

MANHATTAN PHARMACEUTICALS INC

Form 8-K

May 26, 2011

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): May 20, 2011

Manhattan Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction
of incorporation)

001-32639
(Commission File
Number)

36-3898269
(IRS Employer
Identification No.)

48 Wall Street, Suite 1110
New York, New York 10005
(Address of principal executive offices) (Zip Code)

(212) 582-3950
(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))

Item 8.01 Other Events

On April 19, 2011 H Pharmaceuticals K/S (the “Hedrin JV”), of which the Registrant is a 15% limited partner, filed a demand for arbitration against Thornton & Ross, LTD. (“T&R”) with respect to alleged breaches by T&R of an Exclusive License Agreement (the “Hedrin License”) dated June 28, 2007, which was originally entered into between the Registrant and T&R, and which the Registrant assigned in 2008 to the Hedrin JV, with T&R’s consent. The Hedrin JV is seeking damages from T&R in the amount of approximately \$7,000,000. The Registrant was not a party to the initial arbitration demand.

On May 20, 2011 T&R filed an answer to the arbitration demand in which T&R asserted counterclaims against the Hedrin JV for alleged breaches by the Hedrin JV of the Hedrin License and for declaratory relief that the Hedrin License was properly terminated by T&R. In addition, T&R has impleaded an individual (who is not associated with the Registrant), Nordic Biotech Venture Fund II K/S (an investment fund) and the Registrant, demanding arbitration against them based on alleged breaches of the Hedrin License and other related claims. T&R is seeking damages of approximately \$20,000,000.

The Registrant has not yet responded to the arbitration demand against it, but believes that T&R’s claims against the Registrant are without merit.

MANHATTAN PHARMACEUTICALS, INC.

Date: May 26, 2011

By: /s/ Michael G. McGuinness
Michael G. McGuinness
Chief Operating and Financial Officer