

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

AMENDMENT TO FORM 8-K

AMENDMENT NO. 1

CURRENT REPORT
FILED ON MAY 12, 1997

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

Date of Report (Date of earliest event reported): APRIL 24, 1997

TECHNICLONE CORPORATION
(Exact name of Registrant as specified in charter)

DELAWARE (State or other jurisdiction of incorporation)	0-17085 (Commission File Number)	95-3698422 (I.R.S. Employer Identification No.)
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14282 FRANKLIN AVENUE, TUSTIN, CALIFORNIA (Address of principal executive offices)	92780-7017 (Zip code)
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Registrant's telephone number, including area code: (714) 838-0500

NOT APPLICABLE
(Former name or former address, if changed, since last report)

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Exhibit Index is on Page 6

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On April 24, 1997, Techniclone Corporation, a Delaware corporation (the "Company") entered into a First Amendment to Stock Exchange Agreement (the "Amendment") with the stockholders of Peregrine Pharmaceuticals, Inc., a Delaware corporation ("Peregrine"), pursuant to which the Company agreed to amend certain provisions of the Stock Exchange Agreement ("Stock Exchange Agreement") between the Company and the stockholders of Peregrine and to issue an additional 80,000 shares of its Common Stock in exchange for all of the issued and outstanding capital stock of Peregrine as set forth in the Amendment. The Amendment provides that the major stockholders of Peregrine would agree to a one year lock-up of the Techniclone shares issued to them in the exchange except that during the lock-up period the Sanderling entities would be permitted to sell up to 275,000 shares, the Saunders entities would be permitted to sell up to 275,000 shares, Jennifer Lobo would be permitted to sell up to 90,000 shares and Philip Thorpe would be permitted to sell up to 50,000 shares. The Amendment also provides that the Company would sell Sanderling \$550,000 worth of its Common Stock on the Closing Date of the transaction contemplated by the Stock Exchange Agreement and the Amendment at a purchase price per share equal to eighty percent (80%) of the average closing price of Techniclone's Common Stock for the five trading days immediately preceding the Closing Date.

As there are no further contingencies, the Agreements have been finalized and all of the preconditions to the closing were met before April 30, 1997, the Company will account for the transaction contemplated by the Stock Exchange Agreement in the year ended April 30, 1997.

The consideration to be paid for the outstanding shares of stock of Peregrine, consisting of 5,080,000 shares of the Company's Common Stock will be issued upon a determination by the California Commissioner of Corporations that the terms and conditions of the transaction are fair to Peregrine's stockholders or upon the effectiveness of a registration statement filed by the Company relating to the shares of Common Stock to be issued to the Peregrine stockholders.

ITEM 5. OTHER EVENTS

On April 25, 1997, Techniclone Corporation, a Delaware corporation (the "Registrant" or the "Company") entered into a 5% Preferred Stock Investment Agreement and a Registration Rights Agreement with eleven (11) investors pursuant to which the Company sold 12,000 shares of 5% Adjustable Convertible Class C Preferred Stock (the "Class C Stock") for an aggregate purchase price of \$12,000,000. The Company filed a Certificate of Designation with the Delaware Secretary on April 23, 1997, creating the 5% Adjustable Convertible Class C Preferred Stock. In connection with the issuance of the Class C Stock, the Registrant paid Cappello & Laffer Capital Corp. a non-accountable expense allowance of \$100,000 and a \$720,000 commission representing six percent of the Purchase Price of the Class C Stock and issued a Warrant to purchase 1,200 shares of Class C Stock at \$1,000 per share.

The Class C Stock is convertible at the option of the holder, commencing on the day after the fifth month anniversary of the Closing Date, into a number of shares of Common Stock of the Registrant determined by dividing \$1,000 plus all accrued but unpaid dividends by the Conversion Price. The Conversion Price is the average of the lowest trading price of Registrant's Common Stock for the five consecutive trading days ending with the trading day prior to the conversion date reduced by 13 percent starting on the 1st day of the 8th

month after the Closing Date, 20 percent starting on the 1st day of the 10th month after the Closing Date, 22.5 percent starting on the 1st day of the 12th month after the Closing Date, 25 percent starting on the 1st day of the 14th month after the Closing Date, 27 percent starting on the 1st day of the 16th month after the Closing Date and thereafter. At any time after March 24, 1998, the Conversion Price will be the lower of the Conversion Price as calculated in the preceding sentence or the average of the Closing Price of the Company's Common Stock for the thirty (30) trading days including and immediately preceding March 24, 1998 (the "Conversion Cap"). In addition to the Common Stock issued upon conversion of the Class C Stock, Warrants to purchase one-fourth of the number of shares of Common Stock issued upon the conversion will be issued to the converting investor. The Warrants are exercisable at 110 percent of the Conversion Cap for a period of five years from the closing date.

