ACELRX PHARMACEUTICALS INC
Form 424B5
November 13, 2018
Filed pursuant to Rule 424(b)(5)

Registration No. 333-218506

PROSPECTUS SUPPLEMENT

(To Prospectus dated June 14, 2017)

12,698,412 Shares

Common Stock

We are offering 12,698,412 shares of our common stock. Our common stock is listed on the Nasdaq Global Market under the symbol "ACRX." On November 8, 2018, the last reported sale price of our common stock on the Nasdaq Global Market was $3.91 per share.

Investing in our common stock involves a high degree of risk. Please read "Risk Factors" beginning on page S-4 of this prospectus supplement, on page 4 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	$ 3.150	$39,999,997.80
Underwriting Discounts and Commissions (1)	$ 0.189	$2,399,999.87
Proceeds to AcelRx Pharmaceuticals, Inc. before expenses	$ 2.961	$37,599,997.93

(1) We have agreed to reimburse the underwriters for certain expenses. See "Underwriting."

Delivery of the shares of common stock is expected to be made on or about November 14, 2018. We have granted the underwriters an option for a period of 30 days to purchase up to an additional 1,904,761 shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $2,759,999.69 and the total proceeds to us, before expenses, will be $43,239,995.26.

Joint Book-Running Managers

Credit Suisse **Jefferies** **Cantor** **RBC Capital Markets**

Prospectus Supplement dated November 9, 2018

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus that we have authorized for use in connection with this offering. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these shares of common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, and in any free writing prospectus that we have authorized for use in connection with this offering, is accurate only as of the date of those respective documents, regardless of when such documents are delivered. Our business, financial condition, results of operations and prospects may have changed since those dates. You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering, in their entirety before making an investment decision. You should also read and consider the information in the documents we have referred you to in the sections of this prospectus supplement entitled "Where You Can Find More Information" and "Incorporation of Certain Information by Reference."

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus dated June 14, 2017, including the documents incorporated by reference therein, provides more general information that may not relate to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the Securities and Exchange Commission, or SEC, before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date (for example, a document incorporated by reference in the accompanying prospectus), the statement in the document having the later date modifies or supersedes the earlier statement.

All references in this prospectus supplement and the accompanying prospectus to “AcelRx,” “AcelRx Pharmaceuticals,” “the company,” “we,” “us,” “our,” or similar references refer to AcelRx Pharmaceuticals, Inc. and its consolidated subsidiary, except where the context otherwise requires or as otherwise indicated.

“DSUVIA” is a trademark, and “ACELRX” and “ZALVISO” are registered trademarks, all owned by AcelRx Pharmaceuticals, Inc. This prospectus supplement also contains trademarks and trade names that are the property of their respective owners. We do not intend to use or display other companies’ trademarks and trade names to imply any relationship with, or endorsement or sponsorship of us by, any other companies. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may be listed without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their right thereto.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about us, this offering and selected information contained elsewhere in or incorporated by reference into this prospectus supplement. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our common stock. For a more complete understanding of the company and this offering, you should read and consider carefully the more detailed information in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference in this prospectus supplement, the accompanying prospectus and the information included in any free writing prospectus that we have authorized for use in connection with this offering. If you invest in our common stock, you are assuming a high degree of risk. See "Risk Factors" beginning on page S-4 of this prospectus supplement, on page 4 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement.

