

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): July 21, 2015

Cocrystal Pharma, Inc.

(Exact name of registrant as specified in its charter)

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| <u>Delaware</u> (State or other Jurisdiction of Incorporation) | <u>000-55158</u> (Commission File Number) | <u>20-5978559</u> (IRS Employer Identification No.) |
| <u>1860 Montreal Rd, Tucker, GA</u> (Address of principal executive offices) | | <u>30084</u> (Zip Code) |

Registrant's telephone number, including area code: (425) 398-7178

Former Address: 19805 North Creek Parkway, Bothell, WA, 98011

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))
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Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers

On July 21, 2015, the Board of Directors of Cocrystal Pharma, Inc. (the “Company”) appointed Walt Linscott, Esq. to serve as General Counsel and Corporate Secretary of the Company, effective July 15, 2015. From January 1, 2015 through July 14, 2015, Mr. Linscott, 54, served as Global Strategic Legal Advisor for Thompson Hine, LLP. Previously, from January 1, 2011 through December 31, 2014, Mr. Linscott served as General Counsel of Carestream Health, Inc. and its Corporate Secretary through October 1, 2014. From January 1, 2005 through December 31, 2010, Mr. Linscott served as Office Managing Partner and Chair of the Life Sciences practice of Thompson Hine, LLP.

In connection with his appointment, the Company entered into an employment agreement with Mr. Linscott pursuant to which the Company agreed to provide Mr. Linscott an annual base salary of \$225,000 and a discretionary annual bonus, to be determined by the Company’s Compensation Committee, equal to up to 35% of Mr. Linscott’s annual base salary. In addition, the Company granted Mr. Linscott 1,200,000 ten-year stock options, vesting in four equal annual increments with the first vesting date being one year from grant date, subject to continued employment and accelerated vesting under certain conditions.

Item 9.01 Financial Statements and Exhibits

Exhibit No. Exhibit

10.1 Employment Agreement, effective as of July 15, 2015*

10.2 Stock Option Agreement, effective as of July 21, 2015*

* Management contract or compensatory plan or arrangement.

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 thereunto duly authorized.

Cocrystal Pharma, Inc.

Date: July 27, 2015

By: /s/ Jeffrey Meckler
Name: Jeffrey Meckler
Title: Chief Executive Officer

Cocrystal Pharma, Inc.

CONFIDENTIAL

July 9, 2015

Walt A. Linscott
585 Glen National Drive
Alpharetta, GA 30004

Re: Employment Offer and Terms

Dear Walt:

This letter is to confirm the offer of employment from Cocrystal Pharma, Inc. (“COCP” or the “Company”). This letter sets forth the terms of your employment with the Company. You may indicate your agreement with these terms by signing and dating this letter and returning the same to me.

