

ENDOCARE INC
Form 8-K
May 29, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): **May 24, 2007**

ENDOCARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-15063
(Commission
File Number)

33-0618093
(I.R.S. Employer
Identification Number)

**201 Technology Drive
Irvine, California 92618**
(Address of Principal Executive Offices, including zip code)

(949) 450-5400

(Registrant's telephone number, including area code)

N/A

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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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Item 1.01 Entry into a Material Definitive Agreement.

On May 24, 2007 we entered into a Common Stock Subscription Agreement (the Subscription Agreement) with Frazier Healthcare V, L.P. (Frazier) and on May 25, 2007 we entered into a Registration Rights Agreement (the Registration Rights Agreement) with Frazier. Under the Subscription Agreement, we agreed to sell to Frazier and Frazier agreed to purchase \$7.0 million of our common stock, at a price per share of \$2.15. On May 25, 2007, Frazier paid us \$7.0 million and we issued to Frazier an aggregate of 3,255,814 shares of our common stock (the Shares). In the Subscription Agreement, Frazier agreed to lock-up provisions restricting the transferability of the Shares, for a period of one year as to 75% of the Shares and a period of 18 months as to 25% of the Shares. The lock-up provisions expire early if a change in control of Endocare occurs or if Endocare issues significant additional amounts of securities in certain circumstances following May 25, 2007, as described in the Subscription Agreement.

In the Registration Rights Agreement, Endocare agreed to file a registration statement with the Securities and Exchange Commission on or before February 25, 2008 to register the Shares for resale. Endocare also agreed to use commercially reasonable efforts to cause the registration statement to become effective as promptly as possible thereafter, with the intention that the registration statement will be available for resales by Frazier once the lock-up restrictions expire. In addition, Endocare agreed to use commercially reasonable efforts to keep the registration statement effective until May 25, 2010.

The foregoing description of the Subscription Agreement and the Registration Rights Agreement is qualified in its entirety by reference to the full text of the Subscription Agreement and the Registration Rights Agreement, copies of which are attached hereto as Exhibits 10.1 and 10.2, respectively.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained above in Item 1.01 is hereby incorporated by reference into this Item 3.02. The offer and sale of securities to Frazier described in Item 1.01 were determined by us to be exempt from registration under the Securities Act of 1933, as amended (the Securities Act), in reliance on Section 4(2) of the Securities Act in that the offer and sale did not involve a public offering. Frazier represented to us Frazier 's intention to acquire the Shares for investment purposes only and not with a view to or for sale in connection with any distribution thereof and a restrictive legend was included on the certificate evidencing the Shares.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Common Stock Subscription Agreement, dated as of May 24, 2007, by and between Endocare, Inc. and Frazier Healthcare V, L.P.

10.2 Registration Rights Agreement, dated as of May 25, 2007, by and between Endocare, Inc. and Frazier Healthcare V, L.P.

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.

ENDOCARE, INC.

May 29, 2007

By: /s/ Michael R. Rodriguez
Michael R. Rodriguez
Senior Vice President, Finance and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit Number	Description
10.1	Common Stock Subscription Agreement, dated as of May 24, 2007, by and between Endocare, Inc. and Frazier Healthcare V, L.P.
10.2	Registration Rights Agreement, dated as of May 25, 2007, by and between Endocare, Inc. and Frazier Healthcare V, L.P.