

Cole Credit Property Trust II Inc
Form 8-K/A
March 23, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDMENT NO. 1

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 10, 2006

Cole Credit Property Trust II, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or other jurisdiction of incorporation or organization)

333-121094 (1933 Act)

(Commission File Number)

20-1676382

(I.R.S. Employer

Identification No.)

2555 East Camelback Road, Suite 400, Phoenix, Arizona 85016

(Address of principal executive offices)

(Zip Code)

(602) 778-8700

(Registrant's telephone number, including area code)

None

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Cole Credit Property Trust II, Inc. (which may be referred to as the Registrant, the Company, we, our, and us) hereby amends the following Current Report on Form 8-K to provide the required financial information:

- (i) Current Report on Form 8-K filed on February 14, 2006 to provide the required financial information relating to our acquisition of a single-tenant retail building located in Chandler, Arizona (the MF Chandler Property), as described in such Current Report

After reasonable inquiry, we are not aware of any material factors relating to the property discussed above that would cause the reported financial information relating to it not to be necessarily indicative of future operating results.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of Businesses Acquired.

Independent Auditors Report.

Statement of Revenues and Certain Operating Expenses for the Year Ended December 31, 2005.

Notes to the Statement of Revenues and Certain Operating Expenses.

- (b) Pro Forma Financial Information.

Pro Forma Consolidated Balance Sheet as of December 31, 2005 (Unaudited).

Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2005 (Unaudited).

Notes to Pro Forma Consolidated Financial Statements (Unaudited).

- (c) Shell Company Transactions.

None.

(d) Exhibits.

None.

Independent Auditors Report

To the Board of Directors and Stockholders of

Cole Credit Property Trust II, Inc.

Phoenix, AZ

We have audited the accompanying statement of revenues and certain operating expenses (the Historical Summary) of the MF Chandler Property (the Property) for the year ended December 31, 2005. This Historical Summary is the responsibility of Cole Credit Property Trust II, Inc. management. Our responsibility is to express an opinion on the Historical Summary based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the Form 8-K/A of Cole Credit Property Trust II, Inc) as described in Note 1 to the Historical Summary and is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, such Historical Summary presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 to the Historical Summary of the MF Chandler Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Phoenix, Arizona

March 23, 2006

MF Chandler Property
Statement of Revenues and Certain Operating Expenses
For the Year Ended December 31, 2005

Revenues:

Rental revenue	\$556,803
Tenant reimbursement income	15,331
Total revenues	572,134

Certain Operating Expenses:

Property operating expenses	12,318
Utilities	3,013
Total certain operating expenses	15,331

Revenues in excess of certain operating expenses	\$556,803
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See accompanying notes to statement of revenues and certain operating expenses.

MF Chandler Property

Notes to the Statement of Revenues and Certain Operating Expenses

For the Year Ended December 31, 2005

1. Basis of Presentation

On February 10, 2006, Cole Credit Property Trust II, Inc. (the Company) acquired a single-tenant retail building containing approximately 31,063 square feet of rentable space located on an approximately 2.92 acre site in Chandler, Arizona (the MF Chandler Property). The MF Chandler Property is 100% leased to Mountainside Fitness Centers of Ocotillo, LLC (Mountainside), a wholly-owned subsidiary of Hatten Holdings, Inc, which guarantees the lease, pursuant to a net lease.

The statement of revenues and certain operating expenses (the Historical Summary) has been prepared for the purpose of complying with the provisions of Article 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission (the SEC), which requires certain information with respect to real estate operations to be included with certain filings with the SEC. These Historical Summaries include the historical revenues and certain operating expenses of the MF Chandler Property, exclusive of items which may not be comparable to the proposed future operations of the MF Chandler Property. Material amounts that would not be directly attributable to future operating results of the MF Chandler Property are excluded, and the financial statements are not intended to be a complete presentation of the MF Chandler Property's revenues and expenses. Items excluded consist of depreciation and interest expense.