Overview

We are a specialty pharmaceutical company focused on the development and commercialization of innovative therapies for use in medically supervised settings. DSUVIA™ (known as DZUVEO™ outside of the United States) and Zalviso®, are both focused on the treatment of acute pain, and each utilize sufentanil, delivered via a non-invasive route of sublingual administration, exclusively for use in medically supervised settings. On November 2, 2018, the U.S. Food and Drug Administration, or FDA, approved our resubmitted New Drug Application, or NDA, for DSUVIA for use in adults in a certified medically supervised healthcare setting, such as hospitals, surgical centers, and emergency departments, for the management of acute pain severe enough to require an opioid analgesic and for which alternative treatments are inadequate. In June 2018, the European Commission, or EC, granted marketing approval of DZUVEO for the treatment of patients with moderate-to-severe acute pain in medically monitored settings. We anticipate developing a distribution capability and commercial organization to market and sell DSUVIA in the United States by ourselves. We currently anticipate the commercial launch of DSUVIA in the United States in the first quarter of 2019. In geographies where we decide not to commercialize ourselves, including for DZUVEO in Europe, we may seek to out-license commercialization rights. We currently intend to commercialize and promote DZUVEO in Europe with a strategic partner, although we have not yet entered into such an arrangement. We are currently evaluating the timing of the resubmission of the NDA for Zalviso. If we are successful in obtaining approval of Zalviso in the United States, we plan to potentially promote Zalviso either by ourselves or with strategic partners. Zalviso is approved in Europe and is currently being commercialized by Grünenthal GmbH, or Grünenthal.

We have chosen sufentanil as the therapeutic ingredient for our current product candidates. Opioids have been utilized for pain relief for centuries and are the standard-of-care for the treatment of moderate-to-severe acute pain. Sufentanil, a high-therapeutic index opioid, which has no active metabolites, is available as an injectable in several markets around the world and is used by anesthesiologists for induction of sedation or as an epidural; however, the injectable formulation is not suitable for the treatment of acute pain. Sufentanil has many pharmacological advantages over other opioids. Published studies demonstrate that sufentanil produces significantly less respiratory depressive effects relative to its analgesic effects compared to other opioids, including morphine and fentanyl. These third-party clinical

results correlate well with preclinical trials demonstrating sufentanil's high therapeutic index, or the ratio of the toxic dose to the therapeutic dose of a drug, used as a measure of the relative safety of the drug for a particular treatment. Accordingly, we believe that sufentanil can be developed to provide an effective and well-tolerated treatment for acute pain.

We have created a proprietary sublingual (under the tongue) formulation of sufentanil intended for the treatment of moderate-to-severe acute pain. The sublingual formulation retains the therapeutic value of sufentanil and novel delivery devices provide a non-invasive route of administration. Sufentanil is highly lipophilic which provides for rapid absorption in the mucosal tissue, or fatty cells, found under the tongue, and for rapid transit across the blood-brain barrier to reach the mu-opioid receptors in the brain. The sublingual route of delivery used by DSUVIA and Zalviso provides a predictable onset of analgesia. The sublingual delivery system also eliminates the risk of intravenous, or IV, complications, such as catheter-related infections. In addition, because patients do not require direct connection to an IV infusion pump, or IV line, DSUVIA and Zalviso may allow for ease of patient mobility.

Corporate Information

We were originally incorporated as SuRx, Inc. in Delaware on July 13, 2005 and changed our name to AcelRx Pharmaceuticals, Inc. on August 13, 2006. Our principal executive offices are located at 351 Galveston Drive, Redwood City, California 94063, and our telephone number is (650) 216-3500. Our website address is www.acelrx.com. The information contained in, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus supplement or the accompanying prospectus and should not be considered part of this prospectus supplement or the accompanying prospectus.

THE OFFERING

Common stock offered by us	12,698,412 shares
Common stock to be outstanding immediately after this offering	74,488,758 shares (or 76,393,519 shares if the underwriters' option to purchase additional shares is exercised in full)
Option to purchase additional shares	We have granted the underwriters an option to purchase up to additional shares of our common stock. This option is exercisable, in whole or in part, for a period of 30 days from the date of this prospectus supplement.
Use of proceeds	We intend to use the net proceeds from this offering for general corporate purposes, including funding of early commercialization efforts. See "Use of Proceeds" on page S-7 of this prospectus supplement.
Listing	Our common stock is listed on the Nasdaq Global Market under the symbol "ACRX."
Risk Factors	An investment in our common stock involves a high degree of risk. See "Risk Factors" beginning on page S-4 of this prospectus supplement, on page 4 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement.

