

Sherman Michael A.
Form 4
December 21, 2018

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Sherman Michael A.

(Last) (First) (Middle)

3000 KENT AVE., SUITE A1-100

(Street)

WEST LAFAYETTE, IN 47906

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

ENDOCYTE INC [ECYT]

3. Date of Earliest Transaction
(Month/Day/Year)

12/21/2018

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

President and CEO

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|---|--|--|---|
| Common Stock | 12/21/2018 | | D | Amount 243,739 | (A) or (D) D Price \$ 24 (1) 0 | D | |
| Common Stock | 12/21/2018 | | D | Amount 19,919 | (A) or (D) D Price \$ 24 (1) 0 | I | By Sherman Investors, LLC |
| Common Stock | 12/21/2018 | | D | Amount 7,188 | (A) or (D) D Price \$ 24 (2) 0 | D | |
| Common Stock | 12/21/2018 | | D | Amount 5,000 | (A) or (D) D Price \$ 24 (3) 0 | D | |
| | 12/21/2018 | | D | Amount 23,438 | (A) or (D) D Price 0 | D | |

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| | | | | | | | |
|--------------|------------|---|--------|---|--------------|---|---|
| Common Stock | | | | | \$ 24 (4) | | |
| Common Stock | 12/21/2018 | D | 62,500 | D | \$ 24 (5) | 0 | D |
| Common Stock | 12/21/2018 | D | 37,500 | D | \$ 24 (6) | 0 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Stock Option (right to buy) | \$ 9.05 | 12/21/2018 | | D | 20,800 | (7) 04/14/2021 | Common Stock 20,800 |
| Stock Option (right to buy) | \$ 3.55 | 12/21/2018 | | D | 74,998 | (7) 02/28/2022 | Common Stock 74,998 |
| Stock Option (right to buy) | \$ 9.86 | 12/21/2018 | | D | 58,719 | (7) 02/19/2023 | Common Stock 58,719 |
| Stock Option (right to buy) | \$ 11.11 | 12/21/2018 | | D | 36,000 | (7) 02/06/2024 | Common Stock 36,000 |
| Stock Option (right to buy) | \$ 5.1 | 12/21/2018 | | D | 86,247 | (7) 02/04/2025 | Common Stock 86,247 |
| Stock | \$ 3.18 | 12/21/2018 | | D | 86,248 | (8) 02/04/2026 | Common 86,248 |

| | | | | | | | | | |
|--------------------------------------|---------|------------|---|---------|-------------|------------|-----------------|---------|--|
| Option (right to buy) | | | | | | | | Stock | |
| Stock Option (right to buy) | \$ 3.68 | 12/21/2018 | D | 60,000 | <u>(9)</u> | 06/16/2026 | Common Stock | 60,000 | |
| Stock Option (right to buy) | \$ 2.16 | 12/21/2018 | D | 187,500 | <u>(10)</u> | 02/02/2027 | Common Stock | 187,500 | |
| Stock Option (right to buy) | \$ 3.01 | 12/21/2018 | D | 225,000 | <u>(11)</u> | 02/08/2028 | Common Stock | 225,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Sherman Michael A. 3000 KENT AVE., SUITE A1-100 WEST LAFAYETTE, IN 47906 | X | | President and CEO | |

Signatures

/s/ Michael A.
Sherman 12/21/2018

__Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Pursuant to the Agreement and Plan of Merger, dated as of October 17, 2018 (the "Merger Agreement"), by and among Endocyte, Inc. (the "Company"), Novartis AG ("Novartis") and Edinburgh Merger Corporation, a wholly owned subsidiary of Novartis ("Merger Sub"), at the effective time (the "Effective Time") of the merger of Merger Sub with and into the Company, which Effective Time occurred on December 21, 2018, each share of Company common stock was converted into the right to receive an amount in cash equal to \$24.00, without interest and less any applicable withholding taxes.

