
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): April 19, 2019

RETROPHIN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-36257
(Commission File Number)

27-4842691
(I.R.S. Employer Identification No.)

3721 Valley Centre Drive Suite 200, San Diego, CA 92130
(Address of Principal Executive Offices, including Zip Code)
(760) 260-8600

(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 (§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.

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

On April 19, 2019, the Company and Neil McFarlane entered into a Separation Agreement pursuant to which Mr. McFarlane's employment as Chief Operating Officer of the Company will terminate effective May 31, 2019, following a transition period. The Separation Agreement provides Mr. McFarlane with benefits generally consistent with the benefits provided for under Mr. McFarlane's employment agreement in an involuntary termination other than for cause. A copy of the Separation Agreement is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 [Separation Agreement between Retrophin Inc. and Neil McFarlane dated April 19, 2019](#)

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.

RETROPHIN, INC.

Dated: April 19, 2019

By: /s/ Laura Clague

Name: Laura Clague

Title: Chief Financial Officer

Separation Agreement

This Separation Agreement (“**Agreement**”) is made and entered into by and between Neil McFarlane (hereinafter “**Employee**”), and Retrophin, Inc., a Delaware corporation (hereinafter the “**Company**”).

WHEREAS, Employee currently serves a Chief Operating Officer of the Company;

WHEREAS, Employee’s employment with the Company will terminate effective May 31, 2019;

WHEREAS, Employee and the Company are parties to that certain Employment Agreement, dated August 15, 2016, by and between Employee and the Company, as amended on April 11, 2017 (as amended, the “**Employment Agreement**”); and

WHEREAS, Employee and the Company desire to resolve all claims and issues that have, or could have been raised, in relation to Employee’s employment with the Company and arising out of or in any way related to the acts, transactions or occurrences between Employee and the Company to date, including, but not limited to, Employee’s employment with the Company or the conclusion of that employment, on the terms set forth below;

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Agreement, and other valuable consideration to which Employee is not otherwise entitled, the receipt and sufficiency of which are hereby acknowledged, it is agreed by the parties as follows:

1. **Termination of Employment.** Employee hereby acknowledges and agrees that his employment as an officer and employee of the Company and/or as an officer, employee or director of its subsidiaries, as applicable, will terminate effective as of May 31, 2019 (the “**Separation Date**”).
2. **Consideration.** As a material inducement to and in consideration for Employee entering into this Agreement, and subject to the terms and conditions of this Agreement and the Employment Agreement, the Company agrees as follows:
 - a. Effective as of the Separation Date, Employee will be entitled to receive the benefits set forth in Section 6.5(b)(i), Section 6.5(b)(ii), Section 6.5(b)(iii) and Section 6.5(b)(iv) of the Employment Agreement. For the avoidance of doubt, with respect to the benefits set forth in Section 6.5(b)(iii), Employee acknowledges and agrees that (i) all outstanding Stock Awards with performance-based vesting held by Employee for which the relevant performance period ends within the 12-month period following the Separation Date shall remain eligible for vesting during such 12-month period as though Employee had continued to render continuous service to the Company throughout such period, and such Stock Awards with performance-based vesting shall vest (if applicable) based on actual performance during such performance period and (ii) on the 12-month anniversary of the Separation Date, all unvested Stock Awards with performance-based vesting then-held by Employee shall automatically expire and terminate.
 - b. Effective immediately prior to the Separation Date, the post-termination exercise period during which Employee may exercise Employee’s vested stock options following the Separation Date (which, under the terms of such options, is three months following the Separation Date) shall be extended to May 31, 2020, subject to earlier termination in the event of a change in control or corporate transaction as set forth in the terms of the equity incentive plan under which the equity awards were granted. Except to the extent provided in this Section 2, the Employee’s stock options will continue to be subject to the terms and conditions of the equity plans and stock option grant notices and agreements pursuant to which they were granted.
3. **Release.** As a condition to the benefits provided in this Agreement to which Employee would not otherwise be entitled, Employee agrees to execute and return to the Company the General Release attached as Exhibit A to the Employment Agreement (the “**Release**”), and to allow the Release to become effective.
4. **No Other Entitlements.** Except for the compensation, monies and benefits expressly set forth in Section 2, Employee acknowledges that he is not entitled to any other compensation, monies or benefits from the Company, including but not limited to bonuses, commissions, or other forms of compensation or benefits, repayments of debts, or reimbursements of expenses.
5. **Post-Termination Obligations.** All payments and benefits to Employee under Section 2 of this Agreement shall be subject to Employee’s compliance with the following provisions following the Separation Date:
 - a. **Confidential Information.** Employee remains bound by the obligations set forth in the Confidentiality Agreement that he executed with the Company (the “**CDA**”). In addition, Employee agrees that he will promptly return and deliver to the Company all documents, data and other materials and items in his possession, custody or control, wherever located, that belong to the Company and/or contain or reflect Confidential Information, including, but not limited to, any and all keys, credit cards, security cards, computer software, disks, data, records, notebooks, correspondence, customer or supplier lists, files, forms, supplies or other documents or materials, in any form or format and including, but not limited to, any printed versions or copies or other recordings of such documents or materials, that have been

provided or furnished to Employee by the Company or its affiliates, or have been obtained or developed or used by Employee during the performance of Employee's services for the Company, or in connection with Employee's services or any other activities for the Company. Employee agrees that prior to responding to any valid subpoena, court order or other legal process which would require disclosure of Confidential Information encompassed by this paragraph, he shall give the Company prior written notice of the subpoena, court order or other legal process in sufficient time to afford the Company a reasonable opportunity to challenge the subpoena, court order or other legal process.

