

CATALYST PHARMACEUTICAL PARTNERS, INC.

Form DEF 14A

April 15, 2013

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Catalyst Pharmaceutical Partners, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Edgar Filing: CATALYST PHARMACEUTICAL PARTNERS, INC. - Form DEF 14A

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

## Edgar Filing: CATALYST PHARMACEUTICAL PARTNERS, INC. - Form DEF 14A

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**Catalyst Pharmaceutical Partners, Inc.**

**355 Alhambra Circle, Suite 1500**

**Coral Gables, Florida 33134**

**(305) 529-2522**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2013 Annual Meeting of Stockholders (the Annual Meeting ) of Catalyst Pharmaceutical Partners, Inc., a Delaware corporation, will be held on Thursday, May 30, 2013, at 9:00 a.m., local time, at the Hyatt Regency Coral Gables, located at 50 Alhambra Plaza, Coral Gables, Florida, 33134, for the following purposes, all of which are set forth more completely in the accompanying proxy statement:

- (1) To elect five directors to serve a term of one year or until their successors are duly elected and qualified, or until their earlier death, resignation, or removal;
- (2) To approve, on an advisory basis, the compensation of our named executive officers as set forth herein;
- (3) To approve, on an advisory basis, the frequency of stockholder votes on the compensation of our named executive officers;
- (4) To ratify Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013; and
- (5) To transact such other business as may properly come before the meeting.

Pursuant to our bylaws, our Board of Directors has fixed the close of business on Thursday, April 4, 2013 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting.

A FORM OF PROXY IS ENCLOSED. IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, WHETHER OR NOT YOU PLAN TO BE PRESENT IN PERSON AT THE ANNUAL MEETING, PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE, WHICH DOES NOT REQUIRE POSTAGE IF MAILED IN THE UNITED STATES.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 30, 2013:** The 2013 Proxy Statement and the Company's 2012 Annual Report are available at: <http://ir.catalystpharma.com/annual-proxy.cfm>.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Patrick J. McEnany, Chairman**

April 15, 2013

**Table of Contents**

**TABLE OF CONTENTS**

<u>Proxy Statement</u>	1
<u>Our Board of Directors</u>	3
<u>Our Management Team</u>	10
<u>Executive Compensation Discussion and Analysis</u>	12
<u>Equity Compensation Plan Information</u>	16
<u>Compensation of Directors</u>	18
<u>Security Ownership of Certain Beneficial Owners and Management</u>	19
<u>Certain Relationships and Related Transactions</u>	20
<u>Proposal One: Election of Directors</u>	21
<u>Proposal Two: Advisory Vote on our Named Executive Officers' Compensation</u>	21
<u>Proposal Three: Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation</u>	22
<u>Proposal Four: Ratification of Independent Registered Public Accounting Firm</u>	23
<u>Other Matters</u>	24
<u>Contacting the Board of Directors</u>	24
<u>Stockholder Proposals</u>	24
<u>Additional Information</u>	25

**Table of Contents**

**Catalyst Pharmaceutical Partners, Inc.**

**355 Alhambra Circle, Suite 1500**

**Coral Gables, Florida 33134**

**(305) 529-2522**

**PROXY STATEMENT**

The enclosed proxy is solicited by the Board of Directors (the **Board**) of Catalyst Pharmaceutical Partners, Inc., a Delaware corporation, for use at the 2013 Annual Meeting of Stockholders (the **Annual Meeting**) to be held on Thursday, May 30, 2013, at 9:00 a.m., local time, at the Hyatt Regency Coral Gables, located at 50 Alhambra Plaza, Coral Gables, Florida 33134. The approximate date on which this statement and the enclosed proxy will be sent to stockholders will be April 15, 2013. The form of proxy indicates a space for you to withhold your vote for any proposal. You are urged to indicate your vote on each matter in the space provided. If signed but no space is marked, it will be voted upon by the persons named at the meeting: (i) for the election of five persons to our Board of Directors to serve until the 2014 annual meeting of stockholders, or until their respective successors are duly elected and qualified or until their earlier death, resignation, or removal; (ii) for the approval, on an advisory basis, of the compensation of our named executive officers as set forth herein; (iii) to hold advisory votes on the compensation of our named executive officers every three (3) years; (iv) for the ratification of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013; and (v) in their discretion, upon such other business as may properly come before the meeting.

Representatives of Grant Thornton LLP, our independent registered public accounting firm, are expected to attend the Annual Meeting.

We will bear the cost of the Board's proxy solicitation. In addition to solicitation by mail, our directors, officers and employees may solicit proxies personally and by telephone and e-mail, all without extra compensation.

At the close of business on Thursday, April 4, 2013 (the **Record Date**), we had outstanding 41,420,687 shares of our common stock, par value \$0.001 per share. Each share of our common stock entitles the holder thereof on the Record Date to one vote on each matter submitted to a vote of stockholders at the Annual Meeting. Only stockholders at the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting. The quorum necessary to conduct business at the Annual Meeting consists of a majority of the outstanding shares of our common stock. In the event that there are not sufficient proxies for approval of any of the matters to be voted upon at the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies.

Shares represented by proxies that are marked **abstain** or which are marked to deny discretionary authority will only be counted for determining the presence of a quorum. Votes withheld in connection with the election of one or more of the nominees for director will not be counted as votes cast for such individuals. In addition, where

**Table of Contents**

brokers are prohibited from exercising discretionary authority for beneficial owners who have not provided voting instructions (commonly referred to as broker non-votes ), those shares will not be included in the vote totals.

A list of the stockholders entitled to vote at the Annual Meeting will be available at our principal executive office located at 355 Alhambra Circle, Suite 1500, Coral Gables, Florida 33134 for a period of ten (10) days prior to the Annual Meeting for examination by any stockholder. The list will also be available for inspection at the Annual Meeting by any stockholder who is present.

Whether or not you plan to attend the Annual Meeting, please fill in, sign and return your proxy card to the transfer agent in the enclosed envelope, which requires no postage if mailed in the United States.

A STOCKHOLDER WHO SUBMITS A PROXY ON THE ACCOMPANYING FORM HAS THE POWER TO REVOKE IT AT ANY TIME PRIOR TO ITS USE BY DELIVERING A LATER-DATED WRITTEN NOTICE TO THE CORPORATE SECRETARY OF THE COMPANY, BY EXECUTING A LATER-DATED PROXY OR BY ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON. UNLESS AUTHORITY IS WITHHELD, PROPERLY EXECUTED PROXIES WILL BE VOTED FOR THE PURPOSES SET FORTH THEREON.

**Table of Contents****OUR BOARD OF DIRECTORS**

Below we identify and describe the key experience, qualifications and skills our directors bring to the Board that are important in light of our business and structure. The directors' experiences, qualifications and skills that the Board considered in their re-nomination are included in their individual biographies.

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
Patrick J. McEnany	65	Chairman, President and Chief Executive Officer
Philip H. Coelho (1) (2) (3)	68	Director
Hubert E. Huckel, M.D. (1) (2) (3)	81	Director
Charles B. O'Keefe (2) (3)	73	Lead Independent Director
David S. Tierney, M.D. (1) (2) (3)	49	Director

(1) Member of the audit committee

(2) Member of the compensation committee

(3) Member of the nominating and corporate governance committee

**Patrick J. McEnany** is a co-founder of our company and currently serves as our Chairman, President and Chief Executive Officer ( CEO ). Mr. McEnany has been CEO and a director since our formation in January 2002. He became Chairman and President in March 2006. From 1999 to 2002, Mr. McEnany was a consultant to the pharmaceutical industry. From 1991 to 1997, Mr. McEnany was Chairman and CEO of Royce Laboratories, Inc., a generic pharmaceutical manufacturer. From 1997 to 1998, after the merger of Royce into Watson Pharmaceuticals, Inc., Mr. McEnany served as president of the wholly-owned Royce Laboratories subsidiary and vice president of corporate development for Watson Pharmaceuticals, Inc. From 1993 to 1997, he also served as vice chairman and a director of the National Association of Pharmaceutical Manufacturers. He currently serves on the board of directors for ThermoGenesis Corp. and the Jackson Memorial Hospital Foundation, and over the last 30 years has served as a director for numerous other public companies. The Board of Directors believes the characteristics that qualify Mr. McEnany for the Board include his long-term experience in the pharmaceutical industry and his leadership experience.

