

Edgar Filing: ACHILLION PHARMACEUTICALS INC - Form SC 13D

ACHILLION PHARMACEUTICALS INC
Form SC 13D
November 08, 2006

CUSIP NO. 89235K105

Schedule 13D

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(RULE 13D-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO
RULES 13d-1(a) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(a)

(AMENDMENT NO. _____) (1)

Achillion Pharmaceuticals Inc.
(Name of issuer)

Common Stock, par value \$0.001
(Title of class of securities)

00448Q201
(CUSIP number)

Jarlyth H. Gibson, Assistant Compliance Officer 617-951-9493
C/o Advent International Corporation, 75 State Street, 29th Floor
Boston, MA 02109
(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications)

October 31, 2006
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to
report the acquisition that is the subject of this Schedule 13D, and is filing
this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the
following box: ☐ []

Note. Schedules filed in paper format shall include a signed original and
five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other
parties to whom copies are to be sent.

(Continued on following pages)
(Page 1 of 14 Pages)

- (1) The remainder of this cover page shall be filled out for a reporting
person's initial filing on this form with respect to the subject class of
securities, and for any subsequent amendment containing information which
would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be
deemed to be "filed" for the purpose of Section 18 of the Securities Exchange
Act of 1934 or otherwise subject to the liabilities of that section of the Act
but shall be subject to all other provisions of the Act (however, see the
Notes).

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Advent International Corporation

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (A) [X] (B) []

3	SEC USE ONLY

4	Source of Funds WC

5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

	7 SOLE VOTING POWER 1,159,440
NUMBER OF	-----
SHARES	8 SHARED VOTING POWER
BENEFICIALLY	None
OWNED BY	-----
EACH	9 SOLE DISPOSITIVE POWER
REPORTING PERSON	1,159,440
WITH	-----
	10 SHARED DISPOSITIVE POWER
	None

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,159,440

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 7.79%

14	TYPE OF REPORTING PERSON* CO, IA

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Advent International Limited Partnership

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (A) [X] (B) []

3	SEC USE ONLY

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4	Source of Funds WC
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
	7 SOLE VOTING POWER 1,126,750
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8 SHARED VOTING POWER None
	9 SOLE DISPOSITIVE POWER 1,126,750
	10 SHARED DISPOSITIVE POWER None
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,126,750
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 7.58%
14	TYPE OF REPORTING PERSON* PN

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Advent Healthcare and Life Sciences II Limited Partnership
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (A) [X] (B) []
3	SEC USE ONLY
4	Source of Funds WC
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
	7 SOLE VOTING POWER 1,045,360
NUMBER OF SHARES	8 SHARED VOTING POWER

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BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	None
9	SOLE DISPOSITIVE POWER 1,045,360
10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,045,360

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
7.03%

14 TYPE OF REPORTING PERSON*
PN

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)
Advent Healthcare and Life Sciences II Beteiligung GmbH & Co. KG

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (A) [X]
(B) []

3 SEC USE ONLY

4 Source of Funds
WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Germany

7	SOLE VOTING POWER 81,390
8	SHARED VOTING POWER None
9	SOLE DISPOSITIVE POWER 81,390
10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
81,390

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

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0.55%

14 TYPE OF REPORTING PERSON*
PN

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)
Advent Partners HLS II Limited Partnership

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (A) ☒
(B) ☐

3 SEC USE ONLY

4 Source of Funds
WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d)
or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

	7	SOLE VOTING POWER
		23,186
NUMBER OF	8	SHARED VOTING POWER
SHARES		None
BENEFICIALLY	9	SOLE DISPOSITIVE POWER
OWNED BY		23,186
EACH	10	SHARED DISPOSITIVE POWER
REPORTING PERSON		None
WITH		

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
23,186

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ☐

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
0.16%

14 TYPE OF REPORTING PERSON*
PN

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

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Advent Partners Limited Partnership	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (A) <input checked="" type="checkbox"/> (B) <input type="checkbox"/>
3	SEC USE ONLY
4	Source of Funds WC
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
	7 SOLE VOTING POWER 9,504
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8 SHARED VOTING POWER None
	9 SOLE DISPOSITIVE POWER 9,504
	10 SHARED DISPOSITIVE POWER None
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 9,504
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.06%
14	TYPE OF REPORTING PERSON* PN

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Item 1. Security and Issuer

This statement on Schedule 13D relates to the Reporting Persons' (as defined in Item 2 below) beneficial ownership interest in the Common Stock, par value \$0.001 per share (the "Common Stock"), of Achillion Pharmaceuticals Inc., a Delaware corporation (the "Corporation"). The address of the principal executive office of the Corporation is 300 George Street, New Haven, CT 06511.

Item 2. Identity and Background

(a) (b) (c) (f) This statement is being filed by the following entities:

(1) Advent International Corporation, a Delaware corporation;

(2) Advent International Limited Partnership, a Delaware limited partnership;

(3) Advent Healthcare and Life Sciences II, a Delaware limited partnership;

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(4) Advent Healthcare and Life Sciences II Beteiligung GmbH & Co. KG, a Germany limited partnership;

(5) Advent Partners HLS II Limited Partnership, a Delaware limited partnership;

(6) Advent Partners Limited Partnership, a Delaware limited partnership;

The entities listed in subparagraphs (1) through (6) above are herein collectively referred to as the "Reporting Persons" and individually as a "Reporting Person."

