights under Delaware law in connection with the Eshelman Consent Proposals or this Consent Revocation Statement.

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CURRENT DIRECTORS OF THE COMPANY

The following is information regarding each director of the Company as of the date of this Consent Revocation Statement:

Name	Age	Position with the Company	Director Since
Alan H. Auerbach	46	President, Chief Executive Officer and Chairman of the Board	2011
Jay M. Moyes(1)(3)(5)	61	Director	2012
Adrian M. Senderowicz(4)	51	Director	2015
Troy E. Wilson(2)(6)	47	Director	2013
Frank Zavrl(2)	50	Director	2015

(1) Current member and Chairman of the Audit Committee
(2) Current member of the Audit Committee
(3) Current member and Chairman of the Compensation Committee
(4) Current member of the Compensation Committee
(5) Current member and Chairman of the Nominating and Corporate Governance Committee
(6) Current member of the Nominating and Corporate Governance Committee

Director Biographical Information

The following biographical information is furnished with respect to our current directors.

Alan H. Auerbach. Mr. Auerbach has served as Chairman of our Board and as our President and Chief Executive Officer since October 4, 2011. Prior to October 4, 2011, he served in such capacity at Puma Biotechnology, Inc. (Puma) , a privately-held Delaware corporation and our predecessor, from its inception in September 2010. Prior to founding Puma, Mr. Auerbach founded Cougar Biotechnology, Inc. (Cougar) in May 2003 and served as its Chief Executive Officer, President and a member of its board of directors until July 2009, when Cougar was acquired by Johnson & Johnson. From July 2009 until January 2010, Mr. Auerbach served as the Co-Chairman of the Integration Steering Committee at Cougar (as part of Johnson & Johnson) that provided leadership and oversight for the development and global commercialization of Cougar s lead drug candidate, abiraterone acetate, for the treatment of advanced prostate cancer. Prior to founding Cougar, from June 1998 to April 2003, Mr. Auerbach was a Vice President, Senior Research Analyst at Wells Fargo Securities, where he was responsible for research coverage of small- and middle-capitalization biotechnology companies, with a focus on companies in the field of oncology. Mr. Auerbach has served as a director of Radius Health, Inc., a public pharmaceutical company focused on acquiring and developing new therapeutics for the treatment of osteoporosis and other women s health conditions, since May 2011 and its predecessor entity from October 2010 to May 2011. Mr. Auerbach received a B.S. in Biomedical Engineering from Boston University and an M.S. in Biomedical Engineering from the University of Southern California. Mr. Auerbach was selected to serve as a director because of his position as our President and Chief Executive Officer and his significant experience as an executive and research analyst in the biotechnology industry.

Jay M. Moyes. Mr. Moyes has been a director since April 27, 2012. Mr. Moyes has been a member of the Board and chairman of the audit committee of Osiris Therapeutics, Inc., a publicly-held bio-surgery company, since May 2006. He has also been a member of the board of directors and the chairman of the audit committee for each of Biocardia, Inc., a privately-held cardiovascular regenerative medicine company, and Integrated Diagnostics, Inc., a privately-held

molecular diagnostics company, since January 2011 and March 2011, respectively. Mr. Moyes was a member of the board of directors of Amedica Corporation, a public orthopedic implant company, from November 2012 to August 2014. He also served as Chief Financial Officer of Amedica from October 2013 to August 2014. From May 2008 through July 2009, Mr. Moyes served as the Chief Financial Officer of XDx, Inc., a privately-held molecular diagnostics company. Prior to that, Mr. Moyes served as the Chief Financial Officer of Myriad Genetics, Inc., a publicly-held healthcare diagnostics company, from June 1996 until his retirement in November 2007, and as its Vice President of Finance from July 1993 until July 2005.

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From 1991 to 1993, Mr. Moyes served as Vice President of Finance and Chief Financial Officer of Genmark, Inc., a privately-held genetics company. Mr. Moyes held various positions with the accounting firm of KPMG LLP from 1979 through 1991, most recently as a Senior Manager. He holds an M.B.A. from the University of Utah, a B.A. in economics from Weber State University, and is formerly a Certified Public Accountant. Mr. Moyes also served as a member of the Board of Trustees of the Utah Life Science Association from 1999 through 2006. Mr. Moyes was selected to serve as a director because of his extensive background in finance and accounting and his experience in the context of the life sciences industry enables him to make significant contributions to the Board.

Adrian M. Senderowicz. Dr. Senderowicz has been a director since August 11, 2015. Dr. Senderowicz has been Senior Vice President and Chief Medical Officer of Cerulean Pharma, Inc., a public clinical-stage company developing nano-particle conjugates, since September 2015. Dr. Senderowicz served as the Chief Medical Officer and Senior Vice President, Clinical Development and Regulatory Affairs from August 2014 to February 2015, and Clinical and Regulatory Strategy Officer from February 2015 to April 2015 of Ignyta, Inc., a public precision oncology biotechnology company. Prior to joining Ignyta, Dr. Senderowicz was Vice President, Global Regulatory Oncology at Sanofi, a position he held from September 2013 to August 2014. Prior to Sanofi, Dr. Senderowicz was Chief Medical Officer and Vice President, Medical Development at Tokai Pharmaceuticals, Inc. from August 2012 to March 2013. From August 2008 to March 2012, Dr. Senderowicz held positions of increasing responsibility, including Senior Medical Director, Oncology Clinical Development, at AstraZeneca. Before his tenure at AstraZeneca, Dr. Senderowicz spent almost four years in a variety of leadership positions at the U.S. Food and Drug Administration Division of Oncology Drug Products in the Center for Drug Evaluation and Research. Prior to his work with the FDA, Dr. Senderowicz held a variety of clinical and research positions, including Coordinator of the Prostate Cancer Drug Development Clinic and Investigator and C