Outstanding Shares

The number of shares of common stock outstanding immediately after this offering is based on 61,790,346 shares of common stock outstanding as of September 30, 2018.

This number excludes:

176,730 shares of common stock issuable upon the exercise of warrants outstanding as of September 30, 2018, at a weighted average exercise price of $3.07 per share;

11,628,345 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2018, at a weighted average exercise price of $3.68 per share;

2,061,749 shares of common stock issued and sold under our Controlled Equity Offering℠ Sales Agreement since September 30, 2018, at a weighted average sales price of $4.66 per share; and

up to an aggregate of 1,999,022 shares of common stock reserved for future issuance under our 2011 Equity Incentive Plan and 2011 Employee Stock Purchase Plan.

In addition, the number of shares outstanding immediately after this offering excludes additional shares of common stock that we may sell pursuant to our Controlled Equity Offering℠ Sales Agreement, or the Sales Agreement, that we entered into with Cantor Fitzgerald & Co., or Cantor, on June 21, 2016. Under the Sales Agreement, we may issue and sell shares of our common stock having an aggregate offering price of up to $40 million from time to time after the expiration of the 90-day lock-up period applicable to us and described in "Underwriting" in such amounts as we may determine, subject to certain limitations contained therein and under applicable securities laws. As of the date of this prospectus, we had issued and sold an aggregate of 9.8 million shares of common stock pursuant to the Sales Agreement, for which we had received net proceeds of approximately $32.5 million, after deducting commissions, fees and expenses of $0.9 million.

Except as otherwise indicated, all information included or incorporated by reference in this prospectus supplement assumes no exercise by the underwriters of their option to purchase additional shares.

RISK FACTORS

An investment in our common stock involves a high degree of risk. Before deciding whether to invest in our common stock, you should consider carefully the risks described below together with the other information in this prospectus supplement, the accompanying prospectus, the information and documents incorporated by reference herein and therein, and in any free writing prospectus that we have authorized for use in connection with this offering. If any of these risks actually occur, our business, financial condition, results of operations or cash flows could be seriously harmed. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business operations.

Risks Relating to this Offering

Our management will have broad discretion as to the use of the proceeds from this offering, and may not use the proceeds effectively.

Our management will have broad discretion as to the application of the net proceeds from this offering and could use them for purposes other than those contemplated at the time of the offering. Our management may use the net proceeds for corporate purposes that may not improve our financial condition or market value. Our failure to apply these funds effectively could have a material adverse effect on our business, delay the development of our product candidates and cause the price of our common stock to decline.

You may experience immediate and substantial dilution in the net tangible book value per share of the common stock you purchase.

Since the public offering price per share of our common stock is higher than the net tangible book value per share of our common stock, you will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering. As a result, investors purchasing shares of common stock in this offering will incur immediate dilution of approximately $3.16 per share, based upon the public offering price of $3.15 per share and our net tangible book value as of September 30, 2018, after giving effect to this offering. See “Dilution” for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering. In addition, we have a significant number of stock options outstanding. To the extent that outstanding stock options or warrants have been or may be exercised, investors purchasing our common stock in this offering may experience further dilution.

You may experience future dilution as a result of future equity offerings.

In order to raise additional capital, we may in the future offer additional shares of our common stock, including pursuant to the Sales Agreement with Cantor, or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price per share paid by any investor in this offering. We may sell shares or other securities in any other offering at a price per share that is less than the price per share paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights that are superior to those of existing stockholders. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by investors in this offering.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock in a negative manner, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, the documents we have filed with the SEC that are incorporated herein by reference and any free writing prospectus that we have authorized for use in connection with this offering contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential these terms or other comparable terminology and similar expressions intended to identify forward-looking statements. These forward-looking statements may also use different phrases. These statements involve risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. These statements reflect our current views with respect to future events, are based on current expections, assumptions, estimates and projections about our business and our industry, and are subject to risks and uncertainties. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus supplement and the accompanying prospectus, including the information incorporated herein and therein by reference, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. Many important factors affect our ability to achieve our objectives, including:

our ability to consummate this offering in the size and manner described herein;

our ability to maintain regulatory approval of DSUVIA in the United States and any related restrictions, limitations, and/or warnings in the label of an approved product candidate;

our success in commercializing DSUVIA in the United States, including the marketing, sales, and distribution of the product;

our ability to commercialize DZUVEO in Europe, including our ability to potentially secure a strategic partner to whom we would out-license our commercialization rights;

our ability to successfully execute the pathway towards a resubmission of the ZALVISO NDA and subsequently obtain, without further delays, and maintain regulatory approval of ZALVISO in the United States and any related restrictions, limitations, and/or warnings in the label of an approved product candidate;

the outcome of any potential FDA Advisory Committee meeting held for any of our product candidates;

our ability to manufacture and supply ZALVISO to Grünenthal in accordance with their forecast and our Manufacture and Supply Agreement with Grünenthal;

the status of our Collaboration and License Agreement with Grünenthal or any other future potential collaborations, including potential milestones and royalty payments under such agreement and obligations under our Purchase and Sale Agreement with PDL BioPharma, Inc.;

our plans to research, develop and commercialize our product candidates;

our ability to attract additional collaborators with development, regulatory and commercialization expertise;

our ability to successfully retain our key scientific, engineering, medical or management personnel and hire new personnel as needed;

the size and growth potential of the markets for our product candidates, and our ability to serve those markets;

our ability to successfully commercialize our product candidates;

the rate and degree of market acceptance of our product candidates;

our ability to develop sales and marketing capabilities in a timely fashion, whether alone through recruiting qualified employees, by engaging a contract sales organization, or with potential future collaborators;

our ability to manufacture and supply DSUVIA in support of the planned U.S. commercial launch;

our ability to manufacture and supply DZUVEO in support of the European commercial launch;

our ability to obtain adequate government or third-party payer reimbursement;

regulatory developments in the United States and foreign countries;

the performance of our third-party suppliers and manufacturers;

the success of competing therapies that are or become available;

the accuracy of our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;

our liquidity and capital resources; and

our ability to obtain and maintain intellectual property protection for our product candidates.

We discuss in greater detail, and incorporate by reference into this prospectus supplement in their entirety, many of these risks under the headings “Risk Factors” on page S-4 of this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2017 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2018. Also, these forward-looking statements represent our estimates and assumptions only as of the date of the document containing the applicable statement.

You should read this prospectus supplement, the accompanying prospectus, the documents we have filed with the SEC that are incorporated by reference herein and therein, and any free writing prospectus that we have authorized for

use in connection with this offering completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in the foregoing documents by these cautionary statements.

Unless required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information or future events or developments. Thus, you should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the shares of common stock in this offering will be approximately $37.3 million, or approximately $43.0 million if the underwriters exercise in full their option to purchase additional shares of common stock, in each case based on the public offering price of $3.15 per share and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for general corporate purposes, including funding of early commercialization efforts.

The amounts and timing of our use of the net proceeds from this offering will depend on a number of factors, such as the timing and progress of our commercialization and research and development efforts, the timing and progress of any partnering and collaboration efforts and technological advances. As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. Accordingly, our management will have broad discretion in the timing and application of these proceeds. Pending application of the net proceeds as described above, we intend to temporarily invest the proceeds in high-quality, short-term, interest-bearing instruments.