Advent International Corporation ("AIC") is a Delaware corporation, and the persons serving as its directors and executive officers are set forth on Schedule A hereto.

Advent International Corporation is the General Partner of Advent Partners HLS II Limited Partnership, Advent Partners Limited Partnership and Advent International Limited Partnership ("AILP"). Advent International Limited Partnership is the General Partner of Advent Healthcare and Life Sciences II Limited Partnership as well as the Managing Limited Partner of Advent Healthcare and Life Sciences II Beteiligung GmbH & Co. The principal business address of each Reporting Person is c/o Advent International Corporation, 75 State Street, Boston, MA 02109.

The principal business of Advent International Corporation is to operate as an investment advisory firm and to make private equity investments. The principal business of each Reporting Person other than Advent International Corporation and Advent International Limited Partnership is to provide risk capital for, and make investments in the securities of, privately held and other businesses.

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(d) (e) During the last five years, none of the Reporting Persons nor any person listed on Schedule A has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). During the last five years, none of the Reporting Persons nor any person listed on Schedule A has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which any such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The Reporting Persons acquired shares of Series B Preferred Stock for an aggregate price of \$2,382,353 on January 28, 2000 and additional shares of Series B Preferred Stock on October 16, 2000 for an aggregate price of \$3,769,999. The Reporting Persons acquired shares of Series C Preferred Stock on November 16, 2001 for an aggregate price of \$2,499,999.29. The Reporting Persons acquired Convertible Promissory Notes on July 12, 2004 and October 28, 2004 for a price of \$688,192 and \$1,032,288 respectively. In connection with a Note Conversion and an additional investment of \$532,478, the Reporting Persons acquired shares of Series C2 Preferred Stock on November 17, 2005. Additional Series C2 Preferred Stock was acquired on March 22, 2006 for an aggregate price of \$300,000. On November 17, 2005 the Reporting Persons acquired two series of Warrants (the "Warrants") to Purchase Common Stock at an exercise price of

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\$0.50. The source of the funds used to purchase the Securities was derived from the working capital of the Reporting Persons (other than AIC and AILP).

In conjunction with the Corporation's Initial Public Offering, which became effective on October 24, 2006, a 1-for-8 reverse stock split occurred. Upon the closing of the Issuer's Initial Public Offering on October 31, 2006, additional shares of preferred stock were issued in the form of a dividend which was paid upon the conversion of the preferred stock and each share of Series B Convertible Preferred Stock and Series C-2 Convertible Preferred Stock automatically converted into approximately 0.125 shares of common stock and each share of the Series C Convertible Preferred Stock automatically converted into approximately 0.149 shares of common stock. As a result of the 1-for-8 reverse stock split, the exercise price of the Warrants increased from \$0.50 to \$4.00 and the number of Warrants decreased accordingly.

Item 4. Purpose of Transaction.

The Reporting Persons acquired the securities of the Corporation strictly for investment purposes. The Reporting Persons intend to periodically review their investment in the Corporation. Depending upon future evaluations of the business prospects of the Corporation and upon other developments, including, but not limited to, general economic and business conditions and market conditions, the Reporting Persons may determine to increase or decrease their equity interest in the Corporation by acquiring additional Securities, or by disposing of all or a portion of the Securities now held.

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Except as set forth in this statement, none of the Reporting Persons nor, to the best of their knowledge, any person listed on Schedule A hereto, has any plans or proposals that relate to or would result in: (a) the acquisition by any person of additional securities of the Corporation, or the disposition of securities of the Corporation; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Corporation or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Corporation or any of its subsidiaries; (d) any change in the present board of directors or management of the Corporation, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Corporation; (f) any other material change in the Corporation's business or corporate structure; (g) changes in the Corporation's charter, by-laws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Corporation by any person; (h) causing a class of securities of the Corporation to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Corporation becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended; or (j) any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

(a) The following table sets forth the aggregate number and percentage of the Common Stock beneficially owned by each Reporting Person named in Item 2 of this statement (based upon 14,848,637 shares of Common Stock outstanding as October 31, 2006). The aggregate number and percentage of the Common Stock beneficially owned by each Reporting Person is calculated in accordance with Rule 13d-3.