**Philip H. Coelho** has been a member of our board of directors since October 2002. Mr. Coelho is currently President and CEO of Synergenesis Inc. a company enabling regenerative cures through the application of innovative engineering and President of PHC Medical, Inc., a company providing consulting services for enterprises in the medical device related cell therapy field. Previously, from October 1986 until 2008, Mr. Coelho founded and was employed by ThermoGenesis Corp., a company focused on the blood processing and hospital/woundcare markets. Mr. Coelho was Chairman and Chief Executive Officer of ThermoGenesis from December 1989 until May 2007 and served as its Chief Technology Architect from June 2007 until May 2008. From October 1986 to September 1989, Mr. Coelho held the position of Vice President and Director of Research, Development and Manufacturing with ThermoGenesis. Prior to his association with ThermoGenesis, from October 1983 to October 1986 Mr. Coelho was President of Castleton, Inc., a company that developed and licensed ultra-rapid heat transfer technology to ThermoGenesis. Mr. Coelho currently serves on the Board of Directors of Medware Information Systems, Inc. and Ampio Pharmaceuticals, Inc. Mr. Coelho holds a Bachelor of Science degree in Mechanical Engineering from the University of California, Davis. The Board of Directors believes the characteristics that qualify Mr. Coelho for the Board include his long-term experience in the biopharmaceutical industry and his leadership experience and judgment.

**Hubert E. Huckel, M.D.** is a co-founder of our company and serves as a member of our board of directors. Dr. Huckel was Chairman of the Board until March 2006. Dr. Huckel spent more than 30 years with The Hoechst Group (now part of Sanofi-Aventis), and was at the time of his retirement in 1992 Executive Chairman of the Board of Hoechst-Roussel Pharmaceuticals, Inc. Dr. Huckel has continued his involvement in the prescription drug industry and currently serves on the boards of directors of Titan Pharmaceuticals, Inc. and Concordia



## **Table of Contents**

Pharmaceuticals, Inc. Dr. Huckel received his M.D. from the University of Vienna, Austria and is a member of the Rockefeller University Council. The Board of Directors believes the characteristics that qualify Dr. Huckel for the Board include his leadership experience and judgment and his long-term pharmaceutical industry experience and knowledge.

**Charles B. O Keeffe** has served as a member of our board of directors since December 2004 and became our lead independent director in July 2011. Mr. O Keeffe also served as a consultant to us from December 2004 until June 2011. Mr. O Keeffe is a Professor in the Departments of Pharmacology, Epidemiology and Community Health at Virginia Commonwealth University ( VCU ), and has served in such capacity since January 1, 2004. Mr. O Keeffe joined VCU after retiring as President and Chief Executive Officer of Reckitt Benckiser Pharmaceuticals, Inc., a position Mr. O Keeffe held from 1991 until 2003. As President of Drug Abuse Rehabilitation Services (from 1970 until 1971), he developed the first child-resistant, abuse-resistant vehicle for dispensing methadone. He served as president of Washington Reference Laboratories from 1972 until 1975, which provided toxicology services to the Department of Defense during the Vietnam War. He has served in the White House (from 1970 until 1973 and from 1976 until 1980) for three presidents as advisor, special assistant for international health and deputy director for international affairs in the Office of Drug Abuse Policy and has served on U.S. delegations to the World Health Assembly and the U.N. Commission on Narcotic Drugs. Mr. O Keeffe played a significant role in helping Congress reach consensus on the Drug Addiction Treatment Act of 2000. The Board of Directors believes the characteristics that qualify Mr. O Keeffe for the Board include his leadership experience and judgment and his long-time experience in the pharmaceutical industry.

**David S. Tierney, M.D.** has served as a member of our board of directors since October 2002. Dr. Tierney served as President and Chief Operating Officer (and a member of the board of directors) of Oceana Therapeutics, Inc., a private specialty pharmaceutical company between the organization of that company in 2008 and the sale of that company to Salix Pharmaceuticals, Ltd. in December 2011. Dr. Tierney also served as the President and CEO (and as a member of the board of directors) of Valera Pharmaceuticals, Inc. a specialty pharmaceutical company, between August 2000 and April 2007, when Valera completed a merger with Indevus Pharmaceuticals, Inc. Further, from January 2000 to August 2000, Dr. Tierney served as President of Biovail Technologies, a division of Biovail Corporation, a Canadian drug delivery company, where he was responsible for all of Biovail's research and development, regulatory and clinical activities. Finally, from March 1997 to January 2000, Dr. Tierney was Senior Vice President of Drug Development at Roberts Pharmaceutical Corporation, where he was responsible for all research and development activities, and for drug development, medical affairs, worldwide regulatory affairs and chemical process development, as well as being part of the executive management team, and from December 1989 to March 1997, Dr. Tierney was employed by Élan Corporation, a pharmaceutical company, in a variety of management positions. Dr. Tierney is also a director of Bioject Medical Technologies, Inc. Dr. Tierney received his medical degree from the Royal College of Surgeons in Dublin, Ireland and was subsequently trained in internal medicine. The Board of Directors believes the characteristics that qualify Dr. Tierney for the Board include his leadership experience and judgment and his pharmaceutical industry experience and knowledge.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors and persons who own more than 10% of our outstanding common stock to file with the Securities and Exchange Commission reports of changes in their ownership of common stock. Officers, directors, and greater than 10% stockholders are also required to furnish us with copies of all forms they file under this regulation. To our knowledge, based solely on a review of the copies of such reports furnished to us and representations made to us that no other reports were required, during the year ended December 31, 2012 all Section 16(a) filings required to be filed by our officers, directors, and greater than 10% stockholders were timely filed.

## **Table of Contents**

### **Independent Directors**

As required under NASDAQ listing standards, a majority of the members of a listed company's board of directors must qualify as independent, as affirmatively determined by the board of directors. The Board consults with the Company's counsel to ensure that the Board's determinations are consistent with all relevant securities and other laws and regulations regarding the definition of independent, including those set forth in pertinent NASDAQ listing standards, as in effect from time to time. Consistent with these considerations, the Board affirmatively has determined that all of the Company's directors are independent directors within the meaning of the applicable NASDAQ listing standards, except for Mr. McEnany, the Company's President and Chief Executive Officer.

### **Corporate Governance**

Our Board of Directors and management are committed to utilizing good corporate governance practices to ensure we are managed for the long-term benefit of our stockholders. We have in place a variety of policies and practices to promote good corporate governance. A majority of our Board of Directors is independent, in accordance with Nasdaq Capital Market listing standards, and all members of our Audit Committee, our Compensation Committee, and our Nominating and Corporate Governance Committee also meet Nasdaq standards for independence. We have also established:

written charters for our Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee that address corporate governance practices in accordance with the Sarbanes-Oxley Act, current Nasdaq corporate governance guidelines, and other applicable rules and regulations;

a Code of Business Conduct and Ethics applicable to our officers, directors, and employees;

a procedure for receipt and treatment of anonymous and confidential complaints or concerns regarding audit or accounting matters; and

disclosure control policies and procedures.

The Nominating and Corporate Governance Committee of our Board of Directors is responsible for establishing and reviewing our corporate governance guidelines from time to time and reporting and making recommendations to the Board of Directors concerning corporate governance matters. Among the matters addressed by our corporate governance guidelines are:

**Director Independence** Independent directors shall constitute at least a majority of our Board of Directors and all of the Audit, Compensation, and Nominating and Corporate Governance Committees in accordance with the independence standards set forth in the Marketplace Rules for Nasdaq-listed companies.

**Executive Sessions of Independent Directors** Our non-employee directors regularly meet in executive sessions without management present.

Copies of our Code of Business Conduct and Ethics can be found on the corporate governance page of our Investor Relations website, located at <http://ir.catalystpharma.com/governance.cfm>.

### **Board Diversity**

In carrying out its function to nominate candidates for election to our Board, the Nominating and Corporate Governance Committee considers the mix of skills, experience, character, commitment and diversity. The Nominating and Corporate Governance Committee construes diversity as meaning a variety of opinions, perspectives and backgrounds, such as gender, race and ethnicity differences, as well as other differentiating characteristics, all in the context of the requirements of our Board at that point in time.



## **Table of Contents**

### **Leadership Structure**

Patrick J. McEnany serves as both our Chairman of the Board and CEO. The Board believes that independent oversight of management is an important component of an effective board of directors. The Board and its independent members believe that the most effective Board leadership structure at the present time is for the CEO to serve as Chairman of the Board, a structure that has served us well in the past. The independent members of the Board believe that because the CEO is ultimately responsible for our day-to-day operations and for executing our strategy, and because our performance is an integral part of the deliberations undertaken by the Board, the CEO is the director best qualified to act as our Chairman of the Board. The Board reserves the authority to modify this structure to best address and advance the interests of all stockholders, as and when appropriate.