2. Significant Accounting Policies

Revenue Recognition

The lease is accounted for as an operating lease and minimum rental income is recognized on a straight-line basis over the remaining term of the lease.

Repairs and Maintenance

Expenditures for repairs and maintenance are expensed as incurred

Use of Estimates

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The preparation of historical summaries in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the reported amounts of revenues and certain operating expenses during the reporting period. Actual results could differ from those estimates.

3. Lease

The aggregate annual minimum future rental payments on the non-cancelable operating lease in effect as of December 31, 2005 are as follows:

Year ending December 31:	
2006	\$ 469,051
2007	493,461
2008	523,101
2009	523,101
2010	523,101
Thereafter	6,983,733
Total	\$ 9,515,548

The minimum future rental income represents the base rent required to be paid under the terms of the lease exclusive of charges for contingent rents, electrical services, real estate taxes, and operating cost escalations.

4. Tenant Concentration

For the year ended December 31, 2005, our sole tenant, Mountainside, accounted for 100% of the annual rental income for the MF Chandler Property. If the tenant were to default on their lease, future revenue of the MF Chandler Property would be materially and adversely impacted.

5. Commitments and Contingencies

Litigation

The MF Chandler Property may be subject to legal claims in the ordinary course of business as a property owner. The Company believes that the ultimate settlement of any potential claims will not have a material impact on the MF Chandler Property's results of operations.

Environmental Matters

In connection with the ownership and operation of real estate, the MF Chandler Property may be potentially liable for costs and damages related to environmental matters. The MF Chandler Property has not been notified by any governmental authority of any non-compliance, liability or other claim, and the Company is not aware of any other environmental condition that they believe will have a material adverse effect on the MF Chandler Property's results of operations.

Cole Credit Property Trust II, Inc.

Pro Forma Consolidated Balance Sheet

As of December 31, 2005

(Unaudited)

The following unaudited Pro Forma Consolidated Balance Sheet is presented as if the Company had acquired the MF Chandler Property and the prior acquisitions on December 31, 2005. Pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933, as amended, the Company is offering for sale to the public on a best efforts basis a minimum of 250,000 and a maximum of 45,000,000 shares of its common stock at a price of \$10 per share, subject to volume and other discounts (the Offering). On September 23, 2005, the Company issued the initial shares under the Offering and commenced its principal operations. Prior to such date, the Company was considered a development stage company and did not have any operations.

This Pro Forma Consolidated Balance Sheet should be read in conjunction with the historical financial statements and notes thereto as filed in the Company's Annual Report on Form 10-K for the year ended December 31, 2005. The Pro Forma Consolidated Balance Sheet is unaudited and is not necessarily indicative of what the actual financial position would have been had the Company completed the above transaction on December 31, 2005, nor does it purport to represent its future financial position.

	December 31, 2005	Total Prior Acquisitions Pro Forma Adjustments	Current Acquisition Pro Forma Adjustments	Pro Forma December 31, 2005
	As Reported (a)	(b)	(c)	
ASSETS				
Real estate assets, at cost:				
Land	\$ 23,854,308	\$ 11,964,568	\$ 1,150,374	\$ 36,969,250
Buildings and improvements, less accumulated depreciation of \$151,472 at December 31, 2005	57,338,359	38,695,479	4,505,438	100,539,276
Intangible lease assets, less accumulated amortization of \$71,881 at December 31, 2005	10,425,618	8,251,327	334,244	19,011,189
Total real estate assets	91,618,285	58,911,374	5,990,056	156,519,715
Cash	4,575,144	(4,575,144)		
Restricted Cash	1,813,804			1,813,804
Rents and tenant receivables	36,001			36,001
Prepaid expenses and other assets	11,928			11,928
Deferred financing costs, less accumulated amortization of \$17,964 at December 31, 2005	754,676	600,792		1,355,468
Total assets	\$ 98,809,838	\$ 54,937,022	\$ 5,990,056	\$ 159,736,916
LIABILITIES AND STOCKHOLDERS				
EQUITY				
Mortgage notes payable	\$ 66,804,041	\$ 40,420,000	\$	\$ 107,224,041
Notes payable to affiliates	4,453,000	2,275,000	4,690,400	11,418,400
Accounts payable and accrued expenses	282,797			282,797
Due to affiliates	41,384			41,384

