

INTERLEUKIN GENETICS INC
Form SC 13D/A
December 30, 2014

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

SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Interleukin Genetics, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

458738101

(CUSIP Number)

Judy Koh

Chief Financial Officer

Bay City Capital LLC

750 Battery Street, Suite 400

San Francisco, CA 94111

(415) 626-3939

with a copy to:

Michael L. Lawhead

Stradling Yocca Carlson & Rauth, P.C.

660 Newport Center Drive, Suite 1600

Newport Beach, CA 92660

(949) 725-4200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 23, 2014

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See section 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a person's initial filing on this form with respect to subject class of securities, and for any subsequent amendment containing information which would alter disclosures in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 458738101

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1. Names of Reporting Persons

Bay City Capital LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

..

6. Citizenship or Place of Organization

Delaware

Number of 7. Sole Voting Power

Shares

Beneficially 88,985,189

8. Shared Voting Power

Owned by

Each

0

Reporting 9. Sole Dispositive Power

Person

With 88,985,189

10. Shared Dispositive Power

0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

88,985,189

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

..

13. Percent of Class Represented by Amount in Row (11)

51.5%

14. Type of Reporting Person (See Instructions)

OO

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1. Names of Reporting Persons

Bay City Capital Fund V Co-Investment Fund, L.P.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

..

6. Citizenship or Place of Organization

Delaware

Number of 7. Sole Voting Power

Shares

Beneficially 0

8. Shared Voting Power

Owned by

Each

88,985,189

Reporting 9. Sole Dispositive Power

Person

With 0

10. Shared Dispositive Power

88,985,189

11. Aggregate Amount Beneficially Owned by Each Reporting Person

88,985,189

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

..

13. Percent of Class Represented by Amount in Row (11)

51.5%

14. Type of Reporting Person (See Instructions)

PN

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1. Names of Reporting Persons

Bay City Capital Management V LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

AF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

..

6. Citizenship or Place of Organization

Delaware

Number of 7. Sole Voting Power

Shares

Beneficially 88,985,189

8. Shared Voting Power

Owned by

Each

0

Reporting 9. Sole Dispositive Power

Person

With 88,985,189

10. Shared Dispositive Power

0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

88,985,189

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

..

13. Percent of Class Represented by Amount in Row (11)

51.5%

14. Type of Reporting Person (See Instructions)

OO

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1. Names of Reporting Persons

Bay City Capital Fund V, L.P.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

..

6. Citizenship or Place of Organization

Delaware

Number of 7. Sole Voting Power

Shares

Beneficially 0

8. Shared Voting Power

Owned by

Each

88,985,189

Reporting 9. Sole Dispositive Power

Person

With 0

10. Shared Dispositive Power

88,985,189

11. Aggregate Amount Beneficially Owned by Each Reporting Person

88,985,189

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

..

13. Percent of Class Represented by Amount in Row (11)

51.5%

14. Type of Reporting Person (See Instructions)

PN

Explanatory Note

Pursuant to Rule 13d-2 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act), this Amendment No. 1 to Schedule 13D (this Amendment No. 1) amends the Schedule 13D originally filed with the United States Securities and Exchange Commission (the SEC) on May 22, 2013 (the Original Schedule 13D) by Bay City Capital LLC, a Delaware limited liability company (BCC), on behalf of the Reporting Persons pursuant to the Joint Filing Agreement attached to the Original Schedule 13D as Exhibit 99.1. Except as specifically amended by this Amendment No. 1, items in the Original Schedule 13D remain unchanged. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Original Schedule 13D. BCC is the manager of Bay City Capital Management V LLC, a Delaware limited liability company (Management V), which is the general partner of Bay City Capital Fund V, L.P., a Delaware limited partnership (Fund V), and Bay City Capital Fund V Co-Investment Fund, L.P., a Delaware limited partnership (Co-Investment V). BCC is also an advisor to Fund V and Co-Investment V.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 of the Original Schedule 13D is amended and restated in its entirety to read as follows:

Fund V and Co-Investment V purchased the Securities (as defined in Item 4 below) for an aggregate purchase price of \$5,647,058.75 using capital contributions from the partners of Fund V and Co-Investment V pursuant to pre-existing capital commitments under the terms of the respective limited partnership agreements of Fund V and Co-Investment V.