The Board also believes, for the reasons set forth below, that our existing corporate governance practices achieve independent oversight and management accountability. Our governance practices provide for strong independent leadership, independent discussion among directors and for independent evaluation of, and communication with, our officers. These governance practices are reflected in our various committee charters, which are available on our website at [www.catalystpharma.com](http://www.catalystpharma.com). Some of the relevant processes and other corporate governance practices include:

At each regularly scheduled Board meeting, all of our independent directors meet in an executive session without Mr. McEnany. In these executive sessions, the independent directors deliberate on matters such as those involving the performance of our officers.

Each of our directors is elected annually by our stockholders.

All of our directors, except for Mr. McEnany, are independent directors. Each director is an equal participant in decisions made by the full Board. All of the Committees of the Board are comprised of only independent directors.

### **Lead Independent Director**

The Board of Directors of the Company has appointed a non-management director to serve in a lead capacity (the Lead Independent Director ) to perform such duties and responsibilities as the Board of Directors may determine. Charles B. O'Keefe serves as the Lead Independent Director. The role of the Lead Independent Director includes:

in consultation with the Chairman, determining the length and timing of Board meetings, including regular and special meetings;

determining the agenda and materials to be provided to directors in advance of each meeting of the Board;

servicing as chair of executive sessions of the Board and other meetings of the Board in the absence of the Chairman of the Board;

servicing as liaison between the Chairman of the Board and other independent directors;

overseeing the Board's stockholder communication policies and procedures; and

calling meetings of independent directors.

### **Board Meetings and Committees**

## Edgar Filing: CATALYST PHARMACEUTICAL PARTNERS, INC. - Form DEF 14A

During 2012, our Board of Directors held seven meetings and took five actions by unanimous written consent. For 2012, all of our directors attended at least 75% or more of the aggregate number of meetings held by our Board of Directors and the Committees on which they served. Four of the members of our Board of Directors attended the 2012 Annual Meeting of Stockholders that was held on June 1, 2012. Directors are encouraged, but not required, to attend the Annual Meeting in person.

## **Table of Contents**

### *Audit Committee*

The Audit Committee of the Board of Directors assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Committee's purpose is to oversee the accounting and financial reporting processes of the Company, the audits of the Company's financial statements, the qualifications of the public accounting firm engaged as the Company's independent auditor to prepare or issue an audit report on the financial statements of the Company, and the performance of the Company's internal and independent auditors. The Committee's role includes a particular focus on the qualitative aspects of financial reporting to stockholders, the Company's processes to manage business and financial risk, and compliance with applicable legal, ethical, and regulatory requirements. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of our independent auditor.

The Board of Directors has determined that Philip Coelho, the chairman of the Audit Committee, is an audit committee financial expert as defined in Regulation S-K.

The Audit Committee held four meetings in 2012. The Audit Committee's charter can be found at <http://ir.catalystpharma.com/governance.cfm>.

### *Compensation Committee*

The role of the Compensation Committee is to discharge the Board's responsibilities related to compensation of the Company's executives, to produce an annual report on executive compensation for inclusion in the Company's proxy statement, and to oversee and advise the Board on the adoption of policies that govern the Company's compensation programs, including stock and benefit plans.

The Compensation Committee held three meetings in 2012. The Compensation Committee's charter can be found at <http://ir.catalystpharma.com/governance.cfm>.

### *Nominating and Corporate Governance Committee*

The role of the Nominating and Corporate Governance Committee is to appoint nominees for election to the Company's Board of Directors, to identify and recommend candidates to fill vacancies between annual stockholder meetings, to review, evaluate and recommend changes to the Company's corporate governance policies, and to review the Company's policies and programs that relate to matters of corporate responsibility, including public issues of significance to the Company and its stockholders.

The Nominating and Corporate Governance Committee held one meeting in 2012. The Nominating and Corporate Governance Committee's charter can be found at <http://ir.catalystpharma.com/governance.cfm>.

## **Risk Oversight**

Risk oversight is administered through the Board as a whole. The Board does not believe that risk management issues have an effect on the Company's leadership structure. The Board provides feedback to management at regularly held board meetings. The independent directors meet in executive session at each meeting of the Board of Directors and provide insight to our management on a variety of topics, including risk oversight.

## **Audit Committee Report**

Management has the primary responsibility for our internal control over financial reporting, the financial reporting process and preparation of our financial statements. Grant Thornton LLP, our independent registered public accounting firm, is responsible for performing an independent audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and to issue a report thereon. The Audit Committee's responsibility is to select the independent auditors and monitor and oversee these processes.

**Table of Contents**

The Audit Committee has met and held discussions with management and the independent auditors. Management represented to the Audit Committee that our financial statements were prepared in accordance with accounting principles generally accepted in the United States. The Audit Committee reviewed and discussed the audited financial statements with management and the independent auditors. In fulfilling its responsibilities, the Audit Committee discussed with the independent auditors the matters that are required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee received from the independent auditors the written disclosures and letter required by PCAOB Ethics and Independence Rule 3526, Communications with Audit Committees Concerning Independence, and the Audit Committee discussed with the independent auditors that firm's independence. In connection with this discussion, the Audit Committee also considered whether the provision of services by the independent auditors not related to the audit of our financial statements is compatible with maintaining the independent auditors' independence. During such discussions, the independent auditors confirmed that, as of December 31, 2012, they were independent accountants with respect to Catalyst Pharmaceutical Partners, Inc. within the meaning of the Securities Act of 1933 and the requirements of the PCAOB.

Based upon the Audit Committee's discussions with management and the independent auditors and the Audit Committee's review of the representations of management and the report and letter of the independent auditors provided to the Audit Committee, the Audit Committee recommended to the Board that our audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2012.

The Audit Committee has also reviewed all non-audit services being provided by the independent auditors and has concluded that the provision of such services has been compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The Audit Committee has discussed these matters with representatives of the independent auditors and our management and will monitor our compliance with any new restrictions as they are put in place to continue to ensure that the services provided by our independent accountants are compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

*The Audit Committee*

Philip H. Coelho (Chair)

David S. Tierney, M.D.

Hubert E. Huckel, M.D.

*Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, or the Securities Exchange Act of 1934 that might incorporate future filings, including this proxy statement, in whole or in part, the Audit Committee Report above shall not be incorporated by reference into any such filings.*

**Table of Contents****Independent Auditor's Fees**

The following table represents fees for professional audit and other services rendered by Grant Thornton LLP for the fiscal years ended December 31, 2012 and 2011.

	<b>2012</b>	<b>2011</b>
Audit fees (1)	\$ 219,420	\$ 128,260
Audit-related fees		
<b>Total audit fees</b>	<b>219,420</b>	<b>128,260</b>
Tax fees	9,222	8,692
All other fees		
<b>Total fees</b>	<b>\$ 228,642</b>	<b>\$ 136,952</b>

- (1) Represents aggregate fees billed for professional services rendered by Grant Thornton, LLP for the audit of our financial statements included in our Annual Report on Form 10-K and for the reviews of our financial statements included in our Quarterly Reports on Form 10-Q. Also includes aggregate fees (\$91,160) billed for professional services rendered by Grant Thornton, LLP in connection with our Registration Statement on Form S-1 (Registration No. 333-180617) and our Registration Statement on Form S-8 (Registration No. 333-183329).



**Table of Contents****OUR MANAGEMENT TEAM****Officers**

The following list reflects our officers, as of the date of this proxy statement, the capacity in which they serve us, and when they assumed office:

<b>Name</b>	<b>Position(s)</b>	<b>Age</b>	<b>Executive Officer Since</b>
Patrick J. McEnany	Chairman, President and Chief Executive Officer	65	January 2002
Steven R. Miller, Ph.D.	Chief Operating Officer and Chief Scientific Officer	51	April 2007
Alicia Grande, CPA, CMA	Vice President, Treasurer and Chief Financial Officer	42	January 2007
M. Douglas Winship	Vice President of Regulatory Operations	64	July 2006
Bernardino Mosquera, M.D.	Vice President of Clinical Operations	45	March 2013

**Officers Business Experience**

The business experience of Patrick J. McEnany is included above under Our Board of Directors.

