

VioQuest Pharmaceuticals
Form 8-K
February 07, 2005

UNITED STATES
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): February 1, 2005

VioQuest Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation)

000-16686
(Commission File Number)

58-1486040
(IRS Employer
Identification No.)

7 Deer Park Drive, Suite E
Monmouth Junction, NJ 08852
(Address of principal executive offices)

(732) 274-0399
(Registrant's telephone number, including area code)

(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:

- 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))

Item 1.01. Entry into a Definitive Material Agreement.

As indicated under Item 5.02 of this Form 8-K, VioQuest Pharmaceuticals, Inc. (the Company) entered into a written employment agreement dated as of February 1, 2005 with Daniel Greenleaf, its newly-appointed President and Chief Executive Officer. The agreement provides for a 3-year term and an initial annual base salary of \$360,000, plus a guaranteed annual bonus of \$100,000 during each year of the term of the agreement. In addition, Mr. Greenleaf is entitled to a signing bonus in the amount of \$50,000, of which one-half is payable following the execution of the employment agreement and the remaining one-half is payable on the 6-month anniversary of the agreement. Mr. Greenleaf is further entitled to a Discretionary Bonus under the employment agreement of up to \$250,000 per year upon the attainment of certain performance criteria specified in the employment agreement, and such other benefits generally made available to the Company's other senior management.

The employment agreement also provides that Mr. Greenleaf is entitled to receive an option to purchase 891,396 shares of the Company's common stock, which represents 5 percent of the Company's currently outstanding common stock. The option will vest in three equal annual installments, commencing February 2006. In addition, until the Company has raised \$20 million through the sale of equity securities and has obtained the rights to one clinical stage human therapeutic, Mr. Greenleaf shall be entitled to receive such additional options to purchase common stock in order to maintain his beneficial ownership (assuming the exercise of all stock options issued to Mr. Greenleaf) at 5 percent of the Company's outstanding common stock. To the extent any additional stock options are issued pursuant to the foregoing sentence, the options will vest in installments over the term of the employment agreement as long as Mr. Greenleaf remains employed by the Company and will be exercisable at the market value of the Company's common stock at the time of issuance.

In the event Mr. Greenleaf's employment is terminated by the Company during the term upon a change of control (as defined in the employment agreement) and on the date of such termination the Company's aggregate market capitalization is less than \$38 million, he is entitled to receive his base salary for six months thereafter and all of his stock options scheduled to vest in the calendar year of such termination shall accelerate and be deemed vested upon termination and will remain exercisable for 12 months following such termination. In the event the Company terminates Mr. Greenleaf's employment during the term of the agreement other than as a result of death, disability, cause or in connection with a change of control where the Company's aggregate market capitalization is less than \$38 million, then (i) Mr. Greenleaf is entitled to receive his base salary for 12 months from such termination, his guaranteed bonus for the calendar year in which such termination occurs, and the portion of any discretionary bonus earned as of the termination, and (ii) the vesting of his stock options shall accelerate and be deemed vested and will remain exercisable for 12 months following such termination.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On February 3, 2005, the Company appointed Daniel Greenleaf, as its President and Chief Executive Officer and as a member of the Board of Directors. Mr. Greenleaf succeeds Ronald Brandt, who served as the Company's interim President and Chief Executive Officer since April 2004. Prior to joining the Company, Mr. Greenleaf was President, U.S. Operations, for Celltech Biopharmaceuticals, a European biotechnology company, from 2004. Prior to that, Mr. Greenleaf was Senior Vice President, Operations for Nabi Biopharmaceuticals, a biopharmaceutical development company, from 2002 to 2003. From 1992 to 2003, Mr. Greenleaf held a series of positions of increasing responsibility at Schering-Plough Corporation, an international pharmaceutical company, including its Vice President, Marketing and Sales from 2000 to 2002. As described under Item 1.01 of this Form 8-K, the Company entered into a written employment agreement with Mr. Greenleaf dated as of February 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 hereunto duly authorized.

VioQuest Pharmaceuticals, Inc.

Date: February 7, 2005

By: /s/ Brian Lenz

Brian Lenz
Chief Financial Officer