
**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)

December 11, 2017

CAPRICOR THERAPEUTICS, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34058
(Commission
File Number)

88-0363465
(I.R.S. Employer
Identification No.)

8840 Wilshire Blvd., 2nd Floor, Beverly Hills, CA
(Address of principal executive offices)

90211
(Zip Code)

(310) 358-3200
(Registrant's telephone number, including area code)

Not Applicable
(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 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Item 1.02. Termination of a Material Definitive Agreement.

As previously reported, on February 1, 2013, Capricor, Inc. (“Capricor”), a wholly owned subsidiary of Capricor Therapeutics, Inc. (the “Company”), and the California Institute for Regenerative Medicine (“CIRM”) entered into a Notice of Loan Award and Loan Agreement (collectively the “Loan Award”). In 2015, the Company entered into a Joinder Agreement with Capricor and CIRM, pursuant to which, among other things, the Company agreed to become a loan party under the Loan Award. Pursuant to the Loan Award, CIRM loaned Capricor approximately \$15.6 million, which includes accrued interest (the “Loan Balance”).

On December 11, 2017, Capricor and CIRM entered into Amendment No. 3 to the CIRM Notice of Loan Award (DR2A-05735) (“Amendment No. 3”) whereby the total Loan Balance under the Loan Award has been forgiven by CIRM thereby terminating Capricor and the Company’s obligation to repay the Loan Balance.

The decision to terminate the Loan Award and forgive the Loan Balance was due to the abandonment of the ALLSTAR project at the end of the project period in accordance with Section 4.10 of the Loan Agreement and Article VII, Section I of the CIRM Loan Administration Policy. In November 2017, Capricor completed the final operational milestone under the terms of the Loan Award. The foregoing description of Amendment No. 3 does not purport to be complete and is qualified in its entirety by reference to the full text of Amendment No. 3, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01. Other Events.

Pro Forma Balance Sheet

In connection with Amendment No. 3 to the Loan Award described in Item 1.02, an unaudited condensed consolidated pro forma balance sheet of the Company as of September 30, 2017 is attached as Exhibit 99.1 to this Current Report on Form 8-K. The unaudited condensed consolidated pro forma balance sheet has been prepared to reflect the forgiveness of the Loan Balance under the Loan Award, which occurred subsequent to the fiscal quarter ended September 30, 2017, as if the events occurred on September 30, 2017. The unaudited condensed consolidated pro forma balance sheet does not reflect any other subsequent events. The attached unaudited condensed consolidated pro forma balance sheet does not necessarily reflect the financial position or results of operations that would have actually resulted had the loan forgiveness occurred as of the dates indicated, nor should it be taken as necessarily indicative of the future financial position or results of operations of the Company.

The unaudited condensed consolidated pro forma financial information is provided for information purposes only, and should be read in conjunction with the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, as filed with the SEC on November 14, 2017 (the “Form 10-Q”), and the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on March 16, 2017 (the “Form 10-K”), including the more detailed financial statements and notes thereto included therein.

The pro forma financial information is subject to risks and uncertainties, including those discussed in the Form 10-Q and the Form 10-K under the caption “Risk Factors”.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 [Amendment No. 3 to the CIRM Notice of Loan Award, dated December 11, 2017](#)

99.1 [Pro Forma Balance Sheet of Capricor Therapeutics, Inc. as of September 30, 2017.](#)

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.

CAPRICOR THERAPEUTICS, INC.

Date: December 11, 2017

By: /s/ Linda Marbán, Ph.D.
Linda Marbán, Ph.D.
Chief Executive Officer

**AMENDMENT TO NOTICE OF AWARD – RFA 10-05A - CIRM Disease Team
Therapy Development Awards - Part II Research Award
California Institute for Regenerative Medicine**

Amendment Number: 03
Amendment Date: 12/11/17

Award Number:	DR2A-05735	Total Award Amount:	\$14,405,857
Awardee Name:	Capricor, Inc	Project Period Start Date:	01/01/2013
		Project Period End Date:	11/30/2017
Principal Investigator or Program Director:	Rachel Ruckdeschel Smith		
Project Title:	Allogeneic Cardiac-Derived Stem Cells for Patients Following a Myocardial Infarction		
Authorized Organization Official and Address:	Official and Address to Receive Payments:		
AJ Bergmann	AJ Bergmann		
VP of Finance	VP of Finance		
8840 Wilshire Blvd. 2nd Floor	8840 Wilshire Blvd., 2nd Floor		
Beverly Hills, CA 90211	Beverly Hills, CA 90211		

This award is closed, effective 11/30/2017, based on the completion of the final Operational Milestone (Operational Milestone #6 "File final Clinical Study Report"). CIRM recognizes that Capricor, Inc. has abandoned the CIRM-Funded Project as noted in the Notice of Abandonment letter from Capricor, Inc. to CIRM dated 11/17/2017. As such, pursuant to Section 4.10 of the Loan Agreement between CIRM and Capricor, Inc. and Article VII, Section I of the CIRM Loan Administration Policy, Capricor, Inc.'s Loan Balance is forgiven, subject to reinstatement pursuant to those provisions. No expenses may be incurred after 11/30/2017, and any unexpended funds shall be returned to CIRM. A Final Operational Milestone Financial Report is due by 02/01/2018.

/s/ Maria T. Millan, M.D.

Maria T. Millan, M.D.
President and CEO, CIRM

/s/ Rachel Ruckdeschel Smith

Rachel Ruckdeschel Smith
Principal Investigator, Capricor, Inc

/s/ AJ Bergmann

Awardee Authorized Signatory, Capricor, Inc

CAPRICOR THERAPEUTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

ASSETS	September 30, 2017	Pro-Forma Adjustments (1)	Pro-Forma September 30, 2017
CURRENT ASSETS			
Cash and cash equivalents	\$ 8,897,087		\$ 8,897,087
Marketable securities	4,997,850		4,997,850
Restricted cash	610,175		610,175
Grant receivable	537,030		537,030
Prepaid expenses and other current assets	190,278		190,278
TOTAL CURRENT ASSETS	15,232,420		15,232,420
PROPERTY AND EQUIPMENT, net	394,031		394,031
OTHER ASSETS			
Intangible assets, net of accumulated amortization of \$183,990 at September 30, 2017	105,692		105,692
Other assets	61,396		61,396
TOTAL ASSETS	\$ 15,793,539		\$ 15,793,539
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 1,264,325		\$ 1,264,325
Accounts payable and accrued expenses, related party	99,903		99,903
Loan payable, current	14,155,857	(14,155,857)	-
Accrued interest, current	1,167,969	(1,167,969)	-
TOTAL CURRENT LIABILITIES	16,688,054	(15,323,826)	1,364,228
LONG-TERM LIABILITIES			
CIRM liability	3,376,259		3,376,259
TOTAL LONG-TERM LIABILITIES	3,376,259		3,376,259
TOTAL LIABILITIES	20,064,313		4,740,487
COMMITMENTS AND CONTINGENCIES (NOTE 7)			
STOCKHOLDERS' EQUITY (DEFICIT)			
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, none issued and outstanding	-		-
Common stock, \$0.001 par value, 50,000,000 shares authorized, 25,100,388 issued and outstanding at September 30, 2017	25,100		25,100
Additional paid-in capital	59,548,523		59,548,523
Accumulated other comprehensive income	8,593		8,593
Accumulated deficit	(63,852,990)	15,323,826	(48,529,164)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(4,270,774)	15,323,826	11,053,052
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 15,793,539		\$ 15,793,539

(1) To reflect the forgiveness of the CIRM Loan Balance. This is comprised of \$14,405,857 of principal plus accrued interest. \$250,000 of such principal will be recorded subsequent to September 30, 2017. As such, the pro-forma adjustments only include the balance as of September 30, 2017.