**Steven R. Miller, Ph.D.**, has served as Chief Operating Officer since January 2011 and as our Chief Scientific Officer since October 2009. Previously, commencing in April 2007, Dr. Miller was our Vice President of Pharmaceutical Development and Project Management. Dr. Miller has worked in the healthcare industry for over 25 years. Prior to joining us, Dr. Miller spent 15 years with various divisions of Watson Laboratories, a subsidiary of Watson Pharmaceuticals, Inc., most recently as Executive Director of R&D Operations. In this capacity, Dr. Miller managed a team of 75 in the testing of all R&D products for clinical trials, including method valuation, stability testing, operation of the R&D pilot plant, and assembly of the CMC section of drug applications, in addition to other responsibilities. Prior to this position, Dr. Miller was Director of Technology Transfer for Watson Laboratories, and Vice President of Research and Product Development for Royce Laboratories, which was subsequently acquired by Watson Laboratories. Prior to joining Royce Laboratories, Dr. Miller was Group Leader and Senior Scientist at Dade Behring. Prior to that, he served as an Analytical Chemist at the U.S. Food & Drug Administration. Dr. Miller received his Bachelor of Science Degree in Chemistry from the University of Maryland and his Ph.D. from the University of Miami.

**Alicia Grande, CPA, CMA**, has served as our Vice President, Treasurer and Chief Financial Officer since December 2011 and as our Chief Accounting Officer since January 2007. Prior to joining Catalyst, since 2003 Ms. Grande was employed by The Hackett Group, Inc. (formerly known as Answerthink, Inc.), a publicly traded information technology consulting services company. Ms. Grande served in various capacities with The Hackett Group, most recently as Senior Director of Finance, and was responsible for all external and SEC financial reporting. Ms. Grande also served as head of The Hackett Group's Sarbanes-Oxley Act compliance team. Prior to joining The Hackett Group, Ms. Grande was employed for more than 10 years in capacities from staff to most recently Senior Manager, Audit & Business Consulting, by several public accounting firms including Arthur Andersen LLP. Ms. Grande earned a Bachelor of Science degree in business administration, with majors in accounting and finance, from Syracuse University and a master of accounting degree from Florida International University.

**M. Douglas Winship** joined us in July 2006 as our Vice President of Regulatory Operations. Mr. Winship has worked in regulatory affairs in the healthcare industry for over 40 years. From 2004 to 2005, Mr. Winship was Vice President Quality Assurance and Regulatory Affairs for Argos Therapeutics, Inc., a biotechnology company developing immunotherapy treatments for cancer, in Durham, North Carolina. Previously, Mr. Winship was employed by CEL-SCI Corp., a biotechnology company developing immune system based treatments, in Vienna, VA, from 1998 to 2002 as Senior Vice President Regulatory Affairs and Quality Assurance, and from

## **Table of Contents**

1994 through 1998 as Vice President Regulatory Affairs and Quality Assurance. From 1988 to 1994, Mr. Winship was employed by Curative Technologies, Inc., a health-care company involved in the wound-healing market, first as Director of Regulatory Affairs and Quality Assurance and later as Vice President of Regulatory Affairs and Quality Assurance. Mr. Winship earned his Bachelor of Science in chemistry from Upsala College.

**Bernardino Mosquera, M.D.** joined us in March 2013 as our Vice President of Clinical Operations. For the last three years, Dr. Mosquera has managed his own clinical research consulting company. As an independent consultant, Dr. Mosquera was involved in trials for Alzheimer's, Parkinson's, and stroke medications for a multinational pharmaceutical company and several biotech companies. Prior to his time as an independent consultant, for approximately five years Dr. Mosquera worked first with Amgen and later as a dedicated contractor for Amgen on a number of Phase III trials in the oncology area. Prior to his time with Amgen, Dr. Mosquera worked with Kos Pharmaceuticals where he was involved in all aspects of clinical trial management for two Phase III trials, where he was responsible for CRO selection, site selection, vendor management, creation of study documents, IRB submissions, trial management, and CRA management. Dr. Mosquera received his medical degree from the Central University of Venezuela, School of Medicine. He also holds a master's degree in public health from the University of Central Florida.

## **Family Relationships**

There are no family relationships between or among any of our directors and/or officers.

## **Chief Medical Officer**

Our Chief Medical Officer is Charles Gorodetzky, M.D., Ph.D. Dr. Gorodetzky, age 75, is a consultant to our company. Dr. Gorodetzky has served as our Chief Medical Officer since September 2006. Dr. Gorodetzky has more than 46 years of experience in pharmacology, drug development, clinical trial management and addiction medicine. From 1999 to 2005, Dr. Gorodetzky was employed by Quintiles, Inc. in a variety of management positions, including serving as a Vice President in the Medical and Scientific Services Department. While at Quintiles, he had extensive experience with designing, organizing and managing large multi-center clinical trials in a variety of central-nervous system (CNS) indications, abuse liability, substance abuse treatment and smoking cessation. Prior to joining Quintiles, from 1994 to 1998 Dr. Gorodetzky was a Vice President of Hoechst Marion Roussel, Inc. (HMR) (formerly Marion Merrell Dow and now part of Sanofi-Aventis) serving as Global Head of CNS Development, Head of Clinical Research North America and North American Medical Advisor. Dr. Gorodetzky has been directly involved in the clinical development of vigabatrin since 1995, first as the primary responsible development person at HMR and then as the person at Quintiles working with HMR in the development of vigabatrin. Prior to joining HMR, Dr. Gorodetzky was employed by several pharmaceutical companies in management positions, with an emphasis on developing smoking cessation therapies and antiepileptic drugs. From 1963 to 1984, Dr. Gorodetzky was on the staff at the National Institute on Drug Abuse (NIDA) Addiction Research Center, serving in his last position as the final director of NIDA's Lexington facility.

**Table of Contents****EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS****Role of the Compensation Committee**

The Compensation Committee of our board of directors establishes and regularly reviews our compensation philosophy and programs, exercises authority with respect to the determination and payment of base and incentive compensation to our officers and administers our 2006 Stock Incentive Plan (the 2006 Plan ). Our Compensation Committee consists of three members, each of whom is independent as that term is defined in the Sarbanes-Oxley Act of 2002 and the rules and regulations that have been promulgated thereunder, and in the listing standards of the Nasdaq Capital Market. The Compensation Committee operates under a written charter that was first adopted by our board of directors in July 2006. The charter more fully describes the role, responsibilities, and functioning of the Compensation Committee. A copy of this charter can be viewed on our website at <http://ir.catalystpharma.com/governance.cfm>.

**Summary Compensation Table**

The following table sets forth information about the compensation earned during 2012, 2011 and 2010 by our Chief Executive Officer, our Chief Operating Officer and our Chief Financial Officer (who were our three most highly compensated officers during the fiscal year ended December 31, 2012). We refer to these officers in this Proxy Statement as our named executive officers. Information is also included below about the compensation paid in each of these three years to our former Chief Financial Officer, Jack Weinstein.

Name and Principal Position	Year	Awards (\$)				Non-Equity Incentive Compensation (\$)	All Other Compensation (\$)	Totals (\$)
		Salary (\$)	Bonus (\$)	Stock (1)	Option (2)			
Patrick J. McEnany Chairman, President and CEO	2012	386,859	7,737		66,409			461,005
	2011	368,437	11,053		79,318			458,808
	2010	357,706			56,226			413,932
Alicia Grande Vice President, Treasurer and CFO	2012	200,000	4,000		66,409		8,000	278,409
	2011	159,650	4,790		71,386		6,386	242,212
	2010	155,000			29,987		6,200	191,187
Steven R. Miller Chief Operating Officer and Chief Scientific Officer	2012	262,500	17,750		66,409		10,500	357,159
	2011	250,000	27,500		71,386		10,000	358,886
	2010	230,000	20,000		44,981		9,200	304,181
Jack Weinstein (4)	2012							
	2011	233,929	7,018				8,997	249,944
	2010	227,115			44,981		9,085	281,181

(1) The amounts reported in this column are based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for restricted stock grants to the named executives in the listed fiscal year.

(2) The amounts reported in this column represent the grant date fair value of stock option awards granted in accordance with FASB ASC Topic 718 for the listed year. For additional information on the valuation assumptions used in the calculation of these amounts, refer to Note 12 to the Notes to Financial Statements in our 2012 Annual Report on Form 10-K.

(3) All other compensation consists of 401(k) employer match.