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Acquired below market leases, less accumulated amortization of \$52	14,637			14,637
Distributions payable	195,209			195,209
Escrowed investor proceeds liability	1,813,804			1,813,804
Total liabilities	73,604,872	42,695,000	4,690,400	120,990,272
Stockholders' equity:				
Preferred stock, \$.01 par value, 10,000,000 shares authorized, none issued and outstanding at December 31, 2005				
Common stock, \$.01 par value, 90,000,000 share authorized, 2,832,387 issued and outstanding at December 31, 2005			(k)	
	28,324	13,602	(l)	43,370
Capital in excess of par value	25,291,233	12,228,420	1,444	(l)
Accumulated deficit	(114,591)		1,298,212	38,817,865
Total stockholders' equity	25,204,966	12,242,022	1,299,656	(114,591)
				38,746,644
Total liabilities and stockholders' equity	\$ 98,809,838	\$ 54,937,022	\$ 5,990,056	\$ 159,736,916

Cole Credit Property Trust II, Inc.

Pro Forma Consolidated Statement of Operations

For the Year Ended December 31, 2005

(Unaudited)

The following unaudited Pro Forma Consolidated Statement of Operations is presented as if the Company had acquired the MF Chandler Property and the prior acquisitions on January 1, 2005. The Company was considered a development stage company and did not have any operations prior to September 23, 2005, and as a result, a Pro Forma Consolidated Statement of Operations for the year ended December 31, 2004 has not been presented.

This Pro Forma Consolidated Statement of Operations should be read in conjunction with the historical financial statements and notes thereto as filed in the Company's Annual Report on Form 10-K for the year ended December 31, 2005. The Pro Forma Consolidated Statement of Operations is unaudited and is not necessarily indicative of what the actual results of operation would have been had the Company completed the above transaction on January 1, 2005, nor does it purport to represent its future operations.

	For the Year Ended	Total	Current		
	December 31, 2005	Prior Acquisitions	Acquisition		Pro Forma, For the Year Ended December 31, 2005
	As Reported	Pro Forma Adjustments	Pro Forma Adjustments		
	(a)	(d)	(e)		
Revenues:					
Rental income	\$ 741,669	\$ 10,461,401	\$ 579,152	(f)	\$ 11,782,222
Expenses:					
General and administrative	156,252	20,000	2,000		178,252
Property and asset management fees	38,768	571,818	26,241	(g)	636,827
				(h)	
Depreciation	151,472	2,597,701	147,730	(i)	2,896,903
Amortization	69,939	1,221,792	20,343	(i)	1,312,074
Total operating expenses	416,431	4,411,311	196,313		5,024,056
Real estate operating income	325,238	6,050,090	382,838		6,758,166
Other Income (Expense):					
Interest income	27,557				27,557
Interest expense	(467,386)	(5,563,151)	(313,788)	(j)	(6,344,325)
Total other income (expense)	(439,829)	(5,563,151)	(313,788)		(6,316,768)
Net Income (Loss)	\$ (114,591)	\$ 486,939	\$ 69,050		\$ 441,398

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**Weighted average number of Common
shares outstanding**

Basic and Diluted	411,909	3,780,703	(k)(l) 144,406	(l)	4,337,018
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Net income (loss) per common share

Basic and Diluted	\$ (0.28)				\$ 0.10
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Cole Credit Property Trust II, Inc.

