

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) April 7, 2016

NAVIDEA BIOPHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>001-35076</u> (Commission File Number)	<u>31-1080091</u> (IRS Employer Identification No.)
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<u>5600 Blazer Parkway, Suite 200, Dublin, Ohio</u> (Address of principal executive offices)	<u>43017</u> (Zip Code)
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Registrant's telephone number, including area code (614) 793-7500

(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 (see General Instruction A.2. below):

- 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 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

On April 7, 2016, Navidea Biopharmaceuticals, Inc. (the “Company”) received a notice (the “Notice”) from Capital Royalty Partners II L.P., as Secured Party and as Control Agent, Capital Royalty Partners II – Parallel Fund “A” L.P., as Secured Party, and Parallel Investment Opportunities Partners II L.P., as Secured Party (collectively, “CRG”), pursuant to the Term Loan Agreement, dated May 8, 2015, as amended by Amendment 1 to Term Loan Agreement, dated as of December 23, 2015 (as amended, the “Loan Agreement”), by and among the Company, the subsidiary guarantors from time to time party thereto and CRG.

The Notice claims that Events of Default have occurred under Sections 11.01(m) (alleging that a Change of Control has occurred), 11.01(e) (alleging that the Company’s agreement with Platinum reported in the Company’s Current Report on Form 8-K filed on March 18, 2016 constituted an amendment, modification, waiver or supplement to the Loan Agreement, dated July 25, 2012, between the Company and Platinum-Montaur Life Sciences LLC that required the written consent of CRG and that a subsidiary of the Company opened a bank account without notifying CRG) and 11.01(d) (alleging that the failure by the Company to notify CRG of a Default itself constitutes an Event of Default) of the Loan Agreement. The Company has also learned that CRG filed an Original Petition (the “Petition”) in the District Court for Harris County, Texas alleging the same Events of Default as set forth in the Notice and seeking an undetermined amount of damages and a declaratory judgment that the Company is in default under the Loan Agreement and that CRG, as a result, is entitled to the remedies set forth in Section 11.02 of the Loan Agreement. In the Notice, CRG indicated that it elected not to require the amounts due under the Loan Agreement to be immediately due and payable, but claims that the Obligations under the Loan Agreement shall accrue interest at a rate equal to the Default Rate until paid in full.

The Company’s position is that the alleged claims do not constitute Events of Default under the Loan Agreement and intends to vigorously defend against these claims. The Company is evaluating its options, including the possible assertion of counterclaims.

The description of the Notice set forth above does not purport to be complete and is qualified by reference to the Notice, a copy of which is set forth herein as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<i>Exhibit Number</i>	<i>Exhibit Description</i>
99.1	Notice from CRG

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.

Navidea Biopharmaceuticals, Inc.

Date: April 13, 2016

By: /s/ Brent L. Larson
Brent L. Larson, Executive Vice President
and Chief Financial Officer

Exhibit Index

*Exhibit
Number*

Exhibit Description

99.1

Notice from CRG



April 7, 2016

Navidea Biopharmaceuticals, Inc.
5600 Blazer Parkway, Suite 200
Dublin, OH 43017-1367
Attention: CFO
Tel: 614-973-7474
Fax: 614-793-7522
E-mail: blarson@navidea.com
E-mail in care of: bjohnson@navidea.com

Kevin W. Waite

Moomjian, Waite & Coleman, LLP

800 Third Avenue, 17th Floor

New York, NY 10022

Email: kwaite@mwcllp.com

Phone: 516-937-5900 ext. 48

Re: Term Loan Agreement

Dear Brent:

Reference is made to that certain Term Loan Agreement, dated as of May 8, 2015, as amended by that certain Amendment 1 to Term Loan Agreement, dated as of December 23, 2015 (as so amended, the "**Loan Agreement**"), by and among Navidea Biopharmaceuticals, Inc. (the "**Company**"), the subsidiary guarantors from time to time party thereto and the lenders from time to time party thereto (each a "**Lender**" and collectively the "**Lenders**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Loan Agreement.

Notice is hereby given that Events of Default have occurred under Sections 11.01(m), 11.01(e) and 11.01(d) of the Loan Agreement due to a Change of Control of the Company, the failure to comply with the terms of that certain subordination agreement with Platinum-Montaur Life Sciences LLC ("**Platinum-Montaur**") and the failure to comply with Sections 8.02(o) thereof:

- Clause (c) of the defined term "Change of Control" includes "the acquisition of direct or indirect Control of Borrower by any Person or group of Persons acting jointly or otherwise in concert; in each case whether as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise." The assumption of control by Dr. Michael Goldberg, certain board members and/or Platinum Entities constitutes the acquisition of direct or indirect Control of Borrower by a Person or group of Persons acting jointly or otherwise in concert.