(4) Mr. Weinstein served as our Chief Financial Officer, Treasurer and Vice President, Business Development until December 16, 2011. During 2012, Mr. Weinstein received severance compensation from us of approximately \$225,000.



## **Table of Contents**

### **Narrative to Summary Compensation Table**

#### **Overview of compensation structure**

The compensation structure for our named executive officers consists of three components – a base salary, discretionary bonuses based on performance and equity compensation. Each of these components is reflected in the Summary Compensation Table set forth above and is also discussed in further detail below.

#### **Compensation program objectives and what our compensation program seeks to reward**

Our executive compensation program is designed to retain our named executive officers and to motivate them to increase stockholder value on both an annual and longer term basis primarily by positioning our business to maximize our product development efforts and over time to turn those efforts into revenues and net income. To that end, compensation packages include significant incentive forms of stock-based compensation to ensure that each executive officer's interest is aligned with the interests of our stockholders.

#### **Why each element of compensation is paid and how the amount of each element is determined**

The following is a brief discussion of each element of our named executive officer compensation. The Compensation Committee intends to pay each of these elements in order to ensure that a desirable overall mix is established between base compensation and incentive compensation, cash and non-cash compensation and annual and long-term compensation. The Compensation Committee also intends to evaluate on a periodic basis the overall competitiveness of our executive compensation packages as compared to packages offered in the marketplace with which we compete for executive talent. Overall, our Compensation Committee believes that our executive compensation packages are currently appropriately balanced and structured to retain and motivate our named executive officers.

**Salaries.** Mr. McEnany has an employment agreement with us, a copy of which is an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2012. Our other named executive officers (Ms. Grande and Dr. Miller) are employees at will. Since 2010, any increases in the salaries of our named executive officers have been made at the discretion of the Compensation Committee. Mr. McEnany, who serves as our Chief Executive Officer, receives no additional compensation for serving on our board of directors.

**Cash Incentive Compensation.** Cash incentive or bonus compensation is discretionary under our employment agreement with Mr. McEnany. All cash incentive compensation grants are intended to be paid in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended.

In 2012, we paid a year-end cash bonus of two percent of base salary to each of our employees, including each of our named executive officers. This bonus for 2012 services was awarded on a discretionary basis by the Compensation Committee based on the Compensation Committee's assessment of the employees' performance during 2012. We also paid an additional bonus of \$12,500, \$20,000, and \$20,000, respectively, to Dr. Miller during 2012, 2011 and 2010 for services performed by Dr. Miller in each of these years.

**Equity Compensation.** We have granted stock options and restricted stock units to our officers, directors and consultants under the 2006 Plan. Under the 2006 Plan, unless otherwise determined by the Compensation Committee, equity compensation awards generally vest over a three-year period.

On December 12, 2012, we granted stock options to each of our employees, including our named executive officers. These options were priced at the closing price of our common stock on December 12, 2012 (the grant date). One-third of such options vested immediately, and the remaining options vest in equal parts over a two-year period.

**Perquisites.** We offer health benefits to each of our named executive officers. Such benefits are identical to those received by all of our employees. None of our named executive officers receives any further perquisite benefit.

## Table of Contents

### **Employment Agreements and Potential Payments Upon Termination or Change in Control**

We have an employment agreement with Patrick J. McEnany, our Chairman, President and Chief Executive Officer, which provides for the payment of a base salary plus bonus compensation based on performance. Mr. McEnany's employment agreement also contains a change of control severance arrangement if the employee is not retained in our employment after a change of control. The employment agreement for Mr. McEnany expires on November 8, 2013. After the expiration of his employment agreement, Mr. McEnany becomes an employee-at-will, and he will still be entitled to payments for termination without cause or in the event of a change in control, as set forth below.

Pursuant to the employment agreement that we have with Mr. McEnany, we may terminate his employment at any time for cause, in which he would have no right to receive compensation or other benefits for any period after termination. Termination for cause may also occur when the executive performs dishonest acts intended to benefit the executive personally, the executive's willful neglect of the executive's duties, or failure to perform such duties because of gross negligence on the part of the executive, violation of any obligation under the executive's employment agreement not remedied by the executive after ten (10) days' notice of such violation, or the executive's arrest for, conviction of or plea of nolo contendere to a crime constituting a felony.

In certain circumstances, Mr. McEnany is entitled to severance pay. These circumstances include (1) his voluntary resignation after a change in control or a demotion, or our failure to perform our material obligations under his employment agreement and our failure to remedy such violation within ten (10) days' notice of such violation, (2) his termination without cause, (3) his total and permanent disability, or (4) his death.

A change in control under our employment agreement with Mr. McEnany includes:

the sale, transfer, assignment or other disposition (including by merger or consolidation, but excluding any sales by stockholders made as part of an underwritten public offering of the common stock of the company), in one transaction or a series of related transactions, of more than fifty percent (50%) of the voting power represented by the then-outstanding capital stock of the Company to one or more Persons (other than to the executive officer or a group (as defined under the Securities Exchange Act of 1934) in which the executive officer is a member);

the sale of substantially all of the assets of the Company (other than a transfer of financial assets made in the ordinary course of business for the purpose of securitization); or

the liquidation or dissolution of the Company

Under any of those circumstances, the executive's severance package includes:

the payment of any accrued but unpaid annual bonus at the time of termination;

the payment of the executive's base salary for a period of at least twelve (12) months; and

continuation of the executive's medical benefits (in case of disability), including to his family (in case of death or disability).

Effective December 16, 2011, we entered into a letter agreement with Ms. Grande regarding her continued employment with the Company. Under such letter agreement, if Ms. Grande is terminated without cause (such term is defined in the same manner as set forth above in the description of Mr. McEnany's employment agreement), she will receive twelve (12) months of base salary. Ms. Grande will also receive twelve (12) months of base salary if she resigns from her employment for good reason. Good reason is defined as any material alteration by the Company of positions, functions, duties, or responsibilities, or a material decrease in base salary not agreed to by Ms. Grande.



**Table of Contents**

The amounts payable to each executive officer with an employment agreement or letter agreement, in the event of termination, death, disability, or retirement, are set forth in the following chart assuming the event occurred on December 31, 2012:

Name	Payment Due Upon Termination either by Company without Cause or Officer for Good Reason (1)	Payment Due Upon the Death or Permanent Disability of Officer (1)	Payment Due Upon a Termination by Company with Cause or Resignation or Retirement by Officer (1)	Payment Due upon a Change of Control
Patrick J. McEnany	\$ 386,859	\$ 451,513		\$ 773,718
Alicia Grande	\$ 200,000			\$ 200,000
Steven R. Miller				\$ 262,500

- (1) Under our employment agreement with Mr. McEnany and our letter agreement with Ms. Grande, these amounts would have been payable to Mr. McEnany and Ms. Grande had their employment been terminated on December 31, 2012.



**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION****Grants of Plan-Based Awards for 2012**

The following table provides information relating to options granted during the fiscal year ended December 31, 2012 to our named executive officers:

Name	Grant Date (1)	Number of Securities Underlying Options (#) (2)	Exercise Price of Option Awards (\$/share)	Grant Date Fair Value of Option Awards
Patrick J. McEnany	12/12/2012	200,000	\$ 0.47	\$ 0.32
Alicia Grande	12/12/2012	200,000	\$ 0.47	\$ 0.32
Steven R. Miller	12/12/2012	200,000	\$ 0.47	\$ 0.32

(1) Options were granted at a meeting of the Compensation Committee on the grant date.

(2) Options vest one-third on the grant date, one-third on the first anniversary of the grant date and one-third on the second anniversary of the grant date.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table gives information about our common stock that may be issued upon the exercise of options under all of our existing equity compensation plans as of December 31, 2012:

Plan Category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for equity compensation plans
Securities issued under the 2006 Plan	2,920,925	\$ 0.94	330,937
Securities issued outside the 2006 Plan	729,610	\$ 0.69	

**2006 Stock Incentive Plan**

In July 2006, we adopted the 2006 Plan. We have reserved 3,688,828 shares for issuance under the 2006 Plan. To date, options to purchase 3,483,888 shares of our common stock and 55,484 restricted shares of our common stock have been granted under the 2006 Plan. The purpose of the 2006 Plan is to continue to advance our interests by allowing us to attract, retain, reward, and motivate individuals eligible under the 2006 Plan to strive for our continued success by giving them additional opportunities to purchase further equity stakes in our company.

