

Catalyst Pharmaceutical Partners, Inc.

Form 10-Q

November 15, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[Mark One]

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2010

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 001-33057

CATALYST PHARMACEUTICAL PARTNERS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

76-0837053
(IRS Employer

incorporation or organization)

Identification No.)

355 Alhambra Circle

Suite 1370

Coral Gables, Florida
(Address of principal executive offices)

33134
(Zip Code)

Registrant's telephone number, including area code: (305) 529-2522

Indicate by checkmark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 19,394,737 shares of common stock, \$0.001 par value per share, were outstanding as of November 12, 2010.

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	September 30, 2010 (unaudited)	December 31, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,247,177	\$ 7,779,277
Prepaid expenses	108,567	108,147
Total current assets	6,355,744	7,887,424
Property and equipment, net	49,133	68,447
Deposits	10,511	10,511
Total assets	\$ 6,415,388	\$ 7,966,382
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 241,271	\$ 249,635
Accrued expenses and other liabilities	154,795	44,517
Total current liabilities	396,066	294,152
Accrued expenses and other liabilities, non-current	18,771	54,370
Total liabilities	414,837	348,522
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized: none issued and outstanding		
Common stock, \$0.001 par value, 100,000,000 shares authorized; 19,394,737 shares and 18,038,385 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively	19,395	18,038
Additional paid-in capital	36,963,957	35,305,054
Deficit accumulated during the development stage	(30,982,801)	(27,705,232)
Total stockholders' equity	6,000,551	7,617,860
Total liabilities and stockholders' equity	\$ 6,415,388	\$ 7,966,382

The accompanying notes are an integral part of these condensed financial statements.

Table of Contents**CATALYST PHARMACEUTICAL PARTNERS, INC.****(a development stage company)****CONDENSED STATEMENTS OF OPERATIONS (unaudited)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		Cumulative Period from January 4, 2002 (date of inception) to September 30, 2010
	2010	2009	2010	2009	
Revenues	\$	\$	\$	\$	\$
Operating costs and expenses:					
Research and development	500,091	850,998	1,737,613	4,549,883	21,828,575
General and administrative	408,374	441,316	1,554,396	1,555,786	10,617,612
Total operating costs and expenses	908,465	1,292,314	3,292,009	6,105,669	32,446,187
Loss from operations	(908,465)	(1,292,314)	(3,292,009)	(6,105,669)	(32,446,187)
Interest income	4,480	5,594	14,440	25,861	1,463,386
Loss before income taxes	(903,985)	(1,286,720)	(3,277,569)	(6,079,808)	(30,982,801)
Provision for income taxes					
Net loss	\$ (903,985)	\$ (1,286,720)	\$ (3,277,569)	\$ (6,079,808)	\$ (30,982,801)
Loss per share basic and diluted	\$ (0.05)	\$ (0.09)	\$ (0.18)	\$ (0.43)	
Weighted average shares outstanding basic and diluted	18,821,881	14,065,385	18,305,735	14,065,385	

The accompanying notes are an integral part of these condensed financial statements.

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CATALYST PHARMACEUTICAL PARTNERS, INC.

(a development stage company)

CONDENSED STATEMENT OF STOCKHOLDERS EQUITY (unaudited)

For the nine months ended September 30, 2010

	Preferred Stock	Common Stock	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total
Balance at December 31, 2009	\$	\$ 18,038	\$ 35,305,054	\$ (27,705,232)	\$ 7,617,860
Issuance of stock options for services			204,107		204,107
Issuance of common stock, net		1,352	1,454,801		1,456,153
Vesting of restricted stock units		5	(5)		
Net loss				(3,277,569)	(3,277,569)
Balance at September 30, 2010	\$	\$ 19,395	\$ 36,963,957	\$ (30,982,801)	\$ 6,000,551

The accompanying notes are an integral part of these condensed financial statements.

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(a development stage company)

CONDENSED STATEMENTS OF CASH FLOWS (unaudited)

	For the Nine Months Ended September 30,		Cumulative Period from January 4, 2002 (date of inception) through September 30, 2010
	2010	2009	
Operating Activities:			
Net loss	\$ (3,277,569)	\$ (6,079,808)	\$ (30,982,801)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	19,314	23,145	104,727
Stock-based compensation	204,107	282,161	4,959,444
Changes in assets and liabilities:			
Decrease in interest receivable		12,153	
Decrease (increase) in prepaid expenses and deposits	(420)	65,529	(119,078)
Increase (decrease) in accounts payable	(8,364)	(169,640)	241,271
Increase (decrease) in accrued expenses and other liabilities	74,679	(987,823)	116,042
Net cash used in operating activities	(2,988,253)	(6,854,283)	(25,680,395)
Investing Activities:			
Capital expenditures			(96,339)
Net cash used in investing activities			(96,339)
Financing Activities:			
Proceeds from issuance of common stock, net	1,456,153		28,031,724
Proceeds from issuance of preferred stock			3,895,597
Payment of employee withholding tax related to RSUs			(3,410)
Net cash provided by financing activities	1,456,153		31,923,911
Net (decrease) increase in cash	(1,532,100)	(6,854,283)	6,147,177
Cash and cash equivalents at beginning of period	7,779,277	11,766,629	100,000

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