

OPEXA THERAPEUTICS, INC.

FORM 8-K (Current report filing)

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Address	2635 TECHNOLOGY FOREST BLVD. THE WOODLANDS, TX 77381
Telephone	(281) 272-9331
CIK	0001069308
Symbol	OPXA
SIC Code	2834 - Pharmaceutical Preparations
Fiscal Year	12/31

**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 November 3, 2004)

PHARMAFRONTIERS CORP.

(Exact name of registrant as specified in its charter)

TEXAS

(State or other jurisdiction of incorporation)

000-25513

(Commission File Number)

760333165

(I.R.S. Employer Identification No.)

835 Greens Parkway, Suite 150, Houston, TX 77067

(Address of principal executive offices, including zip code)

(281) 272-9331

(Registrant's telephone number, including area code)

ITEM 3.02. UNREGISTERED SALES OF EQUITY SECURITIES PRIVATE PLACEMENT.

On October 12, 2004, PharmaFrontiers Corp., a Texas corporation (the "Company"), disclosed on Form 8-K, that on September 30, 2004, the Company completed a private placement of a principal amount of \$1,610,000 of 15% exchangeable convertible subordinated notes ("Notes"). The Notes are mandatorily exchangeable for securities at the earlier of an Equity Financing (as defined below) or upon maturity on November 30, 2005. The Notes and accrued interest are convertible at a purchase price equal to the weighted average gross offering price of the Company common stock or common stock equivalents issued in an Equity Financing. If no such Equity Financing occurs, the Notes and accrued interest are convertible at \$3.00 per share. An Equity Financing is defined as a Company raise of at least \$10,000,000 in one or a series of transactions of common stock or common stock equivalent securities prior to the maturity of the Notes. As additional consideration for the purchase of Notes, the Company issued to investors an aggregate of 161,000 shares of Company common stock and, upon the earlier of an Equity Financing or maturity of the Notes, each investor will receive a one-year warrant. The number of shares of common stock underlying the warrant each investor will be issued will be determined by dividing the aggregate principal amount of the Notes by the exercise price. The exercise price will be equal to 50% of the weighted average gross offering price of Company equity issued in an Equity Financing or, if there is no Equity Financing, \$3.

As of November 3, 2004, the Company raised an additional principal amount of \$1,415,000 of Notes under the same terms. As additional consideration for the purchase of Notes, the Company issued to investors an aggregate of 141,500 shares of Company common stock and, upon the earlier of an Equity Financing or maturity of the Notes, each investor will receive a one-year warrant. The number of shares of common stock underlying such warrant is determined under identical terms described above.

The Company received gross proceeds of \$1,415,000 as of November 3, 2004 under the private placement, and netted \$1,361,000 after deducting broker commissions.

In connection with the private placement, the Company granted certain registration rights whereby it agreed to use its best efforts to register the resale of shares of Company common stock issuable to investors upon conversion of the Notes and granted piggyback registration rights with respect to the resale of the common stock underlying the warrants.

The securities were offered and sold to 14 "accredited investors," as such term is defined in Rule 501 under the Securities Act ("Act"). The offers and sales were made without registration under the Act, or the securities laws of certain states, in reliance on the exemptions provided by Section 4(2) of Act and Regulation D under the Act and in reliance on similar exemptions under applicable state laws.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBIT

None.

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.

PHARMAFRONTIERS CORP.

By: /s/ David McWilliams

David McWilliams, Chief Executive Officer

DATE: November 16, 2004