- 1. Position.** Commencing on July 15, 2015, (“Commencement Date”), you will serve the Company as General Counsel and Corporate Secretary (hereinafter referred to as “Employee,” “you” or “your”). You will report directly to the Chief Executive Officer of COCP and shall perform all duties incident to the position of General Counsel and Corporate Secretary of Company as well as any other duties as may from time to time be assigned by the Board of Directors of Company or such other person as the Company may designate, which duties and authority shall be consistent, and those normally associated, with Employee’s position. Employee agrees to abide by all Company by-laws, policies, practices, procedures, or rules, including the Company’s standards of business conduct (“SBC”). Employee agrees to devote his best efforts, energies, and skill to the discharge of the duties and responsibilities attributable to his position, and to this end, he will devote his full time and attention exclusively to the business and affairs of Company. Employee is not precluded from performing any charitable or civic duties, provided that such duties do not interfere with the performance of his duties as an employee of the Company, do not violate the SBC or cause a conflict of interest. Employee may sit on the boards of non-Company entities during employment only if first approved in writing by the Company’s Chief Executive Officer.
 - 2. Base Salary.** Your annualized base salary will be Two Hundred Twenty-Five Thousand Dollars (US\$225,000.00) payable in accordance with the Company’s prevailing payroll practices for employees. Employee’s Base Salary will be reviewed periodically and at least at the conclusion of each Calendar year and may be increased based on Employee’s individual performance or increases in competitive market conditions pursuant to Company’s executive compensation policies. All forms of compensation from the Company will be subject to applicable withholding and payroll taxes.
 - 3. Stock Options Inducement Grant.** As an inducement to you to accept employment, subject to the approval of the Compensation Committee of the COCP Board of Directors you shall be granted options to purchase One Million Two Hundred Thousand (1,200,000) shares of COCP’s common stock on your Commencement Date with an exercise price equal to the closing price of the common shares on the date of the grant on any exchange on which COCP’s shares are then traded (the “Inducement Grant”). The Inducement Grant will vest in four annual installments of one quarter of the shares granted, with the first such installment to vest on the first anniversary of your Commencement Date, and shall continue to vest on that schedule unless there is a change of control in the Company or you are terminated without cause by the Company. In the event of a change of control this Inducement Grant shall accelerate and vest at 100% of the then unvested shares. In the event of a termination without cause 50% of any then unvested shares shall accelerate and immediately vest upon such termination. The acceleration provisions stated herein shall control and take precedence over any other provisions in any other document that may conflict or seek to alter these acceleration provisions.
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4. **Bonus.** You will be entitled to participate in Company's executive bonus program as administered by its Compensation Committee. Your targeted annual bonus shall be computed using a target that at 100% attainment is equal to 35% of your base salary. The payment of any bonus is discretionary and the amount of the bonus, if any, will depend on the attainment of individual and Company goals as determined by the Compensation Committee or the Company. For 2015, your bonus amount, if any, will be pro-rated for the percentage of weeks you are employed in 2015.
 5. **Benefits.** You will be entitled to participate in such benefit programs as are made available to other executive employees of the Company and subject to the terms of such programs. If you are then an employee in good standing you will be entitled to four (4) weeks paid vacation each year. For 2015 you will receive two (2) weeks of vacation. You will also receive sick days and other holidays in accordance with the Company's then prevailing policies.
 6. **Reimbursement for Expenses.** The Company shall reimburse you for approved travel and other work-related out-of-pocket, reasonable expenses incurred by you in the course of your employment, subject to Company's applicable procedures.
 7. **Additional payments upon Severance and Change of Control.** In the event of a change of control or termination without cause, in addition to the accelerated vesting of shares, you will be entitled to twelve (12) weeks of base salary plus four (4) weeks of pay for every year of service; (collectively salary and pay "Cash Payments") provided, however, that in no event shall any Cash Payments exceed twenty-six (26) weeks of base salary. You will also receive unpaid and accrued vacation, sick leave and any other statutory compensation earned but unpaid.
 8. **Place of Employment.** The Company's current principal place of business in Georgia, and where you will be based, is 1860 Montreal Road, Tucker, GA 30084.
 9. **Relocation Expenses.** No relocation expenses will be paid unless the Company either relocates its principal place of business to or requires you to be based at a location that is more than 50 miles from the Place of Employment specified in paragraph 8 above ("Relocation"). In the event of a Relocation Employee may elect to accept any relocation reimbursement offered by Company or treat the Relocation as a termination of employment without cause by delivering a written notice of such election within 30 days of Company's written notice of Relocation.
 10. **Term of employment.** You are an employee-at-will. You may resign or the Company may terminate your employment, at any time and for any or for no reason. Nothing in this letter shall be construed to alter the at-will nature of your employment, nor shall anything in this letter be construed as providing you with a definite term of employment.
 11. **Confidentiality.** Employee agrees to sign Company's form of executive confidentiality agreement before July 31, 2015.
 12. **Non-Competition Provision.** During the term of your employment with the Company and for a period of one year after the termination of your employment, for any reason (the "Restricted Period"), you agree that you shall not engage, have an interest in, or participate, directly or indirectly, in any business which is, or as a result of your engagement or participation would become, competitive with any aspect of the business of the Company and any of its affiliates ("COCP Group") in the United States or any other geographic area where the COCP Group does business, or with any specific applications, products or technologies for which the COCP Group has initiated significant plans to develop (the "Competing Business"). During the Restricted Period, you agree not to become a stockholder, partner, owner, officer, director or employee or agent of, or a consultant to or give financial or other assistance to, any person or entity engaged in any Competing Business (other than ownership of 3% or less of the outstanding securities of any publicly traded company). However, the foregoing restrictions are not intended nor shall be construed to limit you from acting in any capacity for which you are required to hold an active license to practice law in any jurisdiction.
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13. **Non-Solicitation.** During the two year period following any termination of your employment you shall not directly recruit or otherwise directly solicit or directly induce any person who is an employee of, or otherwise engaged by, the Company to terminate his or her employment or other relationship with the Company.
14. **Governing Law and Jurisdiction.** This letter may not be amended or modified except by an express written agreement signed by you and a duly authorized officer of the Company. This letter and the resolution of any disputes between you and any COCP Group member will be governed by the laws of Georgia and resolved in the state and federal courts located in Fulton County, GA.
15. **Code of Conduct.** You will be given copies of the Company's employee handbook and code of conduct when you commence employment or shortly thereafter. These contain the Company's policies and procedures. You are expected to abide by each of these.
16. **Other terms.** This letter contains all of the terms of your employment with the Company. It supersedes any prior understandings or agreements, whether oral or written, regarding your employment.

