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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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): **December 5, 2018**

**Synergy Pharmaceuticals Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**001-35268**  
(Commission  
File Number)

**33-0505269**  
IRS Employer  
Identification No.)

**420 Lexington Avenue, Suite 2012**  
**New York, NY 10170**  
(Address of principal executive offices)

Registrant's telephone number, including area code: **(212) 297-0020**

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

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 communication 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.**

On December 5, 2018, Synergy Pharmaceuticals Inc. (the “Company”) and certain of its subsidiaries entered into an Amendment to Limited Forbearance Agreement (the “Amendment”) with CRG Servicing LLC, as administrative agent and collateral agent (in such capacities, the “Agent”) and the lenders party thereto (collectively, the “Lenders”), which amended that certain Limited Forbearance Agreement, dated as of November 21, 2018 (as amended by the Amendment, the “Forbearance Agreement”), among the Company, the Agent and the Lenders, with respect to the Company’s Term Loan Agreement, dated as of September 1, 2017 (as amended, modified or otherwise supplemented from time to time, the “Term Loan Agreement”), with the Agent and the Lenders. Pursuant to the Amendment, amongst other things, the Forbearance Period (as defined in the Forbearance Agreement) has been extended to December 14, 2018 (11:59 p.m. Central time).

The foregoing is a summary of the material terms of the Amendment. Investors are encouraged to review the entire text of the Amendment, a copy of which is filed as Exhibit 10.1 to this report and incorporated herein by reference.

**Item 2.04 Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.**

On December 5, 2018, the Company notified the Lenders of a default under the Term Loan Agreement due to the failure of the Company, as of December 5, 2018, to maintain the minimum liquidity amount (“Liquidity Covenant Default”) required under Section 10.02 of the Term Loan Agreement. In addition, as referenced in the Forbearance Agreement, the Company was in default under the Term Loan Agreement due to the failure of the Company, beginning on October 30, 2018, to maintain the average market capitalization (“Market Capitalization Default”) required under Section 10.01 of the Term Loan Agreement. Pursuant to the Forbearance Agreement, the Lenders agreed with the Company not to take action on account of either the Liquidity Covenant Default or the Market Capitalization Default, to accelerate the obligations of the Company under the Term Loan Agreement or otherwise exercise their default rights and remedies through December 14, 2018.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

- 10.1 [Amendment to Limited Forbearance Agreement, dated as of December 5, 2018, among Synergy Pharmaceuticals Inc., certain of its subsidiaries, CRG Servicing LLC, as administrative agent and collateral agent and the lenders party thereto.](#)

**SIGNATURE**

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.

Dated: December 6, 2018

SYNERGY PHARMACEUTICALS INC.

By: /s/ Troy Hamilton  
Troy Hamilton  
Chief Executive Officer

## AMENDMENT TO LIMITED FORBEARANCE AGREEMENT

This AMENDMENT TO LIMITED FORBEARANCE AGREEMENT is made as of December 5, 2018 (this "*Amendment*"), among Synergy Pharmaceuticals Inc., a Delaware corporation ("*Borrower*"), the Subsidiary Guarantors (as defined in the Loan Agreement referred to below) party hereto, the Lenders (as defined in the Loan Agreement referred to below), and CRG Servicing LLC, a Delaware limited liability company ("*CRG Servicing*"), as administrative agent and collateral agent for the Lenders (in such capacities, together with its successors and assigns, "*Agent*" and, collectively with Lenders, "*CRG Parties*").

## RECITALS

A. Borrower, the Subsidiary Guarantors and the CRG Parties entered into that certain Limited Forbearance Agreement effective November 19, 2018 (the "*Forbearance Agreement*"). Capitalized terms used herein without definition have the meanings assigned thereto in the Forbearance Agreement.

B. Obligors and the CRG Parties desire to amend, among other things, the definition of "*Forbearance Period*" in Section 1(a) of the Forbearance Agreement subject to the terms hereof.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, and in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

## SECTION 1.

1. Recitals. The Recitals shall be construed as part of this Amendment.

2. Extension of Forbearance Period. The definition of "*Forbearance Period*" set forth in Section 1(a) of the Forbearance Agreement is hereby restated in its entirety to state as follows:

"*Forbearance Period*" means the period commencing on the date hereof and ending on the earliest to occur of (i) December 14, 2018 (11:59 p.m. Central time); (ii) the occurrence of any default or Event of Default under the Loan Agreement or the other Loan Documents, other than the Designated Defaults and the Liquidity Covenant Default; and (iii) in the event a petition in bankruptcy is filed by or against the Obligors, or any one of them, the date of such filing, in the event the Obligors fail to include within their first-day motions a motion for approval of debtor-in-possession financing and use of cash collateral acceptable to the CRG Parties.