Notes to Pro Forma Consolidated Financial Statements

December 31, 2005

(Unaudited)

- a. Reflects the Company's historical balance sheet as of December 31, 2005, and the historical results of operations of the Company for the year ended December 31, 2005. On September 23, 2005, the Company issued the initial shares under the Offering and commenced its principal operations. Prior to such date, the Company was considered a development stage company and did not have any operations.
- b. Reflects preliminary purchase price allocations related to the following acquisitions: a single-tenant retail building 100% leased to Academy Corp, located in Macon, Georgia (the AS Macon Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on March 22, 2006; a single-tenant retail building 100% leased to David's Bridal, located in Lenexa, Kansas (the DB Lenexa Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on March 23, 2006; a single-tenant retail building 100% leased to Revco Discount Drug Centers, Inc, located in Portsmouth, Ohio (the CV Scioto Trail Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on March 23, 2006; a single-tenant distribution center 100% leased to Drexel Heritage Furniture Industries, Inc, located in Hickory, North Carolina (the DH Hickory Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on March 23, 2006; and a single-tenant retail building 100% leased to Harco, Inc, located in Enterprise, Alabama (the RA Enterprise Property), a single-tenant retail building 100% leased to Rite Aid of Ohio, Inc, located in Wauseon, Ohio (the RA Wauseon Property), a single-tenant retail building 100% leased to Rite Aid of Maine, Inc, located in Saco, Maine (the RA Saco Property), a single-tenant retail building 100% leased to Staples the Office Superstore East, Inc, located in Crossville, Tennessee (the ST Crossville Property), which were previously reported in a Current Report, as amended, on Form 8-K/A filed on March 23, 2006; and a multi-tenant retail center in Spring, Texas (the MT Spring Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on March 23, 2006; the acquisition of two single-tenant retail buildings 100% leased to two tenants located in Denver, Colorado (the MT Denver Property) which was previously reported in a Current Report, as amended, on Form 8-K/A filed on March 23, 2006.
- c. Reflects the preliminary purchase price allocations related to the acquisition of the MF Chandler Property as if it had been acquired on December 31, 2005.
- d. Reflects the proforma results of operations for the following acquisitions: a single-tenant retail building 100% leased to Tractor Supply Company, located in Parkersburg, West Virginia (the TS Parkersburg Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on December 9, 2005; a single-tenant retail building 100% leased to Walgreens, located in Brainerd, Minnesota (the WG Brainerd Property), which was previously reported in a Current Report, as amended, on Form 8-K/A filed on December 16, 2005; a single-tenant research and development building 100% leased to LDM Technologies, Inc., located in Auburn Hills, Michigan (the PT Auburn Hills Property), which was previously reported in a Current Report filed on December 20, 2005; a single-tenant retail building 100% leased to Rite Aid, located in Alliance, Ohio (the RA Alliance Property), three single-tenant retail buildings 100% leased to Walgreens, located in St. Louis, Missouri, collectively (the WG SL Properties), a single-tenant retail building 100% leased to Walgreens, located in Olivette, MO (the WG Olivette Property), a single-tenant retail building 100% leased to Walgreens located in Columbia, Missouri (the WG Columbia Property), a single-tenant retail building 100% leased to CVS Corporation located in Alpharetta, Georgia (the CV Alpharetta Property), a single-tenant retail building 100% leased to CVS Corporation located in Richland Hills, Texas (the CV RH Property), a single-tenant retail building 100% leased to Lowes Enterprises located in Enterprise, Missouri (the LO Enterprise Property), a single-tenant retail distribution facility 100% leased to FedEx Ground Packaging System, Inc, located in Rockford, Illinois (the FE Rockford Property), a single-tenant retail building 100% leased to La-Z-Boy located in Glendale, Arizona (the LZ Glendale Property), which were previously reported in a Current Report, as amended, on Form 8-K/A filed on December 23, 2005; the AS Macon Property; the DB Lenexa Property; the CV Scioto Trail Property; the DH Hickory Property; the RA

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Enterprise Property; the RA Wauseon Property; the RA Saco Property; the ST Crossville Property; the MT Spring Property; and the MT Denver Property.

