

Edgar Filing: GENEREX BIOTECHNOLOGY CORP - Form 8-K

GENEREX BIOTECHNOLOGY CORP
Form 8-K
July 17, 2001

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) July 6, 2001

Generex Biotechnology Corporation

(Exact name of registrant as specified in its charter)

Delaware

000-25169

82-049021

(State or other jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

33 Harbour Square, Suite 202, Toronto, Ontario Canada

M5J 2G2

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

416/364-2551

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

Item 5. Other Items.

I. Private Placement

On or about July 6, 2001, we completed a private placement of units of

Edgar Filing: GENEREX BIOTECHNOLOGY CORP - Form 8-K

securities ("Units") for cash at a price of \$9.25 per Unit. Each Unit consisted of a share of Common Stock and a warrant to purchase .25 shares of Common Stock at an initial exercise price of \$10.175 per share. The purchasers of the Units were:

Investor	Units Purchased	Amount Invested
Cranshire Capital, L.P.	216,216	\$2,000,000
RAM Trading Ltd.	162,162	\$1,500,000
Gryphon Master Fund	140,000	\$1,295,000
Kodiak Opportunity, L.P.	4,522	\$41,828.50
Kodiak Opportunity 3C7, L.P.	8,812	\$81,511
Kodiak Opportunity Offshore, Ltd.	53,918	\$498,741.50
Novelly Exempt Trust	7,748	\$71,669
Langley Partners, L.P.	85,000	\$786,250
Montrose Investments, Ltd.	54,054	\$500,000
WEC Asset Management, LLC	108,108	\$1,000,000
ZLP Master Technology Fund, Ltd.	35,135	\$324,998.75
Alpha Capital Aktiengesellschaft	162,162	\$1,500,000
Capital Ventures International	108,108	\$1,000,000
The dotCOM Fund, LLC	43,244	\$400,000
Total	1,189,189	\$10,999,998.75

The Units were sold without registration under the Securities Act of 1933 (the "1933 Act") in reliance upon the exemption from registration provided in Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder. No general solicitation was made in connection with the placement. All securities sold were acquired for investment, and appropriate restrictions have been placed upon the resale of any of the securities acquired in the placement, including restrictive legends on the face of the securities. Under the terms of sale, we have agreed to register the shares of Common Stock issued to the investors and the shares of Common Stock issuable upon exercise of the warrants for sale under the 1933 Act. The warrants issued to the placement investors expire on July 6, 2004, and contain terms that are commonly found in such securities. The forms of Securities Purchase Agreement, Registration Rights Agreement and Warrants related to this transaction are filed as exhibits with this Report.

The Shemano Group, Inc., a broker-dealer, has received or will be receiving compensation for its services in connection with this placement, including cash compensation of approximately \$440,000 (4% of total placement proceeds) and 23,784 shares of Common Stock (2% of total placement proceeds).

II. Private Placement

Edgar Filing: GENEREX BIOTECHNOLOGY CORP - Form 8-K

On or about July 6, 2001, we also completed a second private placement of units of securities ("Units") for cash at a price of \$9.25 per Unit. Each Unit consisted of a share of Common Stock and a warrant to purchase .25 shares of Common Stock at an initial exercise price of \$10.175 per share. The purchasers of the Units were:

Investor	Units Purchased	Amount Invested
Elliott International, L.P.	32,432	\$299,998.
Elliott Associates, L.P.	32,432	\$299,998.
Total	64,864	\$599,996.00

The Units were sold without registration under the 1933 Act in reliance upon the exemption from registration provided in Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder. No general solicitation was made in connection with the placement. All securities sold were acquired for investment, and appropriate restrictions have been placed upon the resale of any of the securities acquired in the placement, including restrictive legends on the face of the securities and stop orders on our stock and warrant registers. Under the terms of sale, we have agreed to register the shares of Common Stock issued to the investors and the shares of Common Stock issuable upon exercise of the warrants for sale under the 1933 Act. The warrants issued to the placement investors expire on July 6, 2004, and contain terms that are commonly found in such securities. The forms of Securities Purchase Agreement, Registration Rights Agreement and Warrants related to this transaction have been filed as exhibits with this Report.

Ladenburg Thalmann & Co., Inc., a broker-dealer, has received or will be receiving compensation for its services in connection with this placement, including cash compensation of \$36,000 (6% of total placement proceeds) and warrants for 3,243 shares of Common Stock exercisable at \$14.53 per share.

III. Legal Proceedings Update.

This is an update to the descriptions of the registrant's pending legal proceedings that are set forth in the registrant's Report on Form 10-K for the year ended July 31, 2000, Reports on Form 10-Q for the quarters ended January 31, 2001 and April 30, 2001 and Reports on Form 8-K filed January 23, 2001 and January 25, 2001, which are incorporated herein by reference.

In the Sands Brothers legal proceeding, the arbitration re-hearing process ordered by the New York State Appellate Division has commenced but is not expected to be concluded until later this calendar year. The Registrant cannot predict the ultimate outcome of this legal proceeding at this time.

Item 7. Exhibits.

1. Form of Securities Purchase Agreement entered into with Cranshire Capital, L.P.; RAM Trading Ltd.; Gryphon Master Fund; Kodiak Opportunity, L.P.; Kodiak Opportunity 3C7, L.P.; Kodiak Opportunity Offshore, Ltd.; Novelly Exempt Trust; Langley Partners, L.P.; Montrose Investments, Ltd.; WEC Asset Management, LLC; ZLP Master Technology Fund, Ltd.; Alpha Capital Aktiengesellschaft; and The dotCOM Fund, LLC, dated July 3, 2001.

2. Form of Registration Rights Agreement entered into with Cranshire Capital,

Edgar Filing: GENEREX BIOTECHNOLOGY CORP - Form 8-K

L.P.; RAM Trading Ltd.; Gryphon Master Fund; Kodiak Opportunity, L.P.; Kodiak Opportunity 3C7, L.P.; Kodiak Opportunity Offshore, Ltd.; Novelly Exempt Trust; Langley Partners, L.P.; Montrose Investments, Ltd.; WEC Asset Management, LLC; ZLP Master Technology Fund, Ltd.; Alpha Capital Aktiengesellschaft; and The dotCOM Fund, LLC, dated July 3, 2001.

3. Form of Warrant granted to Cranshire Capital, L.P.; RAM Trading Ltd.; Gryphon Master Fund; Kodiak Opportunity, L.P.; Kodiak Opportunity 3C7, L.P.; Kodiak Opportunity Offshore, Ltd.; Novelly Exempt Trust; Langley Partners, L.P.; Montrose Investments, Ltd.; WEC Asset Management, LLC; ZLP Master Technology Fund, Ltd.; Alpha Capital Aktiengesellschaft; and The dotCOM Fund, LLC, dated July 6, 2001.

4. Form of Securities Purchase Agreement entered into with Capital Ventures International, dated July 3, 2001.

5. Form of Registration Rights Agreement entered into with Capital Ventures International, dated July 3, 2001.

6. Form of Warrant granted to Capital Ventures International, dated July 6, 2001.

7. Form of Form of Securities Purchase Agreement entered into with Elliott International, L.P.; and Elliott Associates, L.P., dated July 3, 2001.

8. Form of Form of Registration Rights Agreement entered into with Elliott International, L.P.; and Elliott Associates, L.P., dated July 3, 2001.

9. Form of Warrant issued to Elliott International, L.P.; and Elliott Associates, L.P., dated July 5, 2001.

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.

GENEREX BIOTECHNOLOGY CORPORATION

Dated: July 17, 2001

By: /s/ E. Mark Perri

E. Mark Perri, Chairman and CFO

EXHIBIT INDEX

Edgar Filing: GENEREX BIOTECHNOLOGY CORP - Form 8-K

Exhibit No. -----	Description -----
1.	Form of Securities Purchase Agreement entered into with Cranshire Capital, L.P.; RAM Trading Ltd.; Gryphon Master Fund; Kodiak Opportunity, L.P.; Kodiak Opportunity 3C7, L.P.; Kodiak Opportunity Offshore, Ltd.; Novelly Exempt Trust; Langley Partners, L.P.; Montrose Investments, Ltd.; WEC Asset Management, LLC; ZLP Master Technology Fund, Ltd.; Alpha Capital Aktiengesellschaft; and The dotCOM Fund, LLC, dated July 3, 2001.
2.	Form of Registration Rights Agreement entered into with Cranshire Capital, L.P.; RAM Trading Ltd.; Gryphon Master Fund; Kodiak Opportunity, L.P.; Kodiak Opportunity 3C7, L.P.; Kodiak Opportunity Offshore, Ltd.; Novelly Exempt Trust; Langley Partners, L.P.; Montrose Investments, Ltd.; WEC Asset Management, LLC; ZLP Master Technology Fund, Ltd.; Alpha Capital Aktiengesellschaft; and The dotCOM Fund, LLC, dated July 3, 2001.
3.	Form of Warrant granted to Cranshire Capital, L.P.; RAM Trading Ltd.; Gryphon Master Fund; Kodiak Opportunity, L.P.; Kodiak Opportunity 3C7, L.P.; Kodiak Opportunity Offshore, Ltd.; Novelly Exempt Trust; Langley Partners, L.P.; Montrose Investments, Ltd.; WEC Asset Management, LLC; ZLP Master Technology Fund, Ltd.; Alpha Capital Aktiengesellschaft; and The dotCOM Fund, LLC, dated July 6, 2001.
4.	Form of Securities Purchase Agreement entered into with Capital Ventures International, dated July 3, 2001.
5.	Form of Registration Rights Agreement entered into with Capital Ventures International, dated July 3, 2001.
6.	Form of Warrant granted to Capital Ventures International, dated July 6, 2001.
7.	Form of Form of Securities Purchase Agreement entered into with Elliott International, L.P.; and Elliott Associates, L.P., dated July 3, 2001.
8.	Form of Form of Registration Rights Agreement entered into with Elliott International, L.P.; and Elliott Associates, L.P., dated July 3, 2001.
9.	Form of Warrant issued to Elliott International, L.P.; and Elliott Associates, L.P., dated July 5, 2001.