(2) This restricted stock unit ("RSU") award, which originally consisted of 14,375 RSUs and of which 7,187 RSUs had vested and been settled as of immediately prior to the Effective Time, provided for vesting and settlement 1/4 annually over a period of 4 years beginning on February 4, 2017 in the form of one share of Company common stock for each RSU. Pursuant to the Merger Agreement, at the Effective Time, each RSU outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to \$24.00, multiplied by the number of shares of Company common stock subject to such RSU, less any applicable withholding taxes.

(3) This RSU award, which originally consisted of 10,000 RSUs and of which 5,000 RSUs had vested and been settled as of immediately prior to the Effective Time, provided for vesting and settlement 1/4 annually over a period of 4 years beginning on June 16, 2017 in the form of one share of Company common stock for each RSU. Pursuant to the Merger Agreement, at the Effective Time, each RSU outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to \$24.00, multiplied by the number of shares of Company common stock subject to such RSU, less any applicable

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withholding taxes.

This RSU award, which originally consisted of 31,250 RSUs and of which 7,812 RSUs had vested and been settled as of immediately prior to the Effective Time, provided for vesting and settlement 1/4 annually over a period of 4 years beginning on February 2, 2018 in the form of one share of Company common stock for each RSU. Pursuant to the Merger Agreement, at the Effective Time, each RSU outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to \$24.00, multiplied by the number of shares of Company common stock subject to such RSU, less any applicable withholding taxes.

(4)

This RSU award, which originally consisted of 125,000 RSUs and of which 62,500 RSUs had vested and been settled as of immediately prior to the Effective Time, provided for vesting and settlement 1/2 annually over a period of 2 years beginning on October 4, 2018 in the form of one share of Company common stock for each RSU. Pursuant to the Merger Agreement, at the Effective Time, each RSU outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to \$24.00, multiplied by the number of shares of Company common stock subject to such RSU, less any applicable withholding taxes.

(5)

This RSU award provided for vesting and settlement 1/4 annually over a period of 4 years beginning on February 8, 2019 in the form of one share of Company common stock for each RSU. Pursuant to the Merger Agreement, at the Effective Time, each RSU outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to \$24.00, multiplied by the number of shares of Company common stock subject to such RSU, less any applicable withholding taxes.

(6)

This Company stock option was fully vested immediately prior to the Effective Time. Pursuant to the Merger Agreement, at the Effective Time, each Company stock option that was outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to the excess of \$24.00 over the exercise price with respect to such stock option, multiplied by the number of shares of Company common stock subject to such stock option, less any applicable withholding taxes.

(7)

This Company stock option was scheduled to vest 1/4 annually over a period of 4 years beginning on February 4, 2017. Pursuant to the Merger Agreement, at the Effective Time, each Company stock option that was outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to the excess of \$24.00 over the exercise price with respect to such stock option, multiplied by the number of shares of Company common stock subject to such stock option, less any applicable withholding taxes.

(8)

This Company stock option was scheduled to vest 1/4 annually over a period of 4 years beginning on June 16, 2017. Pursuant to the Merger Agreement, at the Effective Time, each Company stock option that was outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to the excess of \$24.00 over the exercise price with respect to such stock option, multiplied by the number of shares of Company common stock subject to such stock option, less any applicable withholding taxes.

(9)

This Company stock option was scheduled to vest 1/4 annually over a period of 4 years beginning on February 2, 2018. Pursuant to the Merger Agreement, at the Effective Time, each Company stock option that was outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to the excess of \$24.00 over the exercise price with respect to such stock option, multiplied by the number of shares of Company common stock subject to such stock option, less any applicable withholding taxes.

(10)

This Company stock option was scheduled to vest 1/4 annually over a period of 4 years beginning on February 8, 2019. Pursuant to the Merger Agreement, at the Effective Time, each Company stock option that was outstanding immediately prior to the Effective Time was canceled and converted into the right to receive an amount in cash, without interest, equal to the excess of \$24.00 over the exercise price with respect to such stock option, multiplied by the number of shares of Company common stock subject to such stock option, less any applicable withholding taxes.

(11)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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