

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 6, 2020**

**OBALON THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-37897**

(Commission  
File Number)

**20-1828101**

(IRS Employer  
Identification No.)

**5421 Avenida Encinas, Suite F  
Carlsbad, California**

(Address of principal executive offices)

**92008**

(Zip Code)

**(844) 362-2566**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	OBLN	The NASDAQ Stock Market LLC (NASDAQ Global Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.**

On May 8, 2020, Obalon Therapeutics, Inc. (the “Company”) announced that William Plovanic, age 51, had notified the Board of Directors (the “Board”) of the Company of his resignation from his position as President, and Chief Executive Officer of the Company, which is anticipated to occur on or before June 29, 2020 (the “Effective Date”). Mr. Plovanic will continue to serve as a Class I director of the Company following his resignation as President and Chief Executive Officer. A copy of the press release announcing the resignation is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On May 8, 2020, the Company announced that Andrew Rasdal, the Company’s Executive Chairman, has agreed to assume the roles of President and Chief Executive Officer following the Effective Date of Mr. Plovanic’s resignation. Information regarding Mr. Rasdal’s age, background, business experience, compensation and any related party transactions appears in Amendment No. 1 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission on April 29, 2020 under Item 10. “Information about our Executive Officers,” Item 11. “Executive Compensation,” and Item 13. “Certain Relationships and Related Party Transactions,” which information is incorporated herein by reference. There are no family relationships between Mr. Rasdal and any of the Company’s directors or executive officers.

In addition, on May 11, 2020, the Company announced a reduction in the annual base salaries of Messrs. Plovanic and Rasdal, as well as Mark Brister, Chief Technology Officer, Amy Vandenberg, Chief Quality Assurance, Clinical and Regulatory Affairs Officer, and Nooshin Hussainy, Chief Financial Officer, in each case, to \$100,000, effective May 1, 2020. In addition, each of Mr. Rasdal and Ms. Hussainy will be entering into an amended and restated retention agreement that will no longer provide for certain severance payments and benefits upon a termination of employment or a change of control of our Company, but instead will provide for (i) accelerated vesting of all time-vesting equity awards held by Mr. Rasdal and Ms. Hussainy as of the date of a “change of control transaction” (as defined therein) and (ii) a lump-sum change of control transaction bonus in the amount of \$250,000. Mr. Rasdal and Ms. Hussainy also agreed to further reduce their annual base salaries to approximately \$55,000 in June 2020.

Mr. Brister and Ms. Vandenberg are expected to resign from the Company on a date to be mutually agreed but expected to be no later than June 30, 2020; upon such resignation, each is expected to continue to serve as a consultant to the Company to be paid on an hourly basis. In connection with their resignation, each executive’s retention agreement is expected to be terminated. Additionally, in connection with their resignation, it is anticipated that Mr. Brister and Ms. Vandenberg will be eligible to receive a performance bonus equal to the amount of \$61,250 and based on the achievement of performance goals, and subject to the timely execution and non-revocation of a general release of claims.

A copy of the press release announcing the additional organizational changes is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

**Item 8.01 Other Events.**

(a) On May 11, 2020, the Company announced the various proposed organizational changes described above and provided an update on its ongoing evaluation of strategic alternatives and business options. A copy of the press release announcing the additional organizational changes and the business update is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

(b) On March 25, 2020, the Securities and Exchange Commission (“SEC”) issued an Order under Section 36 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Modifying Exemptions From the Reporting and Proxy Delivery Requirements for Public Companies (Release No. 34-88465) (the “Order”). The Order provides conditional relief to registrants subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act that are unable to meet certain filing deadlines due to circumstances related to coronavirus disease 2019 (“COVID-19”).

The Company is relying on the Order to delay the filing of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (the “Quarterly Report”) due to circumstances related to the COVID-19 outbreak. The Company has experienced significant disruptions to its business and operations as a result of COVID-19. In particular, there has been a substantial diversion of attention and resources to other operational matters and away from the Company’s usual quarterly reporting processes. The Company has temporarily halted all new patient treatments at its retail treatment centers and suspended manufacturing activity. The Company has not filled orders for United States customers or its international distributor since

March 2020. In addition, the "stay at home" directives issued by the Governor of California have limited the Company's access to its facilities and key personnel, as well as disrupted the Company's normal accounting and reporting processes for the Quarterly Report. We are evaluating the various impacts of COVID-19 on our financial statements, including potential impairment of inventory and long-lived assets.

The above circumstances have adversely affected the completion of our internal quarterly review resulting in our inability to file our Quarterly Report in a timely manner. The Company expects to file the Quarterly Report no later than June 29, 2020 (which is 45 days from the original filing deadline of May 15, 2020).