- e. Reflects the Pro Forma results of operations of the MF Chandler Property for the year ended December 31, 2005.
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- f. Represents the straight line rental revenues for the MF Chandler Property in accordance with its lease agreement.
- g. Reflects the annualized asset management fee of 0.25% (a monthly rate of 0.02083%) of the MF Chandler Property asset value payable to our Advisor.
- h. Reflects the property management fee equal to 2% of gross revenues of the MF Chandler Property payable to an affiliate of our Advisor.
- i. Represents depreciation and amortization expense for the MF Chandler Property. Depreciation and amortization expense are based on the Company's preliminary purchase price allocation. All assets are depreciated on a straight line basis. The estimated useful lives of our assets by class are generally as follows:

Building	40 years
Tenant improvements	Lesser of useful life or lease term
Intangible lease assets	Lesser of useful life or lease term

- j. Represents interest expense associated with the debt incurred to finance the acquisition of the MF Chandler Property. The loan terms are as follows:

<u>Property</u>	<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
MF Chandler Property	\$12,025,000	5.57%	March 1, 2011
MF Chandler Property	\$2,275,000	One Month LIBOR+2%	December 31, 2006

- k. Represents a pro forma adjustment to the weighted average common shares outstanding to reflect all shares outstanding on December 31, 2005 as though they were issued on January 1, 2005. As the Company had insufficient capital at January 1, 2005 to acquire the respective properties which are included in the pro forma results of operations, it is necessary to assume all of the shares outstanding as of December 31, 2005 were outstanding on January 1, 2005. Each of the respective properties was acquired prior to December 31, 2005 and is included in the Company's consolidated balance sheet as of December 31, 2005.
- l. Reflects the additional shares of common stock required to be issued by the Company subsequent to December 31, 2005 in order to fund the acquisition of the respective properties. The shares are assumed to be issued at \$10.00 per share less commissions, dealer manager fees and organizational costs of \$0.70, \$0.15 and \$0.15 per share, respectively. The weighted average shares required to be issued was calculated assuming all of the shares were issued on January 1, 2005.

SIGNATURE

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.

Dated: March 23, 2006

COLE CREDIT PROPERTY TRUST II, INC

By: /s/ Blair D. Koblenz
Name: Blair D. Koblenz
Title: Executive Vice President and Chief Financial Officer

OTTOM" style="font-family:times;"> 917 2,005 4,222 6,872

Net income per share, basic

0.02 0.04 0.09 0.14

Net income per share, diluted

0.02 0.03 0.08 0.14

2014

Revenue

\$9,081 \$29,675(2) \$52,488(1) \$30,801

Total costs and expenses

22,503 25,919 23,321 26,072

Operating loss

(13,422) 3,756 29,167 4,729

Net loss

(15,543) 3,202 27,858 4,354

Net loss per share, basic

(0.38) 0.08 0.65 0.10

Net loss per share, diluted

(0.38) 0.08 0.39 0.10

- (1) The Company's results for the third quarter of 2014 include \$30.0 million in revenue upon entering into a Royalty Interest Acquisition Agreement.
- (2) The Company's results for the second quarter of 2014 include the change in accounting estimate regarding revenue recognition on product sales for Trokendi XR from prescriptions filled to shipments to wholesalers.

17. Subsequent Events

Subsequent to December 31, 2015, holders of the Notes converted approximately \$2.0 million of the Notes. We issued a total of approximately 0.4 million shares of common stock in conversion of the principal amount of the Notes and accrued interest thereon resulting in a remaining outstanding balance of \$6.6 million.

As of February 5, 2016, litigation with respect to Oxtellar XR was decided in favor of the Company pending appeal when a federal court ruled that three of our patents were found to be valid, and that Actavis infringed two of these three patents.