Fund V and Co-Investment V purchased the Additional Securities (as defined in Item 4 below) for an aggregate purchase price of \$2,657,142.79 using capital contributions from the partners of Fund V and Co-Investment V pursuant to pre-existing capital commitments under the terms of the respective limited partnership agreements of Fund V and Co-Investment V.

Item 4. Purpose of Transaction.

Item 4 of the Original Schedule 13D is amended and restated in its entirety to read as follows:

On May 17, 2013, Fund V and Co-Investment V entered into a Common Stock Purchase Agreement (the May 2013 Purchase Agreement) with the Issuer and the other purchasers party thereto. Pursuant to the May 2013 Purchase Agreement, the Issuer sold: (i) 20,187,464 shares of the Issuer's Common Stock (Common Stock) at a purchase price of \$0.2745 per share to Fund V; (ii) warrants to purchase 15,140,598 shares of Common Stock having an exercise price of \$0.2745 per share to Fund V; (iii) 384,699 shares of Common Stock at a purchase price of \$0.2745 per share to Co-Investment V; and (iv) warrants to purchase 288,524 shares of Common Stock having an exercise price of \$0.2745 per share to Co-Investment V (collectively, the Securities). In connection with the transaction, all outstanding shares of the Issuer's Series B Preferred Stock were converted into 10,928,961 shares of Common Stock, all outstanding shares of the Issuer's Series A-1 Preferred Stock were converted into 28,160,200 shares of Common Stock and an aggregate of \$14,316,255 in principal amount of outstanding convertible debt of the Issuer was converted into 2,521,222 shares of Common Stock (collectively, the May 2013 Transaction). The Reporting Persons acquired the Securities for investment purposes with the aim of increasing the value of the investment and the Issuer.

On December 23, 2014, Fund V and Co-Investment V entered into a Securities Purchase Agreement (the December 2014 Purchase Agreement) with the Issuer and the other purchasers party thereto. Pursuant to the December 2014 Purchase Agreement, the Issuer sold: (i) 25,996,552 shares of the Issuer's Common Stock at a purchase price of \$0.1003 per share to Fund V; (ii) warrants to purchase 25,996,552 shares of Common Stock having an exercise price of \$0.1003 per share to Fund V; (iii) 495,400 shares of Common Stock at a purchase price of \$0.1003 per share to Co-Investment V; and (iv) warrants to purchase 495,400 shares of Common Stock having an exercise price of \$0.1003 per share to Co-Investment V (collectively, the Additional Securities) (collectively, the December 2014 Transaction). The Reporting Persons acquired the Additional Securities for investment purposes with the aim of increasing the value of the investment and the Issuer.

The following paragraphs discuss the plans and proposals of the Reporting Persons which relate to or result in the matters enumerated in Item 4 of this Amendment No. 1 as of the date of the filing. No representation is made and no reference should be drawn from omission that such plans and proposals will not change or that new plans or proposals will not be developed in the future.

(a) Pursuant to the terms of the May 2013 Purchase Agreement, Fund V may from time to time until June 30, 2014 purchase up to 8,411,443 additional shares of Common Stock and additional warrants to purchase up to 6,308,582 shares of Common Stock and Co-Investment V may from time to time until June 30, 2014 purchase up to 160,291 additional shares of Common Stock and additional warrants to purchase up to 120,218 shares of Common Stock, each in one or more subsequent closings and on the same terms and conditions as those contained in the May 2013 Purchase Agreement.

(d) In connection with the May 2013 Transaction, the Issuer increased the number of directors on the Issuer's board of directors (the Board) to seven. Pursuant to the May 2013 Purchase Agreement, for so long as Fund V owns at least five percent (5%) of the Issuer's outstanding common stock, it shall have the right to appoint one Class II director and one Class III director to the Board. Fund V appointed Dayton Misfeldt, a member of Management V, as the Class II director and Lionel Carnot, a member of Management V, as the Class III director.

Item 5. Interest in Securities of the Issuer.

Items 5(a) and (b) of the Original Schedule 13D are amended and restated in their entirety to read as follows:

(a)(b)

Reporting Person	Shares Held Directly	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power	Beneficial Ownership (of Class (2))	Percentage
Fund V	87,321,166(5)	0	88,985,189	0	88,985,189	88,985,189	51.5%
Co-Investment V	1,664,023(6)	0	88,985,189	0	88,985,189	88,985,189	51.5%
Management V(3)	0	88,985,189	0	88,985,189	0	88,985,189	51.5%
BCC(4)	0	88,985,189	0	88,985,189	0	88,985,189	51.5%

- (1) Fund V and Co-Investment V constitute a group under Section 13(d) of the Exchange Act and consequently are deemed to have beneficial ownership of all shares held by members of the group.
- (2) This percentage is calculated based upon 172,683,343 shares of the Issuer's common stock outstanding as of December 23, 2014 (immediately following the initial closing of the December 2014 Transaction described in this Amendment No. 1), as computed in accordance with Rule 13d-3(d)(1)(i) promulgated under the Exchange Act.
- (3) Management V holds no shares of common stock directly. Management V is deemed to have beneficial ownership of common stock owned by Fund V and Co-Investment V due to its role as general partner of such funds. Investment and voting decisions by Management V are exercised by BCC as manager.
- (4) BCC holds no shares of common stock directly. Due to its role as manager of Management V, BCC is deemed to have beneficial ownership of common stock deemed to be beneficially owned by Management V.
- (5) Includes 41,137,150 shares of Common Stock issuable upon the exercise of warrants issued to Fund V pursuant to the May 2013 Transaction and December 2014 Transaction.
- (6) Includes 783,924 shares of Common Stock issuable upon the exercise of warrants issued to Co-Investment V pursuant to the May 2013 Transaction and December 2014 Transaction.

(c) See Item 4 of this Amendment No. 1.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of the Original Schedule 13D is amended and restated in its entirety to read as follows:

The information provided and incorporated by reference in Items 3, 4 and 5 is hereby incorporated by this reference.

Pursuant to the terms of the May 2013 Purchase Agreement, the Issuer entered into a Registration Rights Agreement (the May 2013 Registration Rights Agreement) with Fund V, Co-Investment V and certain other stockholders of the Issuer, pursuant to which the Issuer was required to file a registration statement on Form S-1 within 45 days of the closing date to cover the resale of, among other shares, the shares of Common Stock sold to Fund V and Co-Investment V in the transaction and the shares of Common Stock underlying the warrants. The May 2013 Registration Rights Agreement is attached to this Amendment No. 1 as Exhibit 99.3 and is incorporated herein by this reference.

Pursuant to the terms of the December 2014 Purchase Agreement, the Issuer entered into a second Registration Rights Agreement (the December 2014 Registration Rights Agreement) with Fund V, Co-Investment V and certain other stockholders of the Issuer, pursuant to which the Issuer is required to file a registration statement on Form S-1 within 45 days of the closing date to cover the resale of, among other shares, the shares of Common Stock sold to Fund V and Co-Investment V in the transaction and the shares of Common Stock underlying the warrants. The December 2014 Registration Rights Agreement is attached to this Amendment No. 1 as Exhibit 99.4 and is incorporated herein by this reference.

Other than as described in this Amendment No. 1, to the best of the Reporting Persons knowledge, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Exhibit No.	Description of Exhibit
99.1	Joint Filing Agreement (Previously filed with the Statement on Schedule 13D filed with the SEC on May 22, 2013).
99.2	Common Stock Purchase Agreement, dated May 17, 2013, by and among Issuer, Fund V, Co-Investment V and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Issuer on May 20, 2013).
99.3	Registration Rights Agreement, dated May 17, 2013, by and among the Issuer, Fund V, Co-Investment V and the other parties thereto (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by the Issuer on May 20, 2013).
99.4	Securities Purchase Agreement, dated December 23, 2014, by and among Issuer, Fund V, Co-Investment V and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Issuer on December 23, 2014).
99.5	

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Registration Rights Agreement, dated December 23, 2014, by and among the Issuer, Fund V, Co-Investment V and the other parties thereto (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by the Issuer on December 23, 2014).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 29, 2014

/s/ Carl Goldfischer

Carl Goldfischer, Managing Director

Bay City Capital LLC

for itself, for and on behalf of Bay City Capital Management V LLC in its capacity as manager thereof, and for and on behalf of Bay City Capital Fund V, L.P. and Bay City Capital Fund V Co-Investment Fund, L.P. in its capacity as manager of Bay City Capital Management V LLC, the general partner of Bay City Capital Fund V, L.P. and Bay City Capital Fund V Co-Investment Fund, L.P.