

BARON JOSEPH M  
Form 4  
February 08, 2008

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BARON JOSEPH M

2. Issuer Name and Ticker or Trading Symbol  
CHARMING SHOPPES INC  
[CHRS]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
450 WINKS LANE  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/07/2008

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP/Chief Operating Officer

BENSALEM, PA 19020  
  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	02/07/2008		F	4,788 D \$ 6	184,118	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BARON JOSEPH M 450 WINKS LANE BENSALEM, PA 19020			EVP/Chief Operating Officer	

## Signatures

JOSEPH M.  
BARON

02/07/2008

\*\*Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. HR noshade>

**Table of Contents****Highlights**

During the first quarter of 2004, the Company's net loss was \$2,676,236 compared to \$1,114,314 for the first quarter of 2003. The increase in the net loss primarily reflects the increased manufacturing costs incurred by the Company in preparation for its planned clinical trial program and other supporting activities. Also, the Company took action to further diminish its economic dependence related to having only one manufacturer of REOLYSIN® by entering into a manufacturing contract with a second supplier and incurred costs in the quarter associated with the transfer of its manufacturing process to the additional supplier. In addition, the Company's clinical trial, pre-clinical trial, and research collaboration expenses increased compared to the first quarter of 2003.

**Recent Developments**

On April 7, 2004, the Company sold 1,077,100 units, pursuant to a private placement, at an average price of \$6.25 per unit. Net cash proceeds after issue costs were approximately \$6,206,875. The units are comprised of 1,077,100 common shares and 538,550 common share purchase warrants. Each whole common share purchase warrant entitles the holder to acquire one common share of the capital of the Company upon payment of \$7.75 per share until October 7, 2005. In addition, the Company issued 107,710 common share purchase warrants to its adviser entitling the holder to acquire one common share of the capital of the Company upon payment of \$7.00 per share until October 7, 2005. The Company will use the proceeds from this financing for general corporate purposes.

**RESULTS OF OPERATIONS**

Net loss for the three month period ended March 31, 2004 was \$2,676,236 compared to \$1,114,314 for 2003. The increase in the Company's net loss was due to the following:

**Research and Development Expenses ( R&D )**

	<u>2004</u>	<u>2003</u>
	\$	\$
Manufacturing and process expenses	<b>1,376,430</b>	66,108
Clinical trial expenses	<b>125,645</b>	10,643
Pre-clinical trial and research collaboration expenses	<b>178,960</b>	57,826
Other R&D expenses	<b>273,362</b>	345,058
	<u>          </u>	<u>          </u>
Research and development expenses	<b>1,954,397</b>	479,635
	<u>          </u>	<u>          </u>

For the first quarter of 2004, R&D increased to \$1,954,397 compared to \$479,635 for the first quarter of 2003. The increase in R&D was due to the following:

***Manufacturing & Related Process Development***

During the first quarter of 2004, the Company continued to focus on the production of REOLYSIN® in order to supply its R&D activity. Approximately 75% of the manufacturing and process development costs incurred in the first quarter of 2004 relate to the production of REOLYSIN® compared to nil in the first quarter of 2003. The increase in production costs also relates to technology transfer and set up costs associated with the addition of a second supplier in the first quarter of 2004.

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The majority of the remaining costs incurred in the first quarter of 2004 and all of the costs incurred in the first quarter of 2003 relate to process development expenses. The increase in process development expenses is due to the continued development of the Company's viral and cell banks which did not occur in 2003.

For the remainder of 2004, the Company expects that it will continue to produce REOLYSIN® and that a majority of these costs will relate directly to manufacturing.

**Clinical Trial Programs**

The Company's clinical trial expenses increased to \$125,645 in the first quarter of 2004 compared to \$10,643 for the first quarter of 2003. The increase was primarily due to the costs incurred in obtaining the approval to commence a systemic (intravenous) delivery clinical trial in the United Kingdom and continuing enrollment in its recurrent malignant glioma brain cancer study.

**Pre-Clinical Trial and Research Collaboration Expenses**

During the first quarter of 2004, the Company incurred increased pre-clinical and research collaboration expense that may assist in future clinical trial applications.