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

CEO/CFO Certifications

Attached to this Annual Report on Form 10-K as Exhibits 31.1 and 31.2, there are two certifications, or the Section 302 certifications, one by each of our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO). This Item 9A contains information concerning the evaluation of our disclosure controls and procedures and internal control over financial reporting that is referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Evaluation of Disclosure Controls and Procedures

Our management, including our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2015. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in this Annual Report on Form 10-K has been appropriately recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure. Based on that evaluation, our CEO and CFO have concluded that our disclosure controls and procedures are effective at the reasonable assurance level to ensure that material information relating to the company and our consolidated subsidiaries is made known to management, including the CEO and CFO, on a timely basis and during the period in which this Annual Report on Form 10-K was being prepared.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and our CFO, as appropriate, to allow timely decisions regarding required disclosures.

We conducted an evaluation, and under the supervision and with the participation of our management, including the CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(b) and 15d-15(b) under the Exchange Act. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2015.

Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Table of Contents

Changes in Internal Control over Financial Reporting

Our management, including our CEO and CFO, has evaluated any changes in our internal control over financial reporting that occurred during the quarterly period ended December 31, 2015, and has concluded that there was no change that occurred during the quarterly period ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, our CEO and CFO and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

pertain to the management of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework that was published in 2013.

Based on our assessment, management believes that, as of December 31, 2015, the Company's internal control over financial reporting is effective based on those criteria.

As an Emerging Growth Company, as defined under the terms of the JOBS Act of 2012, the Company's independent registered public accounting firm is not required to issue a report on the internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

Table of Contents**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The information required by this item is incorporated by reference to the similarly named section of our Proxy Statement for our 2016 Annual Meeting to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated by reference to the similarly named section of our Proxy Statement for our 2016 Annual Meeting to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by Item 201(d) of Regulation S-K is set forth below. The remainder of the information required by this Item 12 is incorporated by reference from our definitive proxy statement for our 2016 Annual Meeting to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015.

The following table shows the number of securities that may be issued pursuant to our equity compensation plans (including individual compensation arrangements) as of December 31, 2015:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	Weighted-average exercise price of outstanding options, warrants and rights(1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column(2))
Equity compensation plans approved by security holders	2,699,007	\$ 8.94	1,330,973
Equity compensation plans not approved by security holders			
Total	2,699,007	\$ 8.94	1,330,973

(1) The securities that may be issued are shares of the Company's Common Stock, issuable upon conversion of outstanding stock options.

(2) The securities that remain available for future issuance are issuable pursuant to the 2012 Equity Incentive Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item is incorporated by reference to the similarly named section of our Proxy Statement for our 2016 Annual Meeting to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information required by this item is incorporated by reference to the similarly named section of our Proxy Statement for our 2016 Annual Meeting to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015.

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

- (a)(1) Index to consolidated Financial Statements

The Financial Statements listed in the Index to Consolidated Financial Statements are filed as part of this Annual Report on Form 10-K. See Part II, Item 8, "Financial Statement and Supplementary Data."

- (a)(2) Financial Statement Schedules

Other financial statement schedules for the years ended December 31, 2015 and 2014 have been omitted since they are either not required, not applicable, or the information is otherwise included in the consolidated financial statements or the notes to consolidated financial statements.

- (a)(3) Exhibits

The Exhibits listed in the accompanying Exhibit Index are attached and incorporated herein by reference and filed as part of this report.

Table of Contents

SIGNATURES

Pursuant to the requirements of Securities 13 or 15(d) of the Securities and Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUPERNUS PHARMACEUTICALS, INC.