**Administration.** The Compensation Committee of our board of directors administers the 2006 Plan and determines which persons will receive grants of awards and the type of award to be granted to such persons. The Compensation Committee also interprets the provisions of the 2006 Plan and makes all other determinations that it deems necessary or advisable for the administration of the 2006 Plan.

**Eligibility.** All eligible individuals will be able to participate in the 2006 Plan. Eligible individuals include our directors, officers, employees, independent contractors and consultants, as well as individuals who have accepted an offer of employment with us.

## Edgar Filing: CATALYST PHARMACEUTICAL PARTNERS, INC. - Form DEF 14A

Transferability of awards. Awards are non-transferable other than by will or by the laws of descent and distribution or as otherwise expressly allowed by the Compensation Committee pursuant to a gift to members of an eligible person's immediate family. The gift may be directly or indirectly transferred, by means of a trust, partnership, or otherwise. Stock options and stock appreciation rights may be exercised only by the optionee, any such permitted transferee or a guardian, legal representative or beneficiary.

**Table of Contents**

**Change of control.** If there is a change in control of Catalyst Pharmaceutical Partners, Inc., any award that is not exercisable and vested may become immediately exercisable and vested in the sole and absolute discretion of the Compensation Committee. Vested awards will be deemed earned and payable in full. The Compensation Committee may also terminate the awards, entitling participants to a cash payment. If we are liquidated or dissolved, awards may also be converted into the right to receive liquidation proceeds. In the event that the Compensation Committee does not terminate or convert an award upon a change of control, then the award will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation.

**Amendments, modifications and termination.** Our board of directors may, at any time, suspend or terminate the 2006 Plan, but the board may not impair the rights of holders of outstanding awards without the holder's consent. No amendment to the 2006 Plan may be made without consent of our stockholders. In the event that an award is granted to a person residing outside of the United States, the board may, at its discretion, modify the terms of the agreement to comply with the laws of the country of which the eligible individual is a resident. The 2006 Plan will terminate 10 years after its effective date.

**Outstanding Equity Awards at Fiscal Year End**

The following table sets forth certain information regarding equity-based awards held by our named executive officers as of December 31, 2012.

**OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2012**

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Market Value of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Rights That Have Not Vested
Patrick J. McEnany	364,804			0.69	03/04/15				
	15,000			2.49	11/12/13				
	150,000			0.90	10/20/14				
	75,000			1.09	11/05/15				
	66,666	33,334		1.07	12/16/16				
	66,666	133,334		0.47	12/12/17				
Alicia Grande	15,000			2.49	11/12/13				
	90,000			0.90	10/20/14				
	40,000			1.09	11/05/15				
	60,000	30,000		1.07	12/16/16				
	66,666	133,334		0.47	12/12/17				
Steven R. Miller, Ph.D.	15,000			2.49	11/12/13				
	175,000			0.90	10/20/14				
	60,000			1.09	11/05/15				
	60,000	30,000		1.07	12/16/16				
	66,666	133,334		0.47	12/12/17				

**Option Exercises**

No options have been exercised by any of our named executive officers through December 31, 2012.

**Table of Contents****COMPENSATION OF DIRECTORS****Fiscal 2012 Director Compensation**

The following table provides information regarding compensation earned by our non-employee Directors for the year ended December 31, 2012.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (1) (2) (\$)	Total (\$)
Philip H. Coelho (3)	26,000	15,142	41,142
Hubert E. Huckel	27,000	15,142	42,142
Charles B. O Keeffe (4)	53,000	15,142	68,142
David S. Tierney (5)	31,000	15,142	46,142
Milton J. Wallace (6)	38,500	15,142	53,642

- (1) All figures represent the amounts recognized for financial statement reporting purposes with respect to the fiscal year ended December 31, 2012, which for all grants was equal to the grant date fair value, computed in accordance with FASB ASC Topic 718. Non-employee directors receive options each year. In December 2012, each of our directors received five-year stock options to purchase 50,000 shares of our common stock. These options have an exercise price of \$0.47 per share (the market price of our common stock on the grant date) and vested immediately upon grant.
- (2) The aggregate number of stock options held by each non-employee director as of December 31, 2012 is indicated in the table below:

Name	Number of Options
Philip H. Coelho	140,000
Hubert E. Huckel	504,804
Charles B. O Keeffe	225,000
David S. Tierney	154,000
Milton J. Wallace	154,000

- (3) Mr. Coelho was named chairman of the Audit Committee of the Board in March 2013. Beginning with the 2013 fiscal year, Mr. Coelho will receive additional compensation for his services as chairman of the Audit Committee as described in the narrative below.
- (4) Mr. O Keeffe serves as our lead independent director and chairman of the Nominating & Corporate Governance Committee of the Board. Mr. O Keeffe received additional compensation for his services as lead independent director and chairman of the Nominating & Corporate Governance Committee as described in the narrative below.
- (5) Dr. Tierney serves as chairman of the Compensation Committee of the Board. Dr. Tierney received additional compensation for his services as chairman of the Compensation Committee as described in the narrative below.
- (6) Mr. Wallace resigned from our Board of Directors on February 22, 2013. Mr. Wallace has advised us that his resignation was due to personal reasons and was not due to any disagreements between Mr. Wallace, on the one hand, and the Company, on the other hand, as to any matters relating to the Company's operations, policies or practices.

**Compensation of Directors**

## Edgar Filing: CATALYST PHARMACEUTICAL PARTNERS, INC. - Form DEF 14A

For 2012, non-employee directors received an annual retainer of \$20,000, plus meeting fees of \$1,500 for Board meetings, \$500 for Board meetings attended by telephone and \$500 for committee meetings. Further, the chair of the Audit Committee received an additional annual retainer of \$10,000 and the chairs of the Compensation Committee and the Nominating and Corporate Governance Committee received an additional annual retainer of \$5,000. Finally, our lead independent director received an additional retainer of \$20,000. Non-employee directors also received the stock option grants in December 2012 that are described above.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

As of the Record Date for this Proxy Statement, we had 41,420,687 shares of our common stock outstanding. The following table sets forth, as of the date of this proxy statement, certain information regarding the shares of common stock owned of record or beneficially by (i) each person who owns beneficially more than 5% of our outstanding common stock; (ii) each of our directors and named executive officers; and (iii) all directors and officers as a group.

Name	Shares Beneficially Owned (1)	
	Number	Percentage
BioMarin Pharmaceutical, Inc. (2)	6,666,667	16.1
Federated Investors, Inc. (3)	4,034,207	9.7
Patrick J. McEnany (4)(5)	4,440,305	10.5
Hubert Huckel, MD (6)	1,928,938	4.3
Charles B. O Keeffe (7)	408,376	*
David S. Tierney (8)	352,401	*
Philip H. Coelho (9)	246,636	*
Steven R. Miller (10)	491,420	*
Alicia Grande (11)	338,012	*
All officers and directors as a group (9 persons)(12)	8,510,881	19.2

\* Less than one percent

- (1) Unless otherwise indicated, each person named in the table has the sole voting and investment power with respect to the shares beneficially owned. Further, unless otherwise noted, the address for each person named in this table is c/o Catalyst Pharmaceutical Partners, Inc.
- (2) Reported in a Schedule 13G filed by BioMarin on December 11, 2012. According to the Schedule 13G, BioMarin's address is 105 Digital Drive, Novato, CA 94949.
- (3) Reported in a Schedule 13G filed by Federated on February 12, 2013. According to the Schedule 13G, Federated's address is Federated Investors Tower, Pittsburgh, PA 15222-3779.
- (4) Includes 145,922 shares owned by Mr. McEnany's wife.
- (5) Includes options to purchase 738,136 shares of our common stock, of which 364,804 shares are exercisable at a price of \$0.69 per share, 15,000 shares are exercisable at a price of \$2.49 per share, 150,000 shares are exercisable at a price of \$0.90 per share, 75,000 shares are exercisable at a price of \$1.09 per share, 66,666 shares are exercisable at a price of \$1.07 per share, and 66,666 shares are exercisable at a price of \$0.47 per share. Also includes a five-year warrant to purchase 31,250 shares of our common stock at an exercise price of \$1.04 per share that expires on May 30, 2017. Excludes unvested stock options to purchase 33,334 shares of our common stock at an exercise price of \$1.07 per share that will vest on December 16, 2013, and 133,334 shares of our common stock at an exercise price of \$0.47 per share that will vest on the following schedule: (i) 12/12/2013: 66,667 shares, and (ii) 12/12/2014: 66,667 shares.
- (6) Includes options to purchase 499,804 shares of our common stock, of which 364,804 shares are exercisable at a price of \$0.69 per share, 5,000 shares are exercisable at a price of \$2.55 per share, 30,000 shares are exercisable at a price of \$0.90 per share, 25,000 shares are exercisable at a price of \$1.09 per share, 25,000 shares are exercisable at a price of \$1.07 per share, and 50,000 shares are exercisable at a price of \$0.47 per share. Also includes a five-year warrant to purchase 125,000 shares of our common stock at an exercise price of \$1.04

per share that expires on May 30, 2017.