**Operating Expenses**

	<u>2004</u>	<u>2003</u>
	\$	\$
Salary, insurance and other office expenses	378,417	215,279
Public company and other operating expenses	322,757	306,275
Stock based compensation	5,426	471
	<u>706,600</u>	<u>522,025</u>

For the first quarter of 2004, the Company's operating expenses increased to \$706,600 compared to \$522,025 for the first quarter of 2003. Specifically, the Company incurred additional salary and insurance costs in the first quarter of 2004 compared to the first quarter of 2003. The increase in salary costs relates to additional staff levels that occurred in the second quarter of 2003 primarily in support of its corporate requirements including those associated with public company requirements. The increase in insurance premiums relates to the increased premiums for Directors' and Officers' liability insurance that began in the second quarter of 2003.

**Sale of Investments**

	<u>2004</u>	<u>2003</u>
	\$	\$
Gain on sale of investment in BCY LifeSciences Inc. ( BCY )	<u>47,648</u>	<u>          </u>

In the first quarter of 2004, the Company sold 676,945 common shares of BCY for net cash proceeds of \$131,650. This resulted in an accounting gain of \$47,648. As at March 31, 2004, the Company owned 221,000 common shares and 694,995 common share purchase warrants of BCY. The common share purchase warrants were exercisable at \$0.27 and expired out of the money on April 23, 2004.

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### **Commitments**

As at March 31, 2004, the Company has committed to payments totaling \$1,704,102 for activities primarily related to product manufacturing and continued toxicology and process related work. The Company anticipates that these committed payments will occur in 2004. All of these committed payments are considered to be part of the Company's normal course of business.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Liquidity**

As at March 31, 2004, the Company had cash and cash equivalents, short-term investments and working capital positions of \$2,941,266, \$17,356,874 and \$18,493,690 respectively compared to \$2,641,127, \$18,111,608 and \$20,088,868 as at December 31, 2003. The decrease in the first quarter of 2004 reflects the operating and investing activities of the Company offset by the cash received from the exercise of warrants and options. For the three month period ended March 31, 2004, the Company had received proceeds from the exercise of warrants and options of \$944,745. Cash outflows during the first quarter of 2004 were due to research and development expenses, operational expenses, and intellectual property expenditures.

The Company desires to maintain adequate cash and short-term investment reserves to support its planned activities which include its clinical trial program, production manufacturing, and its intellectual property expansion and protection as well as administrative activities. The Company believes that its existing capital resources, including the recently closed private placement (see *Recent Developments*) are adequate to fund its current plans for research and development activities through 2006 without presuming the further exercise of outstanding warrants and options. In the event that the Company chooses to seek additional capital, the Company will look to fund additional capital requirements primarily through the issue of additional equity. The Company recognizes the challenges and uncertainty inherent in the capital markets and the potential difficulties it might face in today's environment. Market prices for securities in biotechnology companies are volatile and the ability to raise funds will be dependent on a number of factors, including the progress of R&D, availability of clinical trial information, and general market conditions.

### **Capital Expenditures and Commitments**

During the first quarter of 2004 the Company spent \$130,540 on intellectual property compared to \$459,660 in the first quarter of 2003. The difference relates to variances in filing fees on existing patent applications.

### **Investing Activities**

Under its Investment Policy, the Company is permitted to invest in short-term instruments with a rating no less than R-1 (DBRS) with terms less than two years. As at March 31, 2004, the Company invested \$17,356,874 under this policy and is currently earning interest at an effective rate of 2.67%.

## **OTHER MD&A REQUIREMENTS**

The Company has 29,010,171 common shares outstanding at April 29, 2004. If all of the Company's warrants and options were exercised the Company would have 35,090,577 common shares outstanding.

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**Table of Contents****Oncolytics Biotech Inc.****BALANCE SHEETS**

As at,

	March 31, 2004	December 31, 2003
	\$ (unaudited)	\$ (audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	2,941,266	2,641,127
Short-term investments	17,356,874	18,111,608
Accounts receivable	62,305	64,224
Prepaid expenses	129,102	156,837
	<u>20,489,547</u>	<u>20,973,796</u>
<b>Capital assets</b>	<b>4,918,494</b>	<b>4,965,379</b>
<b>Investments [note 3]</b>	<b>27,423</b>	<b>111,425</b>
	<u>25,435,464</u>	<u>26,050,600</u>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	1,995,857	884,928
	<u>150,000</u>	<u>150,000</u>
<b>Alberta Heritage Foundation loan</b>	<b>150,000</b>	<b>150,000</b>
<b>Shareholders equity</b>		
Share capital [note 2]		
Authorized: unlimited		
Issued: 27,450,389 (2003 27,208,262)	45,765,630	44,712,589
Warrants [note 2]	1,489,954	1,598,250
Contributed surplus	3,704,851	3,699,425
Deficit	(27,670,828)	(24,994,592)
	<u>23,289,607</u>	<u>25,015,672</u>
	<u>25,435,464</u>	<u>26,050,600</u>

