

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

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FORM 8-K

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

September 24, 2007  
Date of Report (Date of earliest event reported)

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**ACURA PHARMACEUTICALS, INC.**

(Exact Name of Registrant as Specified in Charter)

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**State of New York**  
(State of Other Jurisdiction  
of Incorporation)

**1-10113**  
(Commission  
File Number)

**11-0853640**  
(I.R.S. Employer  
Identification Number)

**616 N. North Court, Suite 120**  
**Palatine, Illinois 60067**  
(Address of principal executive offices) (Zip Code)

**(847) 705-7709**  
(Registrant's telephone number, including area code)

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))
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**Item 1.01            Entry Into a Material Definitive Agreement**

On September 24, 2007, the Registrant amended its Loan Agreement dated as of March 29, 2000, as previously amended, with Essex Woodlands Health Venture V, L.P., Care Capital Investments II, L.P., Care Capital Offshore Investments II, L.P., Galen Partners III, L.P., Galen Partners International III, L.P. and Galen Employee Fund III, L.P. (collectively, the “VC Lenders”) and certain individual lenders (with the VC Lenders, the “Lenders”) and its \$5,000,000 note (the “Note”) held by such Lenders, dated as of December 20, 2002, as amended, to provide for the accrual and deferral of accrued interest payments under the Note and Loan Agreement until the earlier of (i) the maturity date of the Note, and (ii) Registrant’s receipt of proceeds in excess of \$5 million from a third party pharmaceutical company or companies pursuant to which the Registrant, in one or more transactions, grants such pharmaceutical company or companies rights to any of the Registrant’s products or product candidates or rights to the Registrant’s Aversion® Technology, with such proceeds including any up front payments, progress payments, milestone payments, license fees, royalties and similar payments, but excluding fees for services, reimbursements or advances for costs and expenses. Deferred interest is due on the maturity date, or if earlier, ten days after the occurrence of an event described in (ii) above. Upon the occurrence of an event described in (ii) above, all future interest payments are to be paid in cash on a quarterly basis.

GCE Holdings, LLC, which is controlled by the VC Lenders, beneficially owns approximately 78% of the Registrant's outstanding common stock and has the right to designate four directors (of which it has exercised the right with respect to three directors) to the Registrant’s Board of Directors.

**Item 9.01            Financial Statements and Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
10.1	Sixth Amendment, Waiver and Consent dated as of September 24, 2007 to Loan Agreement dated as of March 29, 2000.
10.2	Amended and Restated \$5,000,000 Senior Note

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## 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 thereunto duly authorized.

**ACURA PHARMACEUTICALS, INC.**

By: /s/ Peter Clemens

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Peter A. Clemens  
Senior Vice President & Chief Financial Officer

Date: September 24, 2007

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**Exhibit Index**

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## SIXTH AMENDMENT, WAIVER AND CONSENT

### TO

### LOAN AGREEMENT

THIS SIXTH AMENDMENT, WAIVER AND CONSENT TO LOAN AGREEMENT, dated as of September 27, 2007 (the "Sixth Amendment"), is made and entered into by and between Acura Pharmaceuticals, Inc., a New York corporation ("Borrower"), and Galen Partners III, L.P., a Delaware limited partnership, as Agent under that certain Noteholders Agreement dated as of February 6, 2004 ("Lender"). Capitalized terms used herein and not otherwise defined shall have the meaning provided in the Loan Agreement (as defined below).

### RECITALS

**WHEREAS**, Borrower and Lender (as assignee of Watson Pharmaceuticals, Inc. ("Watson")) are parties to that certain Loan Agreement, dated as of March 29, 2000, as amended by a certain Amendment to Loan Agreement dated as of March 31, 2000, as further amended by a certain Second Amendment to Loan Agreement dated as of December 20, 2002 and as further amended by a certain Third Amendment, Waiver and Consent to Loan Agreement dated as of February 6, 2004 (the "Third Amendment") (as so amended, the "Loan Agreement"); and

**WHEREAS**, in accordance with the terms of the Loan Agreement, Borrower previously issued to Watson two Promissory Notes, the first dated December 20, 2002 in the principal amount of \$17,500,000 (the "Replacement Note"), and the second dated December 20, 2002 in the principal amount of \$3,901,331 (the "\$3.9 Million Note", and together with the Replacement Note, collectively, the "Old Notes"); and

**WHEREAS**, in order to allow the Borrower to complete each of the transactions contemplated pursuant to that certain Term Sheet dated December 19, 2003 between the Borrower and the other signatories thereto (the "Term Sheet Transactions"), at Borrower's request and in accordance with the Third Amendment, Lender consented to the Term Sheet Transactions and waived certain restrictions contained in the Loan Agreement; and

**WHEREAS**, pursuant to a certain Umbrella Agreement dated as of February 6, 2004 (the "Umbrella Agreement") by and among Borrower, Watson, Care Capital Investment II, L.P., Essex Woodlands Health Ventures V, LP, Galen Partners III, L.P. and the other signatories thereto (collectively, but excluding the Borrower and Watson, the "Investor Group"), in consideration of Borrower's payment to Watson of \$4,000,000, Watson (i) cancelled and discharged in full the \$3.9 Million Note, (ii) forgave \$12,500,000 in principal amount of the Replacement Note and amended and restated the Replacement Note as provided in the Third Amendment, and (iii) amended the Loan Agreement as provided in the Third Amendment (collectively, the "2004 Note and Loan Agreement Amendments"); and

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**WHEREAS**, pursuant to the terms of the Umbrella Agreement, Watson transferred and conveyed to the Investor Group all of its right, title and interest in and to the Loan Agreement and Replacement Note after giving effect to the 2004 Note and Loan Agreement Amendments;

**WHEREAS**, simultaneous with the completion of the transactions contemplated in the Umbrella Agreement, the Replacement Note was amended and restated in the form of Exhibit A to the Third Amendment to Loan Agreement (the “2004 Replacement Note”);

**WHEREAS**, in accordance with the Fourth Amendment, Waiver and Consent to Loan Agreement dated June 28, 2007, between Borrower and Lender (the “Fourth Amendment to Loan Agreement”), the 2004 Replacement Note was amended and restated to provide for the extension of the Maturity Date of the 2004 Replacement Note from June 30, 2007 to September 30, 2007 (the “June 2007 Replacement Note”);

**WHEREAS**, in accordance with the Fifth Amendment, Waiver and Consent to Loan Agreement dated August 20, 2007 between Borrower and Lender (the “Fifth Amendment to Loan Agreement”), the June 2007 Replacement Note was amended and restated to provide for, among other things, the extension of the Maturity Date of the June 2007 Replacement Note from September 30, 2007 to December 31, 2008 (the “August 2007 Replacement Note”);

**WHEREAS**, the parties hereto, wish to defer the payment of interest accruing under the June 2007 Replacement Note and make the other changes set forth below;

**NOW, THEREFORE**, the parties hereto agree as follows:

## AGREEMENT

1. Article One of the Loan Agreement is hereby amended in its entirety to read as follows:

"1. AMOUNT AND TERMS OF LOANS.

"1.1 Term Loans. Subject to the terms herein, Watson Pharmaceuticals, Inc. ("Watson") has previously loaned to Borrower the aggregate principal amount of Twenty One Million Four Hundred One Thousand Three Hundred Thirty One Dollars (\$21,401,331) (the "Original Loan"). Effective the date of the Third Amendment to the Loan Agreement, (i) Watson forever forgave, discharged, cancelled and rendered null and void Borrower's obligation to repay Sixteen Million Four Hundred One Thousand Three Hundred Thirty One Dollars (\$16,401,331) in principal amount, plus accrued and unpaid interest on such principal amount, of the Original Loan, resulting in a remaining principal balance of the Original Loan of Five Million Dollars (\$5,000,000) (the "Loan"), and (ii) Watson forever forgave and discharged Borrower's obligation to pay interest under the Original Loan, as evidenced by the Old Notes, to the extent accrued and unpaid through and including the date of the Third Amendment to the Loan Agreement. The Old Notes previously issued by Borrower to Watson hereunder were amended or cancelled, as appropriate, in accordance with Section 1.2 below. Notwithstanding any prepayment of the Loan by Borrower, sums repaid may not be re-borrowed. Effective the date of the Fourth Amendment to the Loan Agreement, the 2004 Replacement Note was amended and restated by the June 2007 Replacement Note, which extended the maturity of the 2004 Replacement Note. Effective the date of the Fifth Amendment to Loan Agreement, the June 2007 Replacement Note was amended and restated by the August 2007 Replacement Note which extended the maturity of the June 2007 Replacement Note.