- (7) Includes options to purchase 220,000 shares of our common stock, of which 5,000 shares are exercisable at a price of \$2.55 per share, 105,000 shares are exercisable at a price of \$0.90 per share, 30,000 shares are exercisable at a price of \$1.09 per share, 30,000 shares are exercisable at a price of \$1.07 per share, and 50,000 shares are exercisable at a price of \$0.47 per share. Also includes a five-year warrant to purchase 31,250 shares of our common stock at an exercise price of \$1.04 per share that expires on May 30, 2017.



**Table of Contents**

- (8) Includes options to purchase 147,000 shares of our common stock, of which 7,000 shares are exercisable at a price of \$2.55 per share, 30,000 shares are exercisable at a price of \$0.90 per share, 30,000 shares are exercisable at a price of \$1.09 per share, 30,000 shares are exercisable at a price of \$1.07 per share, and 50,000 shares are exercisable at a price of \$0.47 per share.
- (9) Includes options to purchase 135,000 shares of our common stock, of which 5,000 shares are exercisable at a price of \$2.55 per share, 30,000 shares are exercisable at a price of \$0.90 per share, 25,000 shares are exercisable at a price of \$1.09 per share, 25,000 shares are exercisable at a price of \$1.07 per share, and 50,000 shares are exercisable at a price of \$0.47 per share.
- (10) Includes options to purchase 376,666 shares of our common stock, of which options to purchase 15,000 shares are exercisable at a price of \$2.49 per share, options to purchase 175,000 shares are exercisable at a price of \$0.90 per share, options to purchase 60,000 shares are exercisable at a price of \$1.09 per share, options to purchase 60,000 shares are exercisable at a price of \$1.07 per share and 66,666 are exercisable at a price of \$0.47 per share. Excludes unvested options to purchase 30,000 shares of common stock at an exercise price of \$1.07 per share vesting on 12/16/2013 and 133,334 shares of common stock at an exercise price of \$0.47 per share that will vest on the following schedule: (i) 12/12/2013: 66,667, and (ii) 12/12/2014: 66,667.
- (11) Includes options to purchase 271,666 shares of our common stock, of which options to purchase 15,000 shares are exercisable at a price of \$2.49 per share, options to purchase 90,000 shares are exercisable at a price of \$0.90 per share, options to purchase 40,000 shares are exercisable at a price of \$1.09 per share, options to purchase 60,000 shares are exercisable at a price of \$1.07 per share and options to purchase 66,666 shares are exercisable at a price of \$0.47 per share. Excludes unvested options to purchase 30,000 shares of common stock at an exercise price of \$1.07 per share vesting on 12/16/2013 and 133,334 shares of common stock at an exercise price of \$0.47 per share that will vest on the following schedule: (i) 12/12/2013: 66,667, and (ii) 12/12/2014: 66,667.
- (12) Includes options and warrants to purchase 2,863,272 shares at prices ranging from \$0.47 per share to \$2.49 per share. Excludes unvested options to purchase 643,336 shares at prices ranging from \$0.47 per share to \$1.07 per share.

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Since 2010, we have had no transactions or proposed transactions in which we were or are to be participants and in which any related person had or will have a direct or indirect material interest.

**Table of Contents****PROPOSAL ONE****ELECTION OF DIRECTORS**

Our certificate of incorporation and bylaws provide for a board of directors elected annually for one-year terms. The Board of Directors has no reason to believe that any of the persons named will be unable to serve if elected. If any nominee is unable to serve as a director, the enclosed proxy will be voted for a substitute nominee selected by the Board of Directors.

**Nominees for Director**

The nominees for director are as follows:

<b>Name</b>	<b>Age</b>	<b>Director Since</b>
Patrick J. McEnany	65	January 2002
Philip H. Coelho	68	October 2002
Hubert E. Huckel, M.D.	81	January 2002
Charles B. O'Keefe	73	December 2004
David S. Tierney, M.D.	49	October 2002

Biographical information about the nominees for director is contained above in Our Board of Directors.

**Consideration of Future Nominees**

The Nominating and Corporate Governance Committee of our Board will consider director candidates recommended by our stockholders. Any stockholder wishing to submit a recommendation with respect to the 2014 Annual Meeting of Stockholders should send a signed letter of recommendation to Catalyst Pharmaceutical Partners, Inc., 355 Alhambra Circle, Suite 1500, Coral Gables, Florida 33134, Attention: Corporate Secretary. To be considered, recommendation letters must be received between January 19, 2014 and February 18, 2014, and must include: (i) all information about the nominee required to be disclosed in solicitations of proxies in an election contest; (ii) the written consent of the nominee to the nomination and such nominee's willingness to serve if elected; and (iii) the name and address of the stockholder making such recommendation, the class and number of shares of capital stock the stockholder owns, and a representation by the stockholder that such stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear, in person or by proxy, to propose such nomination.

**Vote Required**

The election of directors requires a plurality of the votes cast by the holders of our common stock. A plurality means the individuals who receive the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen at the meeting. Consequently, any shares not voted (whether by abstention, broker non-vote or otherwise) have no impact on the election of directors.

**The Board of Directors recommends a vote in favor of those persons nominated for election to the Board of Directors.**

**PROPOSAL TWO****ADVISORY VOTE ON OUR NAMED EXECUTIVE OFFICERS' COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) requires that we include in this Proxy Statement for the 2013 Annual Meeting of Stockholders a non-binding, advisory stockholder vote to approve the compensation of our named executive officers as described above under Executive Compensation, and the compensation tables, set forth in this Proxy Statement.

## **Table of Contents**

This proposal, commonly known as a "say-on-pay" proposal, is a non-binding vote, but it gives stockholders the opportunity to express their views on the compensation of the Company's named executive officers. This vote is not to address any specific item of compensation, but rather the overall compensation of our named executive officers.

Accordingly, the following resolution is submitted for stockholder vote at the Annual Meeting:

**RESOLVED**, that the stockholders of Catalyst Pharmaceutical Partners, Inc. approve, on an advisory basis, the compensation of its named executive officers as disclosed in the Proxy Statement for the Annual Meeting of Stockholders held on May 30, 2013, pursuant to Item 402 of Regulation S-K, including the narrative discussion of executive compensation, the accompanying tabular disclosure regarding named executive officer compensation and the corresponding narrative disclosure and footnotes.

This vote is advisory, which means that it is not binding on the Company, our Board of Directors or the Compensation Committee of the Board of Directors. The Company recognizes that stockholders may have different views as to the best approach for the Company, and therefore we look forward to hearing from our stockholders as to their preferences on the compensation of our named executive officers. The Board of Directors and the Compensation Committee will take into account the outcome of the vote; however, when considering the compensation of our named executive officers, the Board of Directors may decide that it is in the best interest of stockholders and the Company to continue its current compensation practices regardless of the result of the votes on this proposal.

We have determined that our stockholders should cast an advisory vote on the compensation of our named executive officers on a triennial (every three years) basis (see Proposal Three for further details). Unless this policy changes, the next advisory vote on the compensation of our named executive officers will be held at the 2016 Annual Meeting of Stockholders.

**The Board of Directors recommends a vote in favor of the approval, on an advisory basis, of the compensation paid to our named executive officers, as disclosed in this proxy statement.**

### **PROPOSAL THREE**

#### **ADVISORY VOTE ON THE FREQUENCY OF**

#### **FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION**

The Dodd-Frank Act added Section 14A to the Securities Exchange Act of 1934, which requires that we provide stockholders with the opportunity to vote, on a non-binding, advisory basis, for their preference as to how frequently to vote on future advisory votes on the compensation of our named executive officers as disclosed in accordance with the compensation disclosure rules of the Securities and Exchange Commission.

After careful consideration, the Board of Directors recommends that future advisory votes on executive compensation occur once every three years (triennially). The Board of Directors believes this frequency is appropriate for a number of reasons, including that a triennial vote encourages a longer-term view of compensation by stockholders by allowing them an appropriate timeframe to evaluate the Company's performance and the overall effectiveness of the executive compensation program.