The Holders of the Class C Stock are entitled to receive dividends at the rate of \$50.00 per share per annum commencing September 30, 1997 and thereafter quarterly. The dividends are to be paid in Class C Stock valued at \$1,000 per share (fractional shares to be paid in cash) or at the option of the Company in cash. The Class C Stock is subject to mandatory redemption upon certain events which are within the Company's control, and mandatory conversion at any time more than twelve (12) months after the closing date, subject to certain conditions as provided in the Certificate of Designation. Except as provided in the Certificate of Designation or by Delaware law, the Class C Stock does not have voting rights.

The Company intends to use the proceeds of the offering to complete the clinical trials of the LYM-1 antibody, to begin clinical trials of the TNT antibody, pre-clinical development of the Company's products, construction of facilities and for general corporate and working capital purposes.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

Listed below are the financial statements, pro forma financial information and exhibits, if any filed as part of this report.

- (a) Financial Statements of Peregrine Pharmaceuticals, Inc. for the years ended December 31, 1995 and 1996 and for the period from September 16, 1993 (date of inception) through December 31, 1996 and Independent Auditors' Report.
- (b) Unaudited Pro Forma Consolidated Balance Sheet as of January 31, 1997 (as restated) and the Unaudited Pro Forma Consolidated Statements of Operations for the Nine Months Ended January 31, 1997 (as restated) and Fiscal Year ended April 30, 1996 (as restated).

(c) EXHIBITS

Exhibit No. -----	Description -----
2.1	First Amendment to Stock Exchange Agreement among the stockholders of Peregrine Pharmaceuticals, Inc. and Registrant.
3.1	Certificate of Designation of 5% Adjustable Convertible Class C Preferred Stock as filed with the Delaware Secretary of State on April 23, 1997.
4.1	5% Preferred Stock Investment Agreement between Registrant and the Investors.
4.2	Registration Rights Agreement between the Registrant and the Investors.
4.3	Form of Stock Purchase Warrant, to be issued to the holders of the Class C Preferred Stock upon conversion of the Class C Preferred Stock.

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.

TECHNICLONE CORPORATION

Date: September 25, 1997

By: /s/ WILLIAM V. MODING

William V. Moding
Chief Financial Officer

EXHIBIT INDEX

Listed below are the financial statements, pro forma financial information and exhibits filed as part of this report.

Exhibit No. -----	Description -----	Sequentially Numbered Page -----
--	Unaudited Pro Forma Consolidated Balance Sheet as of January 31, 1997 (as restated) and the Unaudited Pro Forma consolidated Statements of Operations for the Nine Months Ended January 31, 1997 (as restated) and the Fiscal Year ended April 30, 1996 (as restated).	8
--	Financial Statements of Peregrine Pharmaceuticals, Inc. for the years ended December 31, 1995 and 1996 and for the period from September 16, 1993 (date of inception) through December 31, 1996 and Independent Auditors' Report. (Incorporated by reference to the Exhibit of the same number contained in Registrant's Current Report on Form 8-K as filed with the Commission on May 12, 1997).	--
2.1	First Amendment to Stock Exchange Agreement among the stockholders of Peregrine Pharmaceuticals, Inc. and Registrant. (Incorporated by reference to the Exhibit of the same number contained in Registrant's Current Report on Form 8-K as filed with the Commission on May 12, 1997).	--
3.1	Certificate of Designation of 5% Adjustable, Convertible Class C Preferred Stock as filed with the Delaware Secretary of State on April 23, 1997. (Incorporated by reference to the Exhibit of the same number contained in Registrant's Current Report on Form 8-K as filed with the Commission on May 12, 1997).	--
4.1	5% Preferred Stock Investment Agreement between Registrant and the Investors. (Incorporated by reference to the Exhibit of the same number contained in Registrant's Current Report on Form 8-K as filed with the Commission on May 12, 1997).	--

Exhibit No. -----	Description -----	Sequentially Numbered Page -----
4.2	Registration Rights Agreement between the Registrant and the Investors. (Incorporated by reference to the Exhibit of the same number contained in Registrant's Current Report on Form 8-K as filed with the Commission on May 12, 1997).	--
4.3	Form of Stock Purchase Warrant, to be issued to the holders of the Class C Preferred Stock upon conversion of the Class C Preferred Stock. (Incorporated by reference to the Exhibit of the same number contained in Registrant's Current Report on Form 8-K as filed with the Commission on May 12, 1997).	--

The following unaudited pro forma consolidated statements of operations for the nine month period ended January 31, 1997 and the fiscal year ended April 30, 1996 and the Unaudited Pro Forma Consolidated Balance Sheet as of January 31, 1997 have been prepared assuming that the acquisition of Peregrine Pharmaceuticals, Inc. (Peregrine) and the issuance of the Series C Preferred Stock had occurred as of May 1, 1995, for the consolidated statements of operations presentation and as of January 31, 1997, for the consolidated balance sheet presentation.

The unaudited pro forma consolidated financial statements are provided for information purposes only and do not purport to present the financial position or results of operations of Techniclone Corporation (Techniclone or the Company) had the acquisition or the issuance of the Series C preferred stock assumed therein occurred on the dates specified. The unaudited pro forma consolidated financial statements (as restated) are not necessarily indicative of the results of operations that may be expected in the future.

Peregrine is a developmental stage enterprise and is engaged in research and development of new technologies for use in the production of therapeutic agents for treatment of cancerous tumors. Therefore, the excess of the purchase price paid by Techniclone over the net tangible assets acquired will be recorded as in-process research and development in the Company's consolidated financial statements for the fiscal year ended April 30, 1997.

TECHNICLONE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED JANUARY 31, 1997

RESTATED

	TECHNICLONE NINE MONTHS ENDED JANUARY 31, 1997	PEREGRINE NINE MONTHS ENDED DECEMBER 31, 1996	ACQUISITION ADJUSTMENTS(8)	PROFORMA TOTALS PRIOR TO FINANCING ADJUSTMENTS	FINANCING ADJUSTMENTS(9)	CONSOLIDATED
REVENUES:						
Interest income	\$ 198,200	\$ --	\$ --	\$ 198,200	\$ --	\$ 198,200
Rental income	34,107			34,107		34,107
Total revenues	232,307			232,307		232,307
COSTS AND EXPENSES:						
Research and development	2,023,381	664,191		2,687,572		2,687,572
General and administrative:						
Unrelated entities	1,387,826	368,165		1,755,991		1,755,991
Affiliates	216,012	9,014		225,026		225,026
Stock based compensation	395,832			395,832		395,832
Interest	100,417	36,241		136,658		136,658
Net loss before preferred stock accretion and dividends	\$ (3,891,161)	\$ (1,077,611)	\$ --	\$ (4,968,772)	\$ --	\$ (4,968,772)
Preferred stock accretion and dividends:						
Accretion of discount on 5% Cumulative Class C Preferred stock					(1,109,589)	(1,109,589)
Imputed dividends for Class B Convertible Preferred Stock	(434,450)			(434,450)		(434,450)
Imputed dividends for Class C Convertible Preferred Stock					(644,298)	(844,298)
Net Loss Applicable to Common Stock (Note 10)	\$ (4,325,611)	\$ (1,077,611)	\$ --	\$ (5,403,222)	\$ (1,753,887)	\$ (7,157,109)
Weighted Average Shares Outstanding (Note 10)						26,392,912
Net Loss per Share (Note 10)						\$ (0.27)

TECHNICLONE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED APRIL 30, 1996