By: /s/ JACK A. KHATTAR

Name: Jack A. Khattar
 Title: *President and Chief Executive Officer*

Date: March 8, 2016

Pursuant to the requirements of the Securities Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and the dates indicated below:

Signature	Title	Date
<u>/s/ JACK A. KHATTAR</u>	President and Chief Executive Officer and Director (Principal Executive Officer)	March 8, 2016
<u>/s/ GREGORY S. PATRICK</u>	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 8, 2016
<u>/s/ M. JAMES BARRETT, PH.D.</u>	Director and Chairman of the Board	March 8, 2016
<u>/s/ GEORGES GEMAYEL</u>	Director	March 8, 2016
<u>/s/ FREDERICK M. HUDSON</u>	Director	March 8, 2016
<u>/s/ CHARLES W. NEWHALL, III</u>	Director	March 8, 2016
<u>/s/ WILLIAM A. NUERGE</u>	Director	March 8, 2016
<u>/s/ JOHN M. SIEBERT, PH.D.</u>	Director	March 8, 2016

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Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
3.1*	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, File No. 333-184930, as amended on November 28, 2012.)
3.2*	Amended and Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, File No. 333-184930, as amended on November 28, 2012.)
4.1*	Specimen Stock Certificate evidencing the shares of common stock (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012.)
4.2*	Indenture dated as of May 3, 2013 by and between the Company and U.S. Banks National Associates, as Trustee and Collateral Agent (incorporated by reference to Exhibit 4.1 to the Form 8-K filed on May 9, 2013, File No. 001-35518).
4.3*	Form of 7.50% Convertible Senior Secured Note due 2019 (incorporated by reference to Exhibit 4.2 to the Form 8-K filed on May 9, 2013, File No. 001-35518).
4.4*	Security and Pledge Agreement dated as of May 3, 2013 between the Company and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 4.2 to the Form 8-K filed on May 9, 2013, File No. 001-35518).
4.5*	First Supplemental Indenture dated as of October 24, 2013 by and between the Company and U.S. Bank National Association as Trustee and Collateral Agent (incorporated by reference to Exhibit 4.1 to the Form 8-K filed on October 24, 2013, File No. 001-35518).
10.1*	2005 Stock Plan and form agreements there under (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.2*	Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.3*	Employment Agreement, dated as of December 22, 2005, by and between the Registrant and Jack Khattar (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.4*	Stock Restriction Agreement, dated December 22, 2005, by and between the Registrant and Jack Khattar (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.5*	Lease, dated as of April 19, 1999, by and between ARE Acquisitions, LLC and Shire Laboratories Inc. (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.6*	First Amendment to Lease, dated as of November 1, 2002, by and between ARE Acquisitions, LLC and Shire Laboratories Inc. (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).

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Table of Contents

Exhibit Number	Description
10.7*	Second Amendment to Lease, dated as of December 22, 2005, by and among ARE-East Gude Lease, LLC, Shire Laboratories Inc. and Supernus Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.8*	Third Amendment to Lease, dated as of November 24, 2010, by and between ARE-East Gude Lease, LLC and the Registrant (successor-in-interest to Shire Laboratories Inc.) (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.9*	Investor Rights Agreement, dated as of December 22, 2005, by and among the Registrant and the holders of shares of Series A convertible preferred stock identified therein, as amended (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on December 23, 2011).
10.10 *	Asset Purchase and Contribution Agreement, dated as of December 22, 2005, by and among the Registrant, Shire Laboratories Inc. and Shire plc (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.11 *	Guanfacine License Agreement, dated as of December 22, 2005, by and among the Registrant, Shire LLC and Shire plc, as amended (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.12 *	Exclusive License Agreement, dated as of June 6, 2006, by and between the Registrant and United Therapeutics Corporation (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.13 *	Exclusive Option and License Agreement, dated as of April 27, 2006, by and between the Registrant and Afecta Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.14 *	Purchase and Sale Agreement, dated as of June 9, 2006, by and between the Registrant and Rune HealthCare Limited (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.15 *	Exclusive License Agreement, dated as of November 2, 2007, by and between the Registrant and Afecta Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.16*	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on February 14, 2012).
10.17*	Offer Letter, dated June 10, 2005, to Dr. Padmanabh P. Bhatt from the Registrant (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).

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Table of Contents

Exhibit Number	Description
10.18*	Amended and Restated Employment Agreement, dated February 29, 2012, by and between the Registrant and Jack Khattar (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on March 16, 2012).
10.19*	Supernus Pharmaceuticals, Inc. 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on April 11, 2012).
10.20*	Form of Time-Based Incentive Stock Option Agreement under the Supernus Pharmaceuticals, Inc. 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.26 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on April 11, 2012).
10.21*	Form of Non-Statutory Time-Based Stock Option Agreement under the Supernus Pharmaceuticals, Inc. 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on April 11, 2012).
10.22*	Supernus Pharmaceuticals, Inc. 2012 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on April 11, 2012).
10.23*	Amendment No. 2 to Investor Rights Agreement dated April 6, 2012 by and among the Registrant and the holders of shares of Series A convertible preferred stock identified therein (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-1, File No. 333-171375, as amended on April 11, 2012).
10.24*	Offer letter to Stefan K.F. Schwabe dated June 25, 2012 (incorporated by reference to Exhibit 10.1 to the Company's quarterly report filed on Form 10-Q, File No. 001-35518, on November 2, 2012).
10.25 *	Commercial Supply Agreement, dated August 23, 2012, by and among Patheon, Inc. and the Company (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 7, 2013, File No., 333-171375).
10.26*	Lease Agreement, dated February 6, 2013, by and among ARE-1500 East Gude, LLC and the Company.
10.27 *	Commercial Supply Agreement dated December 5, 2012 by and among Catalent Pharma Solutions, LLC and the Company (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on August 13, 2013, File No. 001-35518).
10.28*	Compensatory Arrangements of Certain Executive Officers for 2016 (incorporated by reference to the Form 8-K filed on March 4, 2016, File No. 001-35518).
10.29*	Royalty Interest Acquisition Agreement, dated July 1, 2014, by and between Supernus Pharmaceuticals, Inc. and HealthCare Royalty Partners III, L.P. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on July 8, 2014, File No. 001-35518).
10.30*	Security Agreement, dated July 1, 2014, by and between Supernus Pharmaceuticals, Inc. and HealthCare Royalty Partners III, L.P. (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on July 8, 2014, File No. 001-35518).
10.31*	Form of Executive Retention Agreement (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on September 18, 2014, File No. 001-35518).

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Table of Contents

Exhibit Number	Description
10.32*	Amendment to Amended and Restated Employment Agreement, dated August 8, 2014, by and between Supernus Pharmaceuticals, Inc. and Jack Khattar (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on August 11, 2014, File No. 001-35518).
10.33*	Fourth Amendment to Lease Agreement, dated October 20, 2014, by and between ARE-Acquisitions, LLC and Supernus Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on October 24, 2014, File No. 001-35518).
10.34*	First Amendment to Lease Agreement, dated October 20, 2014, by and between ARE-1500 East Gude, LLC and Supernus Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on October 24, 2014, File No. 001-35518).
10.35*	Second Amendment to Amended and Restated Employment Agreement, dated March 2, 2016, by and between Supernus Pharmaceuticals, Inc. and Jack Khattar (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on March 4, 2016, File No. 001-35518).
10.36	**Settlement Agreement, dated October 14, 2015, by and between Supernus Pharmaceuticals, Inc., Par Pharmaceutical Companies, Inc., and Par Pharmaceutical, Inc.
14*	Code of Ethics.
21*	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1, File No. 333-184930, as amended on November 28, 2012).
23.1**	Consent of Ernst & Young LLP
23.2**	Consent of KPMG LLP
31.1**	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
31.2**	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS**	XBRL Instance Document.
101 SCH**	XBRL Taxonomy Extension Schema Documents.
101 CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101 DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101 LAB**	XBRL Taxonomy Extension Label/Linkbase Document.
101 PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.

Confidential treatment requested under 17 C.F.R. §§200.80(b)(4) and 230.406. The confidential portions of this exhibit have been omitted and are marked accordingly. The confidential portions have been filed separately with the Securities and Exchange Commission pursuant to the **Confidential Treatment Request**.

*

Previously filed.

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Filed herewith.