3. Amendment to Section 7 of the Forbearance Agreement. Section 7(a)(ii) of the Forbearance Agreement is hereby amended and restated in its entirety to state as follows:

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“(ii) no Default or Event of Default (other than the Designated Defaults and the Liquidity Covenant Default) has occurred or is continuing, or would result after giving effect hereto.”

**SECTION 2. Conditions to Effectiveness.**

The effectiveness of this Amendment is expressly conditioned upon the satisfaction and delivery of each of the applicable conditions set forth below:

- a) Agent shall have received this Amendment duly executed and delivered by Obligors and CRG Parties.
- b) Obligor shall have paid or reimbursed Lenders for Lenders’ reasonable out of pocket costs and expenses incurred in connection with the Forbearance Agreement and this Amendment that have been invoiced at least one Business Day prior to the date hereof, including Lenders’ reasonable out of pocket legal fees and costs, pursuant to Section 13.03(a)(i)(z) of the Loan Agreement.
- c) The representations and warranties contained in Section 7 of the Forbearance Agreement (as amended by this Amendment) shall be true and correct on the date hereof.
- d) As a condition to the continued effectiveness of this Amendment, the Obligors covenant to deliver to CRG, no later than December 8, 2018, the following:
  - (i) A list of all patents and patent applications created, owned and/or made by Borrower or the Subsidiary Guarantors since September 1, 2017; and
  - (ii) A fully executed amendment to the short form intellectual property security agreement, substantially in the form attached hereto as Exhibit A.

**SECTION 3. Full Force and Effect.** Except as expressly modified by this Amendment, all terms and conditions of the Forbearance Agreement shall continue in full force and effect.

**SECTION 4. Miscellaneous.**

- (a) **Counterparts.** This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Amendment by signing any such counterpart.
- (b) **Loan Document.** This Amendment is a Loan Document.
- (c) **Entire Agreement.** This Amendment, including all schedules and other documents attached hereto or incorporated by reference herein or delivered in connection herewith, constitutes the entire agreement of the signing parties with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the subject matter hereof.

(d) **Reviewed by Attorneys.** Each Obligor represents and warrants to CRG Parties that it (i) understands fully the terms of this Amendment and the consequences of the execution and delivery of this Amendment, (ii) has been afforded an opportunity to have this Amendment reviewed by, and to discuss this Amendment and the documents executed in connection herewith, with such attorneys and other persons and advisors as such Obligor may wish, and (iii) has entered into this Amendment and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person. The parties hereto acknowledge and agree that neither this Amendment nor any of the other documents executed pursuant hereto shall be construed more favorably in favor of one party over the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Amendment and the other documents executed pursuant hereto or in connection herewith.

(e) **Further Assurances.** Each Obligor agrees to, and to cause any other Obligor to, take all further actions and execute all further documents as Agent may from time to time reasonably request to carry out the transactions contemplated by this Amendment and all other agreements executed and delivered in connection herewith.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BORROWER:

SYNERGY PHARMACEUTICALS INC.

By /s/ Gary G. Gemignani

Name: Gary G. Gemignani

Title: EVP, Chief Financial Officer

SUBSIDIARY GUARANTORS:

SYNERGY ADVANCED PHARMACEUTICALS, INC.

By /s/ Gary G. Gemignani

Name: Gary G. Gemignani

Title: EVP, Chief Financial Officer

ADMINISTRATIVE AGENT:

CRG SERVICING LLC

By /s/ Nathan Hukill  
Nathan Hukill  
President

LENDERS:

CRG PARTNERS III—PARALLEL FUND “A” L.P.

By CRG PARTNERS III—PARALLEL FUND “A” GP L.P., its General Partner  
By CRG PARTNERS III GP LLC, its General Partner

By /s/ Nathan Hukill  
Nathan Hukill  
Authorized Signatory

CRG PARTNERS III (CAYMAN) UNLEV AIV I L.P.

By CRG PARTNERS III (CAYMAN) GP L.P., its General Partner  
By CRG PARTNERS III GP LLC, its General Partner

By /s/ Nathan Hukill  
Nathan Hukill  
Authorized Signatory

Witness: /s/ Nicole Nesson  
Name: Nicole Nesson

CRG ISSUER 2017-1

By CRG SERVICING LLC, acting by power of attorney

By /s/ Nathan Hukill  
Nathan Hukill  
Authorized Signatory