## **Table of Contents**

For the foregoing reasons, the Company encourages its stockholders to evaluate the Company's executive compensation programs over a multi-year horizon and to review its named executive officers' compensation over the past three fiscal years as reported in the Summary Compensation Table above. In addition, the Company believes that a triennial advisory vote on executive compensation reflects the appropriate time frame for the Compensation Committee and the Board of Directors to evaluate the results of the most recent advisory vote on executive compensation, to discuss the implications of that vote with stockholders to the extent needed, to develop and implement any adjustments to its executive compensation programs that may be appropriate in light of a past advisory vote on executive compensation, and for stockholders to see and evaluate the Compensation Committee's actions in context.

This vote is advisory, which means that it is not binding on the Company, our Board of Directors or the Compensation Committee of the Board of Directors. The Company recognizes that stockholders may have different views as to the best approach for the Company, and therefore we look forward to hearing from our stockholders as to their preferences on the frequency of an advisory vote on executive compensation. The Board of Directors and the Compensation Committee will take into account the outcome of the vote; however, when considering the frequency of future advisory votes on executive compensation, the Board of Directors may decide that it is in the best interest of stockholders and the Company to hold an advisory vote on executive compensation on a different schedule than the one recommended by stockholders.

Stockholders may cast a vote on the preferred voting frequency by selecting the option of annually (every year), biennially (every two years) or triennially (every three years), or abstain, when voting in response to the resolution set forth below:

**RESOLVED**, that stockholders determine, on an advisory basis, whether the preferred frequency of an advisory vote on the executive compensation of the Company's named executive officers as set forth in the Company's proxy statement should be every year, every two years or every three years.

The proxy card provides shareholders with the opportunity to choose from among four options (holding the vote annually (every year), biennially (every two years), or triennially (every three years), or abstain from voting) and, therefore, shareholders will not be voting to approve or disapprove the recommendation of the Board of Directors.

**The Board of Directors recommends that stockholders vote to conduct future advisory votes on named executive officer compensation once every three years.**

## **PROPOSAL FOUR**

### **RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

#### **General**

The purpose of this proposal is the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2013. Grant Thornton has served as our independent registered public accounting firm since 2006. The Audit Committee may direct the appointment of new independent auditors at any time during the year without notice to, or the consent of, the stockholders, and the Audit Committee would do so if it were in our best interest and the best interest of our stockholders. Grant Thornton provided services in connection with the audit of our financial statements for the year ended December 31, 2012. Representatives of Grant Thornton are expected to be present at the Annual Meeting and will be given an opportunity to make a statement if so desired and to respond to appropriate questions.

#### **Audit Fees**

Information about fees paid to Grant Thornton in fiscal years 2012 and 2011 are contained above in Independent Auditor's Fees.

## **Table of Contents**

### **Pre-Approval of Audit Functions**

Pursuant to its written charter, the Audit Committee is responsible for pre-approving all audit and permitted non-audit services to be performed for us by our independent registered public accounting firm or any other auditing or accounting firm. 100% of the services provided to us by Grant Thornton in 2012 and 2011 were pre-approved by the Audit Committee.

**The Board of Directors recommends that stockholders approve the proposal to ratify the appointment of Grant Thornton LLP as our Independent Registered Public Accounting Firm for the year ending December 31, 2013.**

### **OTHER MATTERS**

The Board is not aware of any other business that may come before the meeting. However, if additional matters properly come before the meeting, proxies will be voted at the discretion of proxy holders.

### **CONTACTING THE BOARD OF DIRECTORS**

Stockholders may communicate with the board of directors by directing their communications in a hard copy (i.e. non-electronic) written form to the attention of one or more members of the Board of Directors, or to the Board of Directors collectively, at our principal executive office located at 355 Alhambra Circle, Suite 1500, Coral Gables, Florida 33134, Attention: Corporate Secretary. A stockholder communication must include a statement that the author of such communication is a beneficial or record owner of shares of our common stock. Our corporate secretary will review all communications meeting the requirements discussed above and will remove any communications relating to (i) the purchase or sale of our products or services; (ii) communications from suppliers or vendors relating to our obligations to such supplier or vendor; (iii) communications from pending or threatened opposing parties in legal or administrative proceedings regarding matters not related to securities law matters or fiduciary duty matters, and (iv) any other communications that the corporate secretary deems, in his reasonable discretion, to be unrelated to our business. The corporate secretary will compile all communications not removed in accordance with the procedure described above and will distribute such qualifying communications to the intended recipient(s). A copy of any qualifying communications that relate to our accounting and auditing practices will also be automatically sent directly to the Chairman of the Audit Committee, whether or not it was directed to such person.

### **STOCKHOLDER PROPOSALS**

Stockholder proposals intended to be presented at the 2014 Annual Meeting of Stockholders must be received by our corporate secretary not later than December 30, 2013 at our principal executive offices, 355 Alhambra Circle, Suite 1500, Coral Gables, Florida 33134, Attention: Corporate Secretary, for inclusion in the proxy statement and proxy relating to the 2014 Annual Meeting of Stockholders. Additionally, we must receive notice of any stockholder proposal to be submitted at the 2014 Annual Meeting of Stockholders (but not required to be in our proxy statement) by February 18, 2014, or such proposal will be considered untimely pursuant to Rule 14a-5(e) and 14a-8 under the Exchange Act. The persons named in the proxies solicited by management may exercise discretionary voting authority with respect to such proposal.

**Table of Contents**

**ADDITIONAL INFORMATION**

The Company is delivering its Annual Report to its stockholders with this proxy statement. The Company will furnish without charge to any stockholder submitting a written request, the Company's 2012 Annual Report on Form 10-K as filed with the Securities and Exchange Commission, including the financial statements and any schedules thereto. Such written requests should be directed to the Company, Attention: Corporate Secretary, at the address set forth above.

BY ORDER OF THE BOARD OF DIRECTORS

**Patrick J. McEnany**

**Chairman of the Board**

Coral Gables, Florida

April 15, 2013

**Table of Contents**

**CATALYST PHARMACEUTICAL PARTNERS, INC.**

**355 Alhambra Circle, Suite 1500**

**Coral Gables, Florida 33134**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Patrick J. McEnany and Alicia Grande, and each of them, with full power of substitution, proxies of the undersigned, to attend and vote all the shares of common stock, \$0.001 par value per share, of Catalyst Pharmaceutical Partners, Inc., a Delaware corporation (the Company), which the undersigned would be entitled to vote at the 2013 Annual Meeting of Stockholders to be held at 9:00 a.m. local time, on Thursday, May 30, 2013 or any adjournment thereof, according to the number of votes the undersigned would be entitled to vote if personally present upon the matters referred to in this proxy.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1, 2, 4 AND 5 AND 3 YEARS FOR PROPOSAL 3.**

1. PROPOSAL ONE Election of Directors

To elect the following persons as Directors of the Company:

For a one year term

Patrick J. McEnany

Philip H. Coelho

Hubert E. Huckel, M.D.

Charles B. O Keeffe

David S. Tierney, M.D.

.. FOR ALL NOMINEES except as indicated

.. WITHHOLD AUTHORITY to vote for all nominees (INSTRUCTION: To withhold authority for an individual nominee, strike a line through that nominee's name in the list above.)

2. PROPOSAL TWO To approve, on an advisory basis, the compensation of our named executive officers.

.. FOR

.. AGAINST

.. ABSTAIN

3. PROPOSAL THREE To select, on an advisory basis, the frequency of say-on-pay votes.

.. 1 YEAR

.. 2 YEARS

Edgar Filing: CATALYST PHARMACEUTICAL PARTNERS, INC. - Form DEF 14A

“ 3 YEARS

“ ABSTAIN

4. PROPOSAL FOUR To ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013.

“ FOR

“ AGAINST

“ ABSTAIN

5. PROPOSAL FIVE To transact such other business as may properly come before the meeting.

“ FOR

“ AGAINST

“ ABSTAIN



**Table of Contents**

This Proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted FOR proposals 1, 2, 4 and 5 and 3 YEARS for proposal 3 as set forth herein.

The undersigned acknowledges receipt of Notice of Annual Meeting of Stockholders dated April 15, 2013, and the accompanying Proxy Statement.

Date: \_\_\_\_\_, 2013.

Signature

Name(s) (typed or printed)

Address(es)

Please sign exactly as name appears on this Proxy. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED.