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SPECTRUM PHARMACEUTICALS INC  
Form SC 13D  
December 10, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D  
Under the Securities Exchange Act of 1934

SPECTRUM PHARMACEUTICALS, INC.

-----  
(Name of Issuer)

Common Stock, par value \$0.001 per share

-----  
(Title of Class of Securities)

84763A108

-----  
(CUSIP Number)

Mitchell D. Kaye, Manager  
Xmark Asset Management, LLC  
152 West 57th Street  
21st Floor  
New York, New York 10019  
(212) 247-8200

with a copy to:  
Steven E. Seisser, Esq.  
Lowenstein Sandler PC  
65 Livingston Avenue  
Roseland, New Jersey 07068  
(973) 597-2506

-----  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

September 20, 2004

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Cusip No. 84763A108  
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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only):

Xmark Asset Management, LLC  
13-3954392

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a) Not  
(b) Applicable

3. SEC Use Only

4. Source of Funds (See Instructions): WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e): Not Applicable

6. Citizenship or Place of Organization: New York, United States

Number of	7. Sole Voting Power:	*
Shares Beneficially	8. Shared Voting Power:	*
Owned by		
Each Reporting	9. Sole Dispositive Power:	*
Person With	10. Shared Dispositive Power:	*

11. Aggregate Amount Beneficially Owned by Each Reporting Person: 714,283\*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions): Not Applicable

13. Percent of Class Represented by Amount in Row (11): 5.0%\*

14. Type of Reporting Person (See Instructions): IA

\* The reporting person is Xmark Asset Management, LLC ("XAM"), a New York limited liability company. XAM's interest in the securities reported herein is limited to its pecuniary interest, if any, in Xmark Fund, L.P., a Delaware limited partnership ("Xmark LP"), and Xmark Fund, Ltd., a Cayman Islands exempted company ("Xmark Ltd").

Xmark LP is the holder of: (i) 352,294 shares (the "Xmark LP Shares") of Common Stock, par value \$0.001 per share (the "Common Stock"), of Spectrum Pharmaceuticals, Inc., a Delaware corporation (the "Company"); (ii) warrants (the "2003 Xmark LP Warrants") which, subject to certain exercise restrictions contained therein, entitle Xmark LP to purchase an aggregate of up to 168,000 shares of Common Stock at an exercise price of \$6.50 per share (the "2003 Xmark LP Warrant Shares"), which exercise price is subject to adjustment as set forth in the 2003 Xmark LP Warrants; and (iii) warrants (the "2004 Xmark LP Warrants") which, subject to certain exercise restrictions contained therein, entitle Xmark LP to purchase an aggregate of up to 53,666 shares of Common Stock at an exercise price of \$10.00 per share (the "2004 Xmark LP Warrant Shares"), which exercise price is subject to adjustment as set forth in the 2004 Xmark LP Warrants.

Xmark Ltd is the holder of: (i) 361,989 shares of Common Stock (the "Xmark Ltd Shares," and together with the Xmark LP Shares, the "Shares"); (ii) warrants (the "2003 Xmark Ltd Warrants," and together with the 2003 Xmark LP Warrants, the "2003 Warrants") which, subject to certain exercise restrictions contained

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therein, entitle Xmark Ltd to purchase an aggregate of up to 252,000 shares of Common Stock at an exercise price of \$6.50 per share (the "2003 Xmark Ltd

Warrant Shares," and together the 2003 Xmark LP Warrant Shares, the "2003 Warrant Shares"), which exercise price is subject to adjustment as set forth in the 2003 Xmark Ltd Warrants; and (iii) warrants which, subject to certain exercise restrictions contained therein, entitle Xmark Ltd to purchase an aggregate of up to 51,335 shares of Common Stock at an exercise price of \$10.00 per share (the "2004 Xmark Ltd Warrant Shares," and together the 2004 Xmark LP Warrant Shares, the "2004 Warrant Shares"), which exercise price is subject to adjustment as set forth in the 2004 Xmark Ltd Warrants.

The 2003 Warrants and the 2004 Warrants each provide that in no event shall such warrants be exercisable for shares of Common Stock to the extent that the issuance of Common Stock thereunder would result in the "beneficial ownership" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulations 13D-G thereunder) by Xmark LP, Xmark Ltd, or their affiliates, of more than 4.95% and 4.99%, respectively, of the Common Stock (the "Issuance Limitation"). The Issuance Limitation may not be waived.

XAM serves as investment manager for each of Xmark LP and Xmark Ltd. In such capacity, XAM possesses the power to vote and direct the disposition of all securities held by Xmark LP and Xmark Ltd. Thus, as of September 20, 2004 for the purposes of Reg. Section 240.13d-3, XAM may be deemed to beneficially own 714,283 shares of Common Stock, or 5.0% of the Common Stock deemed issued and outstanding as of that date.

### Item 1. Security and Issuer.

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This statement relates to the common stock, par value \$0.001 per share (the "Common Stock"), of Spectrum Pharmaceuticals, Inc., a Delaware corporation (the "Company"). The Company has its principal executive offices located at 157 Technology Drive, Irvine, California 92618.

### Item 2. Identity and Background.

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The person filing this statement is Xmark Asset Management, LLC, a New York limited liability company ("XAM"). XAM's business address is 152 West 57th Street, 21st Floor, New York, New York 10019.

XAM serves as the investment manager for Xmark Fund, L.P., a Delaware limited partnership ("Xmark LP") and Xmark Fund, Ltd., a Cayman Islands exempt company ("Xmark Ltd"). Xmark LP and Xmark Ltd are engaged in the investment in personal property of all kinds, including but not limited to capital stock, depository receipts, investment companies, mutual funds, subscriptions, warrants, bonds, notes, debentures, options and other securities of whatever kind and nature.

Mitchell D. Kaye, whose business address is c/o Xmark Asset Management, LLC, 152 West 57th Street, 21st Floor, New York, New York 10019, is the Chief Investment Officer of Xmark LP and Xmark Ltd and the Manager of XAM.

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XAM has never been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors), nor has it been a party to any civil proceeding commenced before a judicial or administrative body of competent jurisdiction as a result of which it was or is now subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Mr. Kaye has never been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors), nor has he been a party to any civil proceeding commenced before a judicial or administrative body of competent jurisdiction as a result of which he was or is now subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Mr. Kaye is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration.  
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The source of the funds used in making the purchases of the Company's Common Stock was XAM's working capital.

Item 4. Purpose of Transaction.  
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The acquisition of the securities referred to herein is for investment purposes. XAM has no present plans or intentions which relate to or would result in any of the transactions required to be described in Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.  
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Based upon the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, as of August 12, 2004 there were 14,184,452 shares of Common Stock issued and outstanding. As of September 20, 2004, Xmark LP and Xmark Ltd beneficially own 714,283 shares of Common Stock.

As of September 20, 2004, Xmark LP is the holder of (i) 352,294 shares of Common Stock of the Company, (ii) warrants which, subject to certain exercise restrictions contained therein, entitle Xmark LP to purchase up to an aggregate of 168,000 shares of Common Stock at an exercise price of \$6.50 per share (the "2003 Xmark LP Warrants"), which exercise price is subject to adjustment as set forth in the 2003 Xmark LP Warrants, and (iii) warrants which, subject to certain exercise restrictions contained therein, entitle Xmark LP to purchase up to an aggregate of 53,666 shares of Common Stock at an exercise price of \$10.00 per share (the "2004 Xmark LP Warrants", and together with the 2003 Xmark LP Warrants, the "Xmark LP Warrants"), which exercise price is subject to adjustment as set forth in the 2004 Xmark LP Warrants. Xmark Ltd is the holder of (i) 361,989 shares of Common Stock and (ii) warrants which, subject to certain exercise restrictions contained therein, entitle Xmark Ltd to purchase up to an aggregate of 252,000 shares of Common Stock at an exercise price of \$6.50 per share (the "2003 Xmark Ltd Warrants"), which exercise price is subject to adjustment as set forth in the 2003 Xmark Ltd Warrants, and (iii) warrants which, subject to certain exercise restrictions contained therein, entitle Xmark Ltd to purchase up to an aggregate of 51,335 shares of Common Stock at an

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exercise price of \$10.00 per share (the "2004 Xmark Ltd Warrants", and together with the 2003 Xmark Ltd Warrants, the "Xmark Ltd Warrants"), which exercise price is subject to adjustment as set forth in the Xmark Ltd Warrants.

The 2003 Warrants and the 2004 Warrants each provide that in no event shall such warrants be exercisable for shares of Common Stock to the extent that the issuance of Common Stock thereunder would result in the "beneficial ownership" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulations 13D-G thereunder) by Xmark LP, Xmark Ltd, or their affiliates, of more than 4.95% and 4.99%, respectively, of the Common Stock (the "Issuance Limitation"). The Issuance Limitation may not be waived. Thus, as of September 20, 2004, for the purposes of Reg. Section 240.13d-3, XAM may be deemed to beneficially own 714,283 shares of Common Stock, or 5.0% of the Common Stock deemed issued and outstanding as of that date. The reporting person acquired a portion of the shares of Common Stock, the 2004 Xmark LP Warrants and the 2004 Xmark Ltd Warrants in a private placement transaction disclosed by the Company on its current report on Form 8-K dated as of April 21, 2004, as filed with the Securities and Exchange Commission on April 23, 2004.

The following table details the transactions during the 60 days prior to and including September 20, 2004 in Common Stock, or securities convertible into, exercisable for or exchangeable for Common Stock, by XAM or any person or

entity controlled by XAM or any person or entity for which XAM possesses voting or investment control over the securities thereof (each of which was effected in an ordinary brokerage transaction).

### I. Xmark LP

#### (Purchases)

Date ----	Quantity -----	Price Per Share -----
7/22/2004	2,096	\$4.93
7/23/2004	6,900	\$4.79
7/26/2004	8,995	\$4.57
7/27/2004	3,322	\$4.38
7/28/2004	4,971	\$4.20
7/29/2004	2,044	\$4.22
7/30/2004	12,778	\$4.80
7/30/2004	10,222	\$4.97
8/03/2004	51	\$5.62
8/06/2004	12,778	\$4.88
8/09/2004	10,222	\$4.83
8/10/2004	3,067	\$4.98
8/11/2004	8,838	\$4.82
8/12/2004	5,111	\$5.02
8/13/2004	2,555	\$4.99
8/16/2004	5,111	\$5.18
8/17/2004	5,093	\$5.24
8/18/2004	3,578	\$5.41
8/19/2004	2,556	\$5.29
8/19/2004	2,556	\$5.28
8/20/2004	9,404	\$5.36
8/23/2004	2,760	\$5.84
8/24/2004	8,484	\$5.37
8/25/2004	7,667	\$5.43

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8/27/2004	2,556	\$5.58
8/30/2004	12,778	\$6.01
9/03/2004	4,089	\$6.02
9/07/2004	9,813	\$6.35
9/09/2004	5,315	\$6.24
9/10/2004	4,089	\$6.36
9/10/2004	5,110	\$6.24
9/17/2004	1,584	\$6.40
9/20/2004	11,193	\$6.34
9/20/2004	6,082	\$6.25

(Sales)

Date	Quantity	Price Per Share
----	-----	-----
8/09/2004	2,555	\$4.72
8/20/2004	2,249	\$5.70

II. Xmark Ltd

(Purchases)

Date	Quantity	Price Per Share
----	-----	-----
7/22/2004	2,004	\$4.93
7/23/2004	6,600	\$4.79
7/26/2004	8,605	\$4.57
7/27/2004	3,178	\$4.38
7/28/2004	4,755	\$4.20
7/29/2004	1,956	\$4.22
7/30/2004	12,223	\$4.80
7/30/2004	9,778	\$4.97
8/03/2004	49	\$5.62
8/06/2004	12,222	\$4.88
8/09/2004	9,778	\$4.83
8/10/2004	2,933	\$4.98
8/11/2004	8,454	\$4.82
8/12/2004	4,889	\$5.02
8/13/2004	2,445	\$4.99
8/16/2004	4,889	\$5.18
8/17/2004	4,871	\$5.24
8/18/2004	3,422	\$5.41
8/19/2004	2,444	\$5.29
8/19/2004	2,444	\$5.28
8/20/2004	8,996	\$5.36
8/23/2004	2,640	\$5.84
8/24/2004	8,116	\$5.37
8/25/2004	7,333	\$5.43
8/27/2004	2,444	\$5.58
8/30/2004	12,222	\$6.01
8/31/2004	25,000	\$6.30
9/03/2004	3,911	\$6.02
9/07/2004	9,387	\$6.35
9/09/2004	5,085	\$6.24
9/10/2004	3,911	\$6.36
9/10/2004	4,890	\$6.24
9/17/2004	1,516	\$6.40
9/20/2004	10,707	\$6.34

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9/20/2004 5,818 \$6.25

(Sales)

Date	Quantity	Price Per Share
8/09/2004	2,445	\$4.72
8/20/2004	2,151	\$5.70

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

None.

Item 7. Material to be Filed as Exhibits.

None.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

December 10, 2004

XMARK ASSET MANAGEMENT, LLC

/s/ Mitchell D. Kaye

Mitchell D. Kaye, Manager

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001).