*See accompanying notes*

**Table of Contents****Oncolytics Biotech Inc.****STATEMENTS OF LOSS AND DEFICIT**

For the three month periods ended March 31,

	2004	2003	Cumulative from inception on April 2, 19981 to March 31, 2004
	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)
<b>Revenue</b>			
Rights revenue			310,000
Interest income	117,356	43,170	2,203,339
	<u>117,356</u>	<u>43,170</u>	<u>2,513,339</u>
<b>Expenses</b>			
Research and development	1,954,397	479,635	18,845,466
Operating	706,600	522,025	8,467,513
Amortization	179,023	155,224	2,089,113
	<u>2,840,020</u>	<u>1,156,884</u>	<u>29,402,092</u>
<b>Loss before the following:</b>	<u>2,722,664</u>	<u>1,113,714</u>	<u>26,888,753</u>
<b>Gain on sale of BCY LifeSciences Inc. [note 3]</b>	<u>(47,648)</u>		<u>(312,101)</u>
<b>Loss on sale of Transition Therapeutics Inc.</b>			<u>2,156,685</u>
<b>Loss before taxes</b>	<u>2,675,016</u>	<u>1,113,714</u>	<u>28,733,337</u>
<b>Capital tax</b>	<u>1,220</u>	<u>600</u>	<u>52,491</u>
<b>Future income tax recovery</b>			<u>(1,115,000)</u>
<b>Net loss for the period</b>	<u>2,676,236</u>	<u>1,114,314</u>	<u>27,670,828</u>
<b>Deficit, beginning of period</b>	<u>24,994,592</u>	<u>16,450,561</u>	
<b>Deficit, end of period</b>	<u>27,670,828</u>	<u>17,564,875</u>	<u>27,670,828</u>
<b>Basic and diluted loss per share</b>	<u>0.10</u>	<u>0.05</u>	
<b>Weighted average number of shares</b>	<u>27,255,740</u>	<u>22,221,506</u>	

*See accompanying notes*

**Table of Contents****Oncolytics Biotech Inc.****STATEMENTS OF CASH FLOWS**

For the three month periods ended March 31,

	2004	2003	Cumulative from inception on April 2, 19981 to March 31, 2004
	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)
<b>OPERATING ACTIVITIES</b>			
Net loss for the period	(2,676,236)	(1,114,314)	(27,670,828)
Deduct non-cash items			
Amortization	179,023	155,224	2,089,113
Non-cash compensation	5,426	471	1,034,851
Gain on sale of BCY LifeSciences Inc.	(47,648)		(312,101)
Loss on sale of Transition Therapeutics Inc.			2,156,685
Future income tax recovery			(1,115,000)
Net changes in non-cash working capital	1,140,583	(257,136)	1,719,783
	<u>(1,398,852)</u>	<u>(1,215,755)</u>	<u>(22,097,497)</u>
<b>INVESTING ACTIVITIES</b>			
Intellectual property	(130,540)	(459,660)	(2,795,366)
Other capital assets	(1,598)	(622)	(512,570)
Purchase of short-term investments	(245,266)		(18,356,874)
Redemption of short-term investments	1,000,000		1,000,000
Investment in BCY LifeSciences Inc.	131,650		454,678
Investment in Transition Therapeutics Inc.			2,532,343
	<u>754,246</u>	<u>(460,282)</u>	<u>(17,677,789)</u>
<b>FINANCING ACTIVITIES</b>			
Alberta Heritage Foundation loan			150,000
Proceeds from exercise of warrants and stock options	944,745		4,405,730
Proceeds from private placements		244,171	16,518,220
Proceeds from public offerings			21,642,602
	<u>944,745</u>	<u>244,171</u>	<u>42,716,552</u>
<b>Increase (decrease) in cash and cash equivalents during the period</b>	<b>300,139</b>	<b>(1,431,866)</b>	<b>2,941,266</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>2,641,127</b>	<b>8,319,244</b>	
<b>Cash and cash equivalents, end of the period</b>	<b>2,941,266</b>	<b>6,887,378</b>	<b>2,941,266</b>

*See accompanying notes*



**Table of Contents****Oncolytics Biotech Inc.****NOTES TO FINANCIAL STATEMENTS**March 31, 2004 and 2003 (*unaudited*)**1. ACCOUNTING POLICIES**

These unaudited interim financial statements do not include all of the disclosures included in the Company's annual financial statements. Accordingly, these unaudited interim financial statements should be read in conjunction with the Company's most recent annual financial statements. The information for the year ended December 31, 2003 has been derived from the Company's audited financial statements for the year then ended.