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Reporting Person -----	Number of Shares -----			Percentage of Common Stock Outstanding -----
	Common Stock -----	Warrants -----	Total -----	
Advent International Corporation (1) (2) (3)	1,116,432	43,008	1,159,440	7.79%
Advent International Limited Partnership (1)	1,084,954	41,796	1,126,750	7.58%
Advent Healthcare and Life Sciences II Limited Partnership (2)	1,006,582	38,778	1,045,360	7.03%
Advent Healthcare and Life Sciences II Beteiligung GmbH & Co. KG (2)	78,372	3,018	81,390	0.55%
Advent Partners HLS II Limited Partnership (3)	22,326	860	23,186	0.16%
Advent Partners Limited Partnership (3)	9,152	352	9,504	0.06%
	-----	-----	-----	----
Total Group	1,116,432	43,008	1,159,440	7.79%
	=====	=====	=====	=====

- (1) Advent International Corporation ("AIC") is the General Partner of Advent International Limited Partnership ("AILP") which in turn is the General Partner and the Managing Limited Partner of the

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indicated Reporting Persons. As such, AIC has the sole power to vote and dispose of the securities owned by the indicated Reporting Persons. The beneficial ownership of AIC and AILP derive from such power.

- (2) Advent International Corporation ("AIC") is the General Partner of Advent International Limited Partnership ("AILP") which in turn is the General Partner of Advent Healthcare and Life Sciences II Limited Partnership as well as the Managing Limited Partner of Advent Healthcare and Life Sciences II Beteiligung GmbH & Co. KG. As such, AIC has the sole power to vote and dispose of the securities owned by the indicated Reporting Persons. The beneficial ownership of AIC and AILP derive from such power.

- (3) AIC is the General Partner of the indicated Reporting Person. As such, AIC has the power to vote and dispose of the securities of Advent Partners HLS II Limited Partnership and Advent Partners Limited Partnership.

(b) Each of the Reporting Persons listed in the table set forth above has sole voting and dispositive power over the Common Stock beneficially owned by it as indicated above.

(c) Other than the acquisition of the Securities, none of the Reporting Persons and the persons set forth on Schedule A and in Item 2(d) hereto has effected any transactions in the Common Stock during the last 60 days.

(d) Except as set forth in this Item 5, no person other than each respective record owner referred to herein of the Securities is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Securities.

(e) Not applicable.

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Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The following summaries of certain provisions of the Lock-Up Agreement and the Waiver of Registration Rights which are qualified in their entirety by reference to such documents (copies of which are attached hereto as Exhibits 1 and 2 respectively).

Directors, Executive Officers and certain other stockholders of Achillion entered into Lock-Up agreements, pursuant to which such parties agreed, with certain exceptions, not to sell, transfer or otherwise dispose of any Achillion securities held by those Directors, Executive Officers and certain other stockholders during the period beginning on the date of the final prospectus and ending on the date that is 180 days following the date of the final prospectus ("the Lock-Up").

Stockholders who previously signed the Stockholders' and Investor Rights Agreement relating to the preferred stock financings were asked to approve the termination of the Stockholders' Agreement and the termination of certain provisions of the Investor Rights Agreement relating to Achillion's covenants, effective upon the consummation of the IPO, by signing the Waiver of Registration Rights.

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Item 7. Materials to be Filed as Exhibits.

Exhibit No.	Description
-----	-----
1	Lock-Up Agreement dated September 2006
2	Waiver of Registration Rights dated October 10, 2006.

(The Remainder of this Page Left Intentionally Blank)

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

November 8, 2006

Advent Healthcare and Life Sciences II Limited Partnership

By: Advent International Limited Partnership,
General Partner

By: Advent International Corporation,
General Partner

By: Jarlyth H. Gibson, Assistant Compliance Officer*

Advent Healthcare and Life Sciences II Beteiligung GmbH & Co. KG

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By: Advent International Limited Partnership,
 Managing Limited Partner
 By: Advent International Corporation,
 General Partner
 By: Jarlyth H. Gibson, Assistant Compliance Officer*

Advent International Limited Partnership
 Advent Partners HLS II Limited Partnership
 Advent Partners Limited Partnership

By: Advent International Corporation,
 General Partner
 By: Jarlyth H. Gibson, Assistant Compliance Officer*

Advent International Corporation
 By: Jarlyth H. Gibson, Assistant Compliance Officer*

*For all of the above:

/s/ Jarlyth H. Gibson

 Jarlyth H. Gibson, Assistant
 Compliance Officer

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SCHEDULE A

The name and present principal occupation of each executive officer and director of Advent International Corporation is set forth below. The business address of each executive officer and director of Advent International Corporation is c/o Advent International Corporation, 75 State Street, Boston, Massachusetts 02109. All of the persons listed below are United States citizens.

I. Advent International Corporation

Name -----	Position with Advent International Corporation -----	Principal Occupation (if different) -----
Peter A. Brooke	Chairman	
Thomas H. Lauer	Senior Vice President Managing Director Chief Financial Officer Assistant Secretary Executive Officers' Committee Member	
Ernest G. Bachrach	Executive Officers' Committee Member	
David M. Mussafer	Director Executive Officers' Committee Member	

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William C. Schmidt	Executive Officers' Committee Member	
John B. Singer	Executive Officers' Committee Member	
Steven M. Tadler	Director Executive Officers' Committee Member	
Janet L. Hennessy	Senior Vice President of Finance Partner Chief Compliance Officer Assistant Secretary	
John F. Brooke	Director	General Partner of Brooke Private Equity
Mark Hoffman	Director	Chairman of Cambridge Research Group
David W. Watson	Secretary	Attorney