DIVIDEND POLICY

To date, we have never declared or paid any cash dividends on our capital stock, and we are prohibited from doing so under the terms of our existing credit facility. Regardless of the restrictions under our existing credit facility or the terms of any potential future indebtedness, we anticipate that we will retain all available funds and any future earnings to support our operations and finance the growth and development of our business and, therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

DILUTION

Our net tangible book value as of September 30, 2018 was approximately $(37.8) million, or $(0.61) per share of common stock. We calculate tangible book value per share by dividing our total tangible assets, less total liabilities, by the number of shares of our common stock outstanding as of September 30, 2018. If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the public offering price per share paid by purchasers of shares of our common stock in this offering and our as adjusted net tangible book value per share immediately after this offering.

After giving effect to the sale of shares of our common stock in this offering at the public offering price of $3.15 per share and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of September 30, 2018 would have been approximately $(0.5) million, or $(0.01) per share. This represents an immediate increase in net tangible book value of $0.60 per share to existing stockholders and immediate dilution in net tangible book value of $3.16 per share to new investors purchasing our common stock in this offering at the public offering price. The following table illustrates this dilution on a per share basis:

Public offering price per share		$3.15
Net tangible book value per share as of September 30, 2018	$(0.61)	
Increase per share attributable to investors purchasing our common stock in this offering	0.60	
As adjusted net tangible book value per share after this offering		(0.01)
Dilution per share to investors purchasing our common stock in this offering		$3.16

If the underwriters exercise in full their option to purchase 1,904,761 additional shares of common stock at the public offering price of $3.15 per share, the as adjusted net tangible book value after this offering would be $0.07 per share, representing an increase in net tangible book value of $0.68 per share to existing stockholders and immediate dilution of $3.08 per share to new investors purchasing our common stock in this offering at the public offering price.

The above discussion and table are based on 61,790,346 shares of common stock outstanding as of September 30, 2018 and exclude:

- 176,730 shares of common stock issuable upon the exercise of warrants outstanding as of September 30, 2018, at a weighted average exercise price of $3.07 per share;

11,628,345 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2018, at a weighted average exercise price of $3.68 per share;

2,061,749 shares of common stock issued and sold under our Sales Agreement since September 30, 2018, at a weighted average sales price of $4.66 per share; and

up to an aggregate of 1,999,022 shares of common stock reserved for future issuance under our 2011 Equity Incentive Plan and 2011 Employee Stock Purchase Plan.

In addition, the number of shares outstanding immediately after this offering excludes additional shares of common stock that we may sell pursuant to the Sales Agreement with Cantor. Under the Sales Agreement, we may issue and sell shares of our common stock having an aggregate offering price of up to $40 million from time to time after the expiration of the 90-day lock-up period applicable to us and described in "Underwriting" in such amounts as we may determine, subject to certain limitations contained therein and under applicable securities laws. As of the date of this prospectus, we had issued and sold an aggregate of 9.8 million shares of common stock pursuant to the Sales Agreement, for which we had received net proceeds of approximately $32.5 million, after deducting commissions, fees and expenses of $0.9 million.

To the extent that options or warrants outstanding as of September 30, 2018 have been or are exercised, or other shares are issued, including pursuant to the Sales Agreement with Cantor, investors purchasing shares of common stock in this offering could experience further dilution. In addition, we may choose to raise capital in addition to the amounts remaining available to be sold under our Sales Agreement with Cantor due to market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity securities, the issuance of those securities could result in further dilution to our stockholders.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated November 9, 2018 we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and Jefferies LLC are acting as representatives the following respective numbers of shares of common stock:

Underwriter	**Number of Shares**
Credit Suisse Securities (USA) LLC	5,269,841
Jefferies LLC	3,619,047
Cantor Fitzgerald & Co.	1,904,762
RBC Capital Markets, LLC	1,904,762
Total	12,698,412

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the option to purchase additional shares described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 1,904,761 additional shares at the public offering price less the underwriting discounts and commissions.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus supplement at that price less a selling concession of $0.1134 per share. After the public offering the underwriters may change the public offering price and concession.

The following table summarizes the compensation we will pay:

	Per Share	**Total**

Without Option to Purchase Additional Shares