In addition, the Company is supplementing the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 with the following risk factor:

***The COVID-19 pandemic and efforts to reduce its spread have impacted, and may in the future periods negatively impact, our business and operations.***

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China. Since then, COVID-19 has spread to a number of other countries and all 50 states within the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. Our business, financial position and results of operations have been and will likely continue to be materially adversely affected by the COVID-19 pandemic. The COVID-19 pandemic has caused, and is continuing to cause, severe disruptions in our business, including our manufacturing facility, supply chain and distribution network. For example, in response to the COVID-19 pandemic, we temporarily halted all new patient treatments at our retail treatment centers and suspended manufacturing activity. We have not filled orders to our United States customers or international distributor since March 2020. In addition, we implemented a furlough with a temporary reduction in hours worked and reduced payroll for all employees, including our named executive officers. Governmental mandates, including shelter-in-place orders, restrictions on travel, quarantine policies and social distancing guidelines, have impacted, and we expect them to continue to impact, our personnel and personnel at our third-party suppliers. In addition, the spread of COVID-19 has disrupted the United States' healthcare and healthcare regulatory systems, which could divert healthcare resources away from, or materially delay FDA reviews and approvals with respect to our products. Furthermore, our clinical trials may be affected by COVID-19 due to delays or difficulties involving, among others, patient enrollment, site initiation and monitoring, authorizations from regulatory authorities and receipt of the supplies and materials needed to conduct any such trials or studies. We expect that the number of Obalon balloon placements, similar to other elective surgical procedures, will continue to be impacted by recommendations from governmental authorities to suspend or cancel elective, specialty and other procedures and appointments to avoid non-essential patient exposure to medical environments and potential infection with COVID-19. There are many uncertainties regarding COVID-19, including governmental and public health responses and the unknown duration and extent of economic disruption. Due to the uncertainty surrounding COVID-19, we do not currently plan to re-open our retail treatment centers, re-initiate our retail treatment center expansion plans, restart manufacturing operations or plan to ship orders to United States customers or our international distributor. As a result, it is not currently possible to determine all the ways in which COVID-19 will affect our business. However, based on the current state of the pandemic in the United States and abroad, the disease has already disrupted our operations and is likely to have a material adverse effect on our business, results of operations, financial condition, cash flows and stock price, as well heighten many of the risks described elsewhere in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2019.

*Forward Looking Statements*

This Current Report on Form 8-K contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to expectations or forecasts for future events, including, without limitation, the anticipated impact of the COVID-19 pandemic on the our business and operating results, our future financial or business performance or strategies, results of operations or financial condition. These statements may be preceded by, followed by or include the words "may," "might," "should," "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "continue," "target" or similar expressions. These forward-looking statements are based on information available to us as of the date they were made and involve a number of risks and uncertainties, which may cause them to turn out to be wrong. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. As a result of a number of known and unknown risks and uncertainties, including the unprecedented impact of COVID-19 pandemic on our business, employees, consultants, service providers, subcontractors and supply chain, stockholders, investors and other stakeholders, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements.

Please refer to our Form 10-K filed with the SEC as well as any subsequent filings made by us pursuant to the Exchange Act, each of which is available on the SEC's website ([www.sec.gov](http://www.sec.gov)), for a full discussion of the risks and other factors that may impact any forward-looking statements in this presentation.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits.*

	Description
99.1	<a href="#">Press Release dated May 8, 2020</a>
99.2	<a href="#">Press Release dated May 11, 2020</a>

**SIGNATURE**

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.

**OBALON THERAPEUTICS, INC.**

Date: May 12, 2020

By: /s/ Nooshin Hussainy

Nooshin Hussainy

Chief Financial Officer

# William Plovanic Resigns as President and Chief Executive Officer and Will Continue to Serve Solely as Director

*Obalon's Executive Chairman, Andy Rasdal, will reassume CEO position*

SAN DIEGO, CA, May 8, 2020 (GLOBE NEWSWIRE) -- Obalon Therapeutics, Inc. (NASDAQ:OBLN), a vertically integrated weight loss solutions company commercializing the first and only FDA-approved swallowable, gas-filled intragastric balloon system for the treatment of obesity, announces that William Plovanic, the Company's President and CEO has announced his resignation in order to accept another position.

Andy Rasdal, Executive Chairman and former CEO from June 2008 through January 2019, will assume the position of CEO upon Mr. Plovanic's departure.

To assist the Company in the transition, Mr. Plovanic has agreed to remain as President and CEO through completion and filing of Obalon's Form 10-Q for the quarter ended March 31, 2020 (the "Quarterly Report"). During the transition period, Mr. Plovanic will also begin to perform duties related to his new role with another organization. Mr. Plovanic will continue to serve as a director of Obalon after his transition.

Due to impact of COVID-19 and the "stay at home" directives issued by the Governor of California, the Company has experienced significant disruptions to its business and operations. In particular, there has been a substantial diversion of attention and resources away from the Company's usual quarterly reporting processes and the Company has had limited access to its facilities and key personnel, all of which has disrupted the normal accounting and reporting process for the Quarterly Report. In light of this, the Company intends to rely on the recent order issued by the Securities and Exchange Commission under Section 36 of the Securities Exchange Act of 1934, as amended, Modifying Exemptions From the Reporting and Proxy Deliver Requirements for Public Companies (Release No. 34-88465) (the "Order") that provides conditional relief to registrants that are unable to meet certain filing deadlines due to circumstances related to COVID-19. Consistent with Order, the Company intends to file its Quarterly Report no later than June 29, 2020.

## **About Obalon Therapeutics, Inc.**

Obalon Therapeutics, Inc. (NASDAQ:OBLN) is a San Diego-based company focused on developing and commercializing novel technologies for weight loss. For more information, please visit <http://www.obalon.com>.

## **Cautionary Statement Regarding Forward Looking Statements**

This press release contains forward-looking statements that are not purely historical regarding Obalon's or its management's intentions, beliefs, expectations and strategies for the future, including those related to new products and their potential benefits. All forward-looking statements and reasons why results might differ included in this press release are made as of the date of this release, based on information currently available to Obalon, deal with future events, are subject to various risks and uncertainties, and actual results could differ materially from those anticipated in those forward looking statements. The risks and uncertainties that may cause actual results to differ materially from Obalon's current expectations are more fully described in Obalon's annual report on Form 10-K for the period ended December 31, 2019 and

its other reports, each as filed with the Securities and Exchange Commission. Except as required by law, Obalon assumes no obligation to update any such forward-looking statement after the date of this report or to conform these forward-looking statements to actual results.

**For Obalon Therapeutics, Inc.**

Investor Contact:

Bill Plovanic

President and Chief Executive Officer

Obalon Therapeutics, Inc.

Office: +1 760 607 5103

[wplovanic@obalon.com](mailto:wplovanic@obalon.com)

## Obalon Announces Further Impacts Related To Covid-19 Crisis and Current Business Environment

SAN DIEGO, CA, May 11, 2020 (GLOBE NEWSWIRE) -- Obalon Therapeutics, Inc. ("Obalon" or the "Company") (NASDAQ:[OBLN](#)), a vertically integrated weight loss solutions company commercializing the first and only FDA-approved swallowable, gas-filled intragastric balloon system for the treatment of obesity, announces changes related to the impacts of the Covid-19 crisis and current business environment on its business, organization and strategic options.

As previously announced, the overall uncertainty, the restriction on elective procedures and the specific directives issued by the Governor of California as a result of Covid-19 have had a significant impact on Obalon's business. In March, the Company halted sales to new patients in its company-branded retail treatment centers and expansion plans for additional retail centers, which was particularly disappointing as it had generated an average of approximately 30 new patient sales per month at its San Diego center for the three months preceding the Covid-19 crisis. The Company also halted manufacturing operations and has not filled orders to US customers or its international distributor since that time.

Given those impacts and the significant concern about an economic recovery that would allow consumers to feel confident enough to spend on a cash-pay procedure like the Obalon Balloon System, the Company does not currently plan to re-open its retail stores or to re-initiate its expansion plans for additional retail centers. Additionally, the Company does not currently plan to restart manufacturing operations or to ship orders to its US customers or international distributor. As a result, the Company would not expect to report any meaningful revenue during the period beginning with the second quarter of 2020 and through at least the end of 2020.

The Company previously announced that it had engaged Canaccord Genuity as its financial advisor to explore strategic alternatives. To date, the Company has been unable to identify a strategic transaction that the board of directors believes to be in the best interests of the stockholders.

The Company continues to believe the Obalon balloon system can provide significant benefits to patients and value to the healthcare system. As a result, Obalon is taking steps to significantly reduce expenses in an effort to extend its cash runway while it evaluates potential business options and strategic alternatives that may be available when and if the current Covid crisis stabilizes and the economy rebounds. The immediate plans include a voluntary reduction in annual salary for all current executives to \$100,000 and the planned transition of Mark Brister, Chief Technical Officer, and Amy VandenBerg, Chief Clinical and Regulatory Officer, to consultants paid on an hourly basis commencing in June 2020. Mr. Plovanic, the current President and Chief Executive Officer, has previously announced his resignation as CEO in June 2020. Andy Rasdal, the current Executive Chairman of the Board, will assume the role of CEO after Mr. Plovanic's departure. He and Nooshin Hussainy, Chief Financial Officer, plan to remain as full-time employees and have agreed voluntarily to further reduce their annual salaries to \$55,000, which is approximately the minimum allowable wage for an exempt employee, in June 2020. Absent a significant change in the economy or the market for the Obalon balloon system, the Company expects to significantly reduce the organization to only essential personnel in June.

The Company anticipates providing more detail on the state of its business and future strategies and plans in connection with the filing of its quarterly report on Form 10-Q for the quarter ended March 31, 2020, which it anticipates filing on or before June 29, 2020.

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### **For Obalon Therapeutics, Inc.**

Investor Contact:

Bill Plovanic

President and Chief Executive Officer

Obalon Therapeutics, Inc.

Office: +1 760 607 5103

[wplovanic@obalon.com](mailto:wplovanic@obalon.com)