Please indicate your agreement with these terms and accept this offer by signing and dating this letter and returning it to me. Our employment is subject to (i) the Company satisfactorily completing background checks on you (which you authorize the Company to conduct and review) and (ii) your providing legal proof of identity and authorization to work in the United States.

This offer, if not accepted, will expire at the close of business five days after the date first set forth above.

Sincerely,

Cocrystal Pharma, Inc.

/s/ Jeffrey A. Meckler
Jeffrey A. Meckler
Interim Chief Executive Officer
On behalf of Cocrystal Pharma, Inc.

ACCEPTED AND AGREED TO:

/s/ Walt A. Linscott
Walt A. Linscott

July 9, 2015
Date

COCRYSTAL PHARMA, INC.
2015 EQUITY INCENTIVE PLAN, AS AMENDED
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR
WALT LINSOTT

Agreement

1. Grant of Option. Cocystal Pharma, Inc. (the “Company”) hereby grants, as of **July 21, 2015** (“Date of Grant”), to **Walt Linscott** (the “Optionee”) an option (the “Option”) to purchase up to **1,200,000** shares of the Company’s Common Stock, \$0.001 par value per share (the “Shares”), at an exercise price per share equal to **\$0.98** (the “Exercise Price”). The Option shall be subject to the terms and conditions set forth herein. The Option is being granted pursuant to the Cocystal Pharma, Inc. 2015 Equity Incentive Plan (the “Plan”), which was adopted by the Company and which is incorporated herein for all purposes. The Option is a Nonqualified Stock Option, and not an Incentive Stock Option. The Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all of the terms and conditions hereof and thereof and all applicable laws and regulations.

2. Definitions. Unless otherwise provided herein, terms used herein that are defined in the Plan and not defined herein shall have the meanings attributed thereto in the Plan.

3. Exercise Schedule. Except as otherwise provided in Sections 6 or 9 of this Agreement, or in the Plan, the Option is exercisable in installments as provided below, which shall be cumulative. To the extent that the Option has become exercisable with respect to a percentage of Shares as provided below, the Option may thereafter be exercised by the Optionee, in whole or in part, at any time or from time to time prior to the expiration of the Option as provided herein. The following table indicates each date (the “Vesting Date”) upon which the Optionee shall be entitled to exercise the Option with respect to the percentage of Shares granted as indicated beside the date, provided that the continuous service of the Optionee with the Company through and on the applicable Vesting Date:

| <u>Percentage of Shares</u> | <u>Vesting Date</u> |
|-----------------------------|--------------------------------------|
| 1/4 | First Anniversary of the Grant Date |
| 1/4 | Second Anniversary of the Grant Date |
| 1/4 | Third Anniversary of the Grant Date |
| 1/4 | Fourth Anniversary of the Grant Date |

Except as otherwise specifically provided herein, there shall be no proportionate or partial vesting in the periods prior to each Vesting Date, and all vesting shall occur only on the appropriate Vesting Date. Upon the termination of the Optionee’s continuous service with the Company, any unvested portion of the Option shall terminate and be null and void.

4. Method of Exercise. The vested portion of this Option shall be exercisable in whole or in part in accordance with the exercise schedule set forth in Section 3 hereof by written notice which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder’s investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by the Optionee and shall be delivered in person or by certified mail to the Secretary of the Company, provided, however, that notice shall be considered given if transmitted via email to an officer of the Company, and receipt of such notice is acknowledged by such officer in return email. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised after both (a) receipt by the Company of such written notice accompanied by the Exercise Price and (b) arrangements that are satisfactory to the Plan Administrator in its sole discretion have been made for Optionee’s payment to the Company of the amount, if any, that is necessary to be withheld in accordance with applicable Federal or state withholding requirements. No Shares shall be issued pursuant to the Option unless and until such issuance and such exercise shall comply with all relevant provisions of applicable law, including the requirements of any stock exchange upon which the Shares then may be traded.

5. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee: (a) cash; (b) check; (c) pursuant to a “cashless exercise” procedure, by delivery of a properly executed exercise notice together with such other documentation, and subject to such guidelines, as the Plan Administrator shall require to effect an exercise of the Option and delivery to the Company by a licensed broker acceptable to the Company of proceeds from the sale of Shares sufficient to pay the Exercise Price and any applicable income or employment taxes, or (d) such other consideration or in such other manner as may be determined by the Plan Administrator in its absolute discretion.

6. Termination of Option. The Option shall terminate on the tenth anniversary of the Date of Grant, if not earlier terminated in accordance with the provisions of Section 14 of the Plan.

7. Transferability. Unless otherwise determined by the Plan Administrator, the Option granted hereby is not transferable otherwise than by will or under the applicable laws of descent and distribution, and during the lifetime of the Optionee the Option shall be exercisable only by the Optionee, or the Optionee’s guardian or legal representative. In addition, the Option shall not be assigned, negotiated, pledged or hypothecated in any way (whether by operation of law or otherwise), and the Option shall not be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, negotiate, pledge or hypothecate the Option, or in the event of any levy upon the Option by reason of any execution, attachment or similar process contrary to the provisions hereof, the Option shall immediately become null and void. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

8. No Rights of Stockholders. Neither the Optionee nor any personal representative (or beneficiary) shall be, or shall have any of the rights and privileges of, a stockholder of the Company with respect to any Shares purchasable or issuable upon the exercise of the Option, in whole or in part, prior to the date on which the Shares are issued.

9. Acceleration of Exercisability of Option. The Option shall be subject to accelerated vesting in accordance with Section 13.1 of the Plan.

10. No Right to Continued Employment. Neither the Option nor this Agreement shall confer upon the Optionee any right to continued employment or service with the Company.

11. Law Governing. This Agreement shall be governed in accordance with and governed by the internal laws of the State of Delaware.

12. Interpretation / Provisions of Plan Control. This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan adopted by the Plan Administrator as may be in effect from time to time. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. The Optionee accepts the Option subject to all of the terms and provisions of the Plan and this Agreement. The undersigned Optionee hereby accepts as binding, conclusive and final all decisions or interpretations of the Plan Administrator upon any questions arising under the Plan and this Agreement, unless shown to have been made in an arbitrary and capricious manner.

13. Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to Cocrystal Pharma, Inc., 1860 Montreal Road, Tucker, Georgia 30084, Attention: Chief Executive Officer, or if the Company should move its principal office, to such principal office, and, in the case of the Optionee, to the Optionee’s last permanent address as shown on the Company’s records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

14. Section 409A.

(a) It is intended that the Option awarded pursuant to this Agreement be exempt from Section 409A of the Code (“Section 409A”) because it is believed that (i) the Exercise Price may never be less than the Fair Market Value of a Share on the Date of Grant and the number of shares subject to the Option is fixed on the original Date of Grant, (ii) the transfer or exercise of the Option is subject to taxation under Section 83 of the Code and Treas. Reg. 1.83-7, and (iii) the Option does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Option. The provisions of this Agreement shall be interpreted in a manner consistent with this intention, and the provisions of this Agreement may not be amended, adjusted, assumed or substituted for, converted or otherwise modified without the Optionee’s prior written consent if and to the extent that such amendment, adjustment, assumption or substitution, conversion or modification would cause the award to violate the requirements of Section 409A. In the event that either the Company or the Optionee believes, at any time, that any benefit or right under this Agreement is subject to Section 409A, then the Plan Administrator may (acting alone and without any required consent of the Optionee) amend this Agreement in such manner as the Plan Administrator deems necessary or appropriate to be exempt from or otherwise comply with the requirements of Section 409A (including without limitation, amending the Agreement to increase the Exercise Price to such amount as may be required in order for the Option to be exempt from Section 409A).

(b) Notwithstanding the foregoing, the Company does not make any representation to the Optionee that the Option awarded pursuant to this Agreement is exempt from, or satisfies, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Optionee or any Beneficiary for any tax, additional tax, interest or penalties that the Optionee or any Beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the 21st day of July, 2015.

COMPANY:

Cocrystal Pharma, Inc.

By: /s/ Jeffrey Meckler
Jeffrey A. Meckler
Chief Executive Officer

The Optionee acknowledges receipt of a copy of the Plan and represents that he or she has reviewed the provisions of the Plan and this Option Agreement in their entirety, is familiar with and understands their terms and provisions, and hereby accepts this Option subject to all of the terms and provisions of the Plan and the Option Agreement. The Optionee further represents that he or she has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement.

Dated: July 21, 2015

OPTIONEE:

By: /s/ Walt Linscott
Walt Linscott