The accounting policies used in the preparation of these unaudited interim financial statements conform with those used in the Company's most recent annual financial statements.

**2. SHARE CAPITAL****Authorized:**

Unlimited number of common shares

**Issued:**

	Shares		Warrants	
	Number	Amount \$	Number	Amount \$
Balance, December 31, 2002	22,145,284	30,191,572	550,000	114,286
Issued for cash pursuant to February 10, 2003 private placement	140,000	265,540	77,000	16,000
Issued for cash pursuant to June 19, 2003 private placement	2,120,000	5,912,113	1,272,000	543,287
Issued for cash pursuant to August 21, 2003 private placement	1,363,900	3,801,778	813,533	349,176
Issued for cash pursuant to October 14, 2003 public offering	1,200,000	5,528,972	720,000	617,428
Exercise of options	64,700	149,615		
Exercise of warrants	174,378	593,194	(174,378)	(41,927)
Share issue costs		(1,730,195)		
Balance, December 31, 2003	27,208,262	44,712,589	3,258,155	1,598,250
Exercise of warrants	235,377	1,038,228	(235,377)	(108,296)
Exercise of options	6,750	14,813		
Balance, March 31, 2004	27,450,389	45,765,630	3,022,778	1,489,954

**Table of Contents****Oncolytics Biotech Inc.****NOTES TO FINANCIAL STATEMENTS**March 31, 2004 and 2003 (*unaudited*)

The following table summarizes the Company's outstanding warrants as at March 31, 2004:

<b>Exercise Price</b>	<b>Outstanding, Beginning of the Period</b>	<b>Granted During the Period</b>	<b>Exercised During the Period</b>	<b>Outstanding, End of Period</b>	<b>Weighted Average Remaining Contractual Life (years)</b>
\$3.00	480,755		(99,259)	381,496	0.19
\$4.00	2,057,400		(85,934)	1,971,466	0.79
\$5.00	120,000		(20,184)	99,816	1.04
\$6.25	600,000		(30,000)	570,000	1.04
	<b>3,258,155</b>		<b>(235,377)</b>	<b>3,022,778</b>	<b>0.76</b>

**Stock Option Plan**

The Company has issued stock options to acquire common stock through its stock option plan of which the following are outstanding at:

	<b>March 31, 2004</b>		<b>December 31, 2003</b>	
	<b>Stock Options</b>	<b>Weighted Average Share Price \$</b>	<b>Stock Options</b>	<b>Weighted Average Share Price \$</b>
Outstanding at beginning of period	<b>2,800,800</b>	<b>3.87</b>	2,653,500	4.40
Granted during period			599,000	3.71
Cancelled during period			(387,000)	7.97
Exercised during period	<b>(6,750)</b>	<b>2.19</b>	(64,700)	2.31
Outstanding at end of period	<b>2,794,050</b>	<b>3.81</b>	2,800,800	3.81
Options exercisable at end of period	<b>2,713,633</b>	<b>3.87</b>	2,720,383	3.87

As the Company is following the fair value based method of accounting for employee options, compensation expense of \$5,426 (March 31, 2003 nil) has been recorded for the period with respect to the vesting of employee options issued in prior periods with an offsetting credit to contributed surplus.

**3. INVESTMENTS**

During the three month period ending March 31, 2004, the Company sold 676,945 of its BCY shares for net cash proceeds of \$131,650 recording a gain on sale of investment of \$47,648. As at March 31, 2004, the Company's remaining ownership in BCY was 221,000 common shares with a book value of \$27,423 and an estimated market value of \$41,990 based on the trading price at March 31, 2004.



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**Oncolytics Biotech Inc.**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2004 and 2003 (*unaudited*)

**4. SUBSEQUENT EVENT**

On April 7, 2004, the Company sold 1,077,100 units, pursuant to a private placement, at an average price of \$6.25 per unit. Net cash proceeds after share issue costs, including the fees paid to its advisor, were approximately \$6,206,875. The units are comprised of 1,077,100 common shares and 538,550 common share purchase warrants. Each whole common share purchase warrant entitles the holder to acquire one common share of the capital of the Company upon payment of \$7.75 per share until October 7, 2005. In addition, the Company issued 107,710 common share purchase warrants to its adviser entitling the holder to acquire one common share of the capital of the Company upon payment of \$7.00 per share until October 7, 2005.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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