1.2 Promissory Notes. Borrower's obligation to pay the principal of, and interest on, the Loan shall be evidenced by a promissory note dated as of December 20, 2002 duly executed and delivered by Borrower in the form attached as Exhibit A to the Sixth Amendment to the Loan Agreement and representing the \$5,000,000 principal balance of the Loan (the "Note"), which Note shall be an amendment and restatement of the August 2007 Replacement Note. Notwithstanding anything to the contrary contained in the Note or the Loan Agreement, Borrower and each Holder (as defined in that certain Noteholders Agreement dated as of February 6, 2004, as amended, between the Borrower and the signatories thereto (the "Noteholders Agreement")) hereby agree that all interest under the August 2007 Replacement Note will accrue quarterly and be payable in cash to the extent accrued on the earlier of (i) the maturity date of the Note, and (ii) Borrower's (or its subsidiaries') receipt of proceeds in excess of \$5 million from a third party pharmaceutical company or companies pursuant to which the Borrower (or any subsidiary), in one or more transactions, grants such pharmaceutical company or companies rights to any of the Borrower's (or its subsidiaries') products or product candidates or rights to the Borrower's Aversion® Technology - such proceeds shall include up front payments, progress payments, milestone payments, license fees, royalties and similar payments, but shall exclude fees for services, reimbursements or advances for costs and expenses. Within ten (10) days of the occurrence of an event described in subsection (ii) above, the Borrower shall remit to Lender such accrued and unpaid interest payments and all future interest payments shall be paid in cash on a quarterly basis as provided in the Note. Upon execution and delivery of the Note, the August 2007 Replacement Note shall be null and void and of no further legal force or effect. Lender agrees to promptly return to Borrower the August 2007 Replacement Note after receipt of the Sixth Amendment to the Loan Agreement and the Note.

1.3 Mandatory Prepayment. The principal amount of the Note shall be mandatorily pre-paid by the Borrower, in whole or in part, with all proceeds in excess of \$5 million received by the Borrower from a third party pharmaceutical company or companies pursuant to which the Borrower, in one or more transactions, grants such pharmaceutical company or companies rights to any of the Borrower's products or product candidates or rights to the Borrower's Aversion® Technology. Such proceeds shall include, without limitation, up-front fees, progress payments, milestone payments, license fees, royalties and any similar payments, but shall exclude fees for services, reimbursements or advances for costs and expenses. The Borrower shall remit such mandatory pre-payment not later than ten (10) days following receipt of any such excess proceeds from such transaction(s). All references to the Borrower in this paragraph shall be interpreted to include the Borrower and its subsidiaries."



2. Section 12.1 of the Loan Agreement is hereby amended by adding the following definitions in alphabetical order:

“August 2007 Replacement Note” shall mean the Replacement Note in the principal amount of \$5 million issued to Galen Partner’s III, LP, as agent, amending and restating the June 2007 Replacement Note pursuant to the Fifth Amendment to Loan Agreement.”

3. Limitation of Amendment. Except as amended above, the terms of the Loan Agreement shall remain in full force and effect.

4.Governing Law. This Sixth Amendment and the rights of the parties hereunder shall be governed in all respects by the laws of the State of New York wherein the terms of this Fourth Amendment were negotiated.

5.Counterparts. This Sixth Amendment may be executed in any number of counterparts, including by facsimile, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, Borrower and Lender have caused this Sixth Amendment to be duly executed by their duly authorized officers all as of the day and year first above written.

"BORROWER"

"LENDER"

ACURA PHARMACEUTICALS, INC.

GALEN PARTNERS III, L.P., as Agent

By: /s/ Peter Clemens

Name: Peter A. Clemens

Title: Senior Vice President and Chief Financial Officer

By: /s/ Bruce F. Wesson

Name: Bruce F. Wesson

Title: Managing Director

**EXHIBIT A**

Note

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## **SECURED PROMISSORY NOTE**

\$5,000,000

As of December 20, 2002  
Corona, California

1. **Promise to Pay.** For good and valuable consideration, the receipt of which is hereby acknowledged, ACURA PHARMACEUTICALS, INC., a New York corporation ("**Maker**"), promises to pay to GALEN PARTNERS III, L.P., a Delaware