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Section 3.2 of that certain subordination agreement dated as of May 8, 2015 by and among the Lenders, Capital Royalty Partners II L.P., as Senior Creditor Agent (in such capacity, the “*Agent*”), the Company and Platinum-Montaur provides that neither the Company nor Platinum-Montaur shall, without the prior written consent of the Agent, agree to any amendment, modification, waiver or supplement to the Subordinated Debt Documents (as defined therein). On March 14, 2016, the Company entered into that certain Agreement with Platinum Partners Value Arbitrage Fund L.P., Platinum Partners Liquid Opportunity Master Fund L.P., Platinum-Montaur Life Sciences, LLC, Platinum Management (NY) LLC, Platinum Liquid Opportunity Management (NY) LLC and Mark Nordlicht (collectively, the “*Platinum Entities*”), which constituted an amendment, modification, waiver or supplement to that certain Loan Agreement, dated July 25, 2012, between the Company and Platinum-Montaur Life Sciences LLC (the “*Platinum Agreement*”). The Company failed to receive the written consent of the Lenders prior to amending the Platinum Agreement, which failure has continued for more than 20 days thereby constituting an Event of Default under Section 11.01(e) of the Loan Agreement.

Section 8.02(o) of the Loan Agreement requires prompt written notice to the Lenders following any change to an Obligor’s ownership of Deposit Accounts, Securities Accounts and Commodity Accounts by delivering to the Lenders an updated Annex 7 to the Security Agreement setting forth a complete and correct list of all such accounts as of the date of such change. We understand Macrophage Therapeutics, Inc. has opened a new account. The failure to provide the requisite notice constitutes an Event of Default under Section 11.01(d) of the Loan Agreement. Further, pursuant to Section 4.01(c) of the Security Agreement each Obligor is required to promptly enter into such control agreements as may be required to perfect the Lenders’ security interests in any and all Deposit Accounts, Securities Accounts and Commodity Accounts owned by an Obligor. The failure to enter into such control agreements, if such failure continues for more than 20 days, constitutes an Event of Default under Section 11.01(e) of the Loan Agreement. We remind you that only unencumbered cash and Permitted Cash Equivalent Investments held in accounts that are subject to a control agreement in favor of the Lenders will count for purposes of the Liquidity covenant in Section 10.01 of the Loan Agreement.

In addition, pursuant to Sections 8.02(a), the Company is required to notify the Lenders promptly following the occurrence of any Default. As of the date hereof, the Company has not notified the Lenders of any Defaults or Events of Default. The failure to comply with Section 8.02(a) constitutes a further Event of Default under Section 11.01(d) of the Loan Agreement.

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We note that Section 8.02(q) of the Loan Agreement requires the Company to provide such information respecting the operations, properties, business or condition (financial or otherwise) of the Company as the Majority Lenders may reasonably request from time to time. As of the date hereof, the Company has not satisfied the March 28 informational requests of David Carter and Luke Düster, as detailed in the letter to you on April 1, 2016. This breach is particularly concerning in light of the fact that the auditors identified material weaknesses in controls and the Company has failed to provide additional details related to this matter to the Lenders. Failure to timely comply with the Company's disclosure obligations under Sections 8.01(c) (with respect to material issues raised by the Company's auditors), 8.01(d), 8.01(e), 8.01(k), 8.02(a), 8.02(p) and 8.02(q) will result in additional Events of Default.

The foregoing does not purport to be a complete or exclusive list of existing or imminent Events of Default under the Loan Documents. Consequently, we reserve the right to recognize and notify you of Defaults or Events of Default at any time.

Pursuant to the Loan Agreement, the Lenders may terminate the Commitments and declare all Obligations outstanding under the Loan Agreement to be immediately due and payable. The Lenders have elected in their discretion not to require immediate payment at this time, but reserve the right to do so at any time. In light of the foregoing defaults, the Obligations accrue interest at a rate equal to the Default Rate until paid in full.

Such election of remedies as of the date hereof does not mean that the Lenders have waived any Default, Event of Default or any rights or remedies under the Loan Agreement and the Security Documents. The Lenders expressly reserve the right at any time to exercise such rights and remedies.

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Respectfully,

CAPITAL ROYALTY PARTNERS II L.P.,
as Secured Party and as Control Agent

By CAPITAL ROYALTY PARTNERS II GP
L.P., its General Partner

By CAPITAL ROYALTY PARTNERS II
GP LLC, its General Partner

By /s/ Andrei Dorenbaum

Name: Andrei Dorenbaum

Title: authorized signor

CAPITAL ROYALTY PARTNERS II –
PARALLEL FUND “A” L.P., as Secured Party

By CAPITAL ROYALTY PARTNERS II –
PARALLEL FUND “A” GP L.P., its General Partner

By CAPITAL ROYALTY PARTNERS II –
PARALLEL FUND “A” GP LLC, its
General Partner

By /s/ Andrei Dorenbaum

Name: Andrei Dorenbaum

Title: authorized signor

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PARALLEL INVESTMENT OPPORTUNITIES
PARTNERS II L.P., as Secured Party

By PARALLEL INVESTMENT
OPPORTUNITIES PARTNERS II GP L.P., its
General Partner

By PARALLEL INVESTMENT
OPPORTUNITIES PARTNERS II GP LLC,
its General Partner

By /s/ Andrei Dorenbaum

Name: Andrei Dorenbaum

Title: authorized signor

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