b. Transition Assistance. Employee shall, upon reasonable notice, furnish such information and assistance to the Company as may reasonably be required by the Company in connection with the transition of Employee's duties to other individuals at the Company.

c. Failure to Comply. In the event that Employee shall fail to comply with any provision of this Section 5, and such failure shall continue for ten (10) days following delivery of notice thereof by the Company to Employee, all rights of Employee and any person claiming under or through him to payments and benefits under paragraphs (a) and (b) of Section 2 of this Agreement shall thereupon terminate and no person shall be entitled thereafter to receive any such payments or benefits. In addition, in the event of a breach or threatened breach by Employee of the provisions of this Section, the Company shall have and may exercise any and all other rights and remedies available to the Company at law or otherwise, including but not limited to obtaining an injunction from a court of competent jurisdiction enjoining and restraining Employee from committing such violation, and Employee hereby consents to the issuance of such injunction.

6. Employment Agreement Amendment. Upon execution of this Agreement, Article 6, Section 6.8(a) of the Employment Agreement shall be, and hereby is, amended such that the reference to "three (3) months" is replaced with "six (6) months".

7. Section 409A Compliance. To the extent applicable, the parties hereto intend that this Agreement be exempt from, or if an exemption is not available, comply with Section 409A of the Internal Revenue Code of 1986, as amended and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"). The parties hereby agree that this Agreement shall at all times be construed in a manner to be exempt from, or if an exemption is not available, to comply with, Section 409A. The parties also agree that in no event shall any payment required to be made pursuant to this Agreement that is considered deferred compensation within the meaning of Section 409A and is not otherwise exempt from the provision thereof be accelerated in violation of Section 409A. The parties further agree that any payment paid in connection with this Agreement pursuant to the Employment Agreement will be paid at the same time or times and subject to the same conditions as in the Employment Agreement, and will be otherwise paid in accordance with the provisions of the Employment Agreement as if the Employee's employment had been terminated by the Company without Cause (as defined in the Employment Agreement).

8. Taxes. The Company does not represent or guarantee that any particular federal or state income, payroll or other tax treatment will result from this Agreement or the compensation or benefits payable pursuant to this Agreement. Employee is solely responsible for the proper tax reporting and timely payment of any income tax or interest for which he is liable as a result of this Agreement and the compensation or benefits payable pursuant to this Agreement.

9. No Attachment. No right to receive payments under this Agreement shall be subject to set off, offset, anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

10. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of Employee, his assigns, heirs, executors, administrators and representatives, as well as the predecessors, successors, purchasers and assigns of the Company. Employee may not assign any of his rights or delegate any of his duties under this Agreement. Except as preempted by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to its conflict of law provision. Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

11. Entire Agreement. This Agreement, the CDA and the Employment Agreement comprise the entire agreement and understanding of the parties with respect to the subject matter, specifically including but not limited to any terms and conditions of employment or the termination of employment, or any other service agreements between the parties, and there are no agreements or understandings other than those contained herein. Further, this Agreement is intended to be a binding contract among the parties hereto and shall not be modified, except by writing signed by both Employee and the Company. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision (or part thereof) of this Agreement shall in no way affect the validity or enforceability of any other provisions (or remaining part thereof).

EMPLOYEE ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS CAREFULLY READ AND FULLY UNDERSTANDS ALL THE PROVISIONS OF THIS AGREEMENT. EMPLOYEE ACKNOWLEDGES THAT EMPLOYEE HAS NOT RELIED UPON ANY REPRESENTATION OR STATEMENT, WRITTEN OR ORAL, WHICH IS NOT SET FORTH IN THIS DOCUMENT. EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE IS ENTERING INTO THIS AGREEMENT VOLUNTARILY AND OF EMPLOYEE'S OWN FREE WILL, WITHOUT ANY COERCION FROM ANY PERSON, INCLUDING THE COMPANY OR ANY OF ITS REPRESENTATIVES. EMPLOYEE ACKNOWLEDGES THAT EMPLOYEE FULLY AND COMPLETELY UNDERSTANDS THE TERMS AND CONDITIONS OF THIS AGREEMENT AND HAS VOLUNTARILY AND KNOWINGLY AGREED TO SUCH TERMS AND CONDITIONS.

IN WITNESS WHEREOF, the parties have executed this Separation Agreement on this the 19th day of April, 2019.

EMPLOYEE

/s/ Neil McFarlane

Neil McFarlane

RETROPHIN, INC.

/s/ Laura Clague

Laura Clague

Chief Financial Officer