

VIRAGEN INC
Form 8-K
January 22, 2002

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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): January 15, 2002

Viragen, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-15823

59-2101668

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer Identification
Identification No.)

865 SW 78th Avenue, Suite 100,
Plantation, Florida 33324

(Address of principal executive offices) (Zip
Code)

Registrant's telephone number, including area code: (954) 233-8746

Not Applicable

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

On January 15, 2002, Viragen, Inc. completed a Security Purchase Agreement for a \$2.5 million private financing of convertible debentures and warrants with Elliott Associates, L.P. and Elliott International, L.P.

The debentures carry a 6% annual coupon rate and are convertible into common shares of the Company at a fixed conversion price of \$1.29. The debentures may be prepaid in cash at the Company's option with a 15% premium. The debentures are repayable over a nine month period following the effective date of the related registration statement. Monthly payments may be made in either common stock based on the then current market or in cash, with a premium, at the option of the Company. If paid in common stock, the stock is valued at the lesser of the market value or \$1.29.

In addition Viragen issued an option to invest an additional \$1.5 million at a fixed price of \$1.10 per share. The agreement also provides for 405,000 warrants, exercisable at \$1.48 per share, expiring in January 2007.

Viragen has agreed to file a registration statement covering the shares underlying the debentures, option and warrants. If Viragen fails to file the required registration statement within 30 days or fails to receive approval of the registration statement within 90 days of the Closing Date, the Company will be subject to penalties.

Viragen paid a combined placement fee of 6% to the placement agents for this transaction.

The financing is being made in accordance with Regulation D under the Securities Act of 1933.

ITEM 7. EXHIBITS

99.1 6% Convertible Debenture due January 11, 2003 in the amount of \$1,125,000
99.2 6% Convertible Debenture due January 11, 2003 in the amount of \$1,375,000
99.3 Securities Purchase Agreement dated as of January 11, 2002 between Viragen, Inc., a Delaware corporation and Elliott Associates, L.P., a Delaware limited partnership, and Elliott International, L.P., a Cayman Islands limited partnership
99.4 Registration Rights Agreement (Agreement) entered into as of January 11, 2002, between Viragen, Inc. and Elliott Associates, L.P. and Elliott International, L.P.
99.5 Subsidiary Guarantee made by the Subsidiaries of Viragen, Inc. in favor of the Purchasers
99.6 Common

Stock
purchase
warrant
entered into
as of
January 11,
2002,
between
Viragen, Inc.
and Elliott
Associates,
L.P.99.7
Common
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warrant
entered into
as of
January 11,
2002,
between
Viragen, Inc.
and Elliott
International,
L.P.

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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 hereunto duly authorized.

VIRAGEN, INC.

Date: January 21, 2002 By: /s/ Dennis W. Healey

Dennis W. Healey
Executive Vice President and
Chief Financial Officer

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