RESTATED

	TECHNICLONE FISCAL YEAR ENDED APRIL 30, 1996	PEREGRINE FISCAL YEAR ENDED MARCH 31, 1996	ACQUISITION ADJUSTMENTS(8)	PROFORMA TOTALS PRIOR TO FINANCING ADJUSTMENTS(7)	FINANCING ADJUSTMENTS(9)	CONSOLIDATED
REVENUES:						
Product sales	\$ 2,580	\$ --	\$ --	\$ 2,580	\$ --	\$ 2,580
License agreements	3,002,244			3,002,244		3,002,244
Interest income	138,499			138,499		138,499
Total revenues	3,143,323			3,143,323		3,143,323
COSTS AND EXPENSES:						
Cost of sales	2,580			2,580		2,580
Research and development	1,679,558	799,921		2,479,479		2,479,479
General and administrative:						
Unrelated entitles	947,816	369,964		1,317,780		1,317,780
Affiliates	170,659	88,914		259,573		259,573
Stock based compensation						
Interest	17,412	22,099		39,511		39,511
Total costs and expenses	2,818,025	1,280,898		4,098,923		4,098,923
Net loss before preferred stock accretion and dividends	\$ 325,298	\$(1,280,898)	\$	\$ (955,600)	\$	\$ (955,600)
Preferred Stock accretion and dividends:						
Accretion of discount on Class B Preferred Stock	(5,327,495)			(5,327,495)		(5,327,495)
Accretion of discount on 5% Cumulative Class C Preferred Stock					(3,328,767)	(3,328,767)
Imputed dividends for Class B Convertible Preferred Stock	(560,467)			(560,467)		(560,467)
Imputed dividends for Class C Convertible Preferred Stock					(859,064)	(859,064)
Net Loss Applicable to Common Stock (Note 10)	\$ 5,562,664	\$(1,280,896)	\$	\$(6,843,562)	\$(4,187,831)	\$(11,031,893)
Weighted Average Shares Outstanding (Note 10)						23,695,008
Net Loss Per Share (Note 10)						\$ (0.47)

TECHNICLONE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
JANUARY 31, 1997

RESTATED

	TECHNICLONE JANUARY 31, 1997	PEREGRINE DECEMBER 31, 1996	ACQUISITION ADJUSTMENTS	PRO FORMA TOTALS PRIOR TO FINANCING ADJUSTMENTS	FINANCING ADJUSTMENTS(9)	CONSOLIDATED
	-----	-----	-----	-----	-----	-----
CURRENT ASSETS:						
Cash and cash equivalents	\$2,065,587	\$15,636	\$ 550,000 (7) (27,624)(2) 550,000 (2)	\$ 3,153,599	\$11,180,000(9)	\$14,333,599
Investments	997,118			997,118		997,118
Accounts receivable, net	31,947			31,947		31,947
Inventory	275,351			275,351		275,351
Prepaid expenses and other current assets	5,383	6,000	326,700 (2)	338,083		338,083
Total current assets	3,375,386	21,636	1,399,076	4,796,098	11,180,000	15,976,098
PROPERTY:						
Land	1,050,510			1,050,510		1,050,510
Building and improvements	3,038,994			3,038,994		3,038,994
Laboratory equipment	1,353,135			1,353,135		1,353,135
Office furniture and equipment	219,588			219,588		219,588
Total	5,662,227			5,662,227		5,662,227
Less accumulated depreciation	(953,725)			(953,725)		(953,725)
Property, net	4,708,502			4,708,502		4,708,502
OTHER ASSETS:						
Note receivable from shareholder	350,000			350,000		350,000
Patents, net	182,150			182,150		182,150
Total other assets	532,150			532,150		532,150
TOTAL	\$8,616,038	\$21,636	\$1,399,076	\$10,036,750	\$11,180,000	\$21,216,750
	=====	=====	=====	=====	=====	=====

TECHNICLONE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET (Continued)
JANUARY 31, 1997

RESTATED

LIABILITIES AND STOCKHOLDERS' EQUITY

	TECHNICLONE JANUARY 31, 1997	PEREGRINE DECEMBER 31, 1996	ACQUISITION ADJUSTMENTS	PRO FORMA TOTALS PRIOR TO FINANCING ADJUSTMENTS	FINANCING ADJUSTMENTS(9)	CONSOLIDATED
CURRENT LIABILITIES:						
Accounts payable	\$ 205,685	\$ 38,370	\$ --	\$ 244,055	\$ --	\$ 244,055
Accrued legal and accounting fees	85,000	249,304		334,304		334,304
Accrued payroll and related costs	99,005	41,181		140,186		140,186
Accrued license termination fee	100,000			100,000		100,000
Accrued license and royalties	81,667	273,211		354,878		354,878
Accrued interest	16,476	36,242		52,718		52,718
Reserve for contract losses	207,714			207,714		207,714
Current portion of long-term debt	72,609			72,609		72,609
Other current liabilities	68,663	45,913		114,576		114,576
Total current liabilities	936,819	684,221		1,621,040		1,621,040
LONG-TERM DEBT	1,941,271	750,000	876,700 (2) (876,700)(3) (750,000)(6)	1,941,271		1,941,271
COMMITMENTS						
STOCKHOLDERS' EQUITY:						
Preferred Stock, Class A		294,109	(294,109)(5)	--		2
Preferred Stock, Class B	2	444,108	(444,108)(5)	2		2
Preferred Stock, Class C		926,071	(926,071)(5)	--	12(9)	12
Common Stock	22,164	62	5,080 (1) (137)(1) 10 (3) 8 (4) 43 (5) 14 (6) 148 (7)	27,392		27,392

TECHNICLONE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET (Continued)
JANUARY 31, 1997

RESTATED

	TECHNICLONE JANUARY 31, 1997	PEREGRINE DECEMBER 31, 1996	ACQUISITION ADJUSTMENTS	PRO FORMA TOTALS PRIOR TO FINANCING ADJUSTMENTS	FINANCING ADJUSTMENTS(9)	CONSOLIDATED
	-----	-----	-----	-----	-----	-----
Additional paid-in capital	\$34,166,617	\$ 142,146	\$ (3,821,416)(1) 26,813,429 (1) 876,690 (3) 388,349 (4) 1,664,245 (5) 749,986 (6) 549,852 (7)	\$ 61,529,898	\$11,179,988(9)	\$ 72,709,886
Accumulated Deficit	(27,974,253)	(3,219,081)	(26,632,018)(1) 3,635,062 (1) (27,624)(2) (388,357)(4)	(54,606,271)		(54,606,271)
Less notes receivable from sale of common stock	6,214,530 (476,582)	(1,412,585)	2,149,076	6,951,021 (476,582)	11,180,000	18,131,021 (476,582)
Net stockholders' equity	5,737,948	(1,412,585)	2,149,076	6,474,439	11,180,000	17,654,439
TOTAL	<u>\$ 8,616,038</u>	<u>\$ 21,636</u>	<u>\$ 1,399,076</u>	<u>\$ 10,036,750</u>	<u>\$11,180,000</u>	<u>\$ 21,216,750</u>

TECHNICLONE CORPORATION

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

RESTATED

- (1) Pro forma adjustments to reflect the purchase of net assets of Peregrine (\$186,491) through the issuance of the Company's common stock. The excess purchase price over the fair market value of net assets acquired (\$26,632,018) has been allocated to in-process research and development (accumulated deficit).
- (2) Pro forma adjustment to reflect the issuance of convertible notes payable to Peregrine for cash of \$550,000, plus accrued interest of \$27,624 and advances receivable of \$326,700 effective with the acquisition.
- (3) Pro forma adjustment to reflect the conversion of the notes payable due to Peregrine for \$876,700 into common stock of Peregrine effective immediately prior to the acquisition.
- (4) To reflect the issuance of common stock to both a key employee and an advisor of Peregrine for prior services valued at \$388,357, effective with the acquisition.
- (5) To reflect the conversion of preferred stock of Peregrine into common stock of Peregrine effective with the acquisition.
- (6) To reflect the conversion of the \$750,000 note payable to Peregrine into common stock effective with the acquisition.
- (7) In conjunction with the acquisition of Peregrine, the Company agreed to sell one of the Peregrine's major shareholders additional common stock at a 20% discount from the Company's trading price on a specified date (\$3.82 per share). Indicated amount represents the sale of such common stock. The Company has accounted for the sale of the common stock as an equity transaction, without compensation expense, as the stock sold represents restricted stock and the discount from the market value of 20% is considered reasonable in light of the restriction features.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (Continued)

RESTATED

- (8) Pro forma acquisition adjustments related primarily to the purchase of in-process research and development, issuance of stock for prior services to an employee and a consultant of Peregrine and the accrual of interest on the notes payable to Peregrine shareholders. As these adjustments have no continuing impact on the future combined operations of Techniclone and Peregrine, the amounts have been excluded from the acquisition adjustments in the accompanying pro forma consolidated statements of operations.
- (9) Pro forma adjustments to record the issuance of \$12,000,000 in Class C Preferred Stock, net of issuance costs of \$820,000. As the financing was the sale of an equity security with dividends payable in preferred stock, there is no effect on the pro forma statement of operations for the nine month period ended January 31, 1997 or the fiscal year ended April 30, 1996.
- (10) Pro forma net loss per common share has been calculated by taking the sum of the net income (loss) for the respective period and deducting the Class B and Class C Preferred Stock discounts and dividends of \$10,075,793 for the fiscal year ended April 30, 1996 and \$2,188,337 for the nine month period ended January 31, 1997 and dividing the sum by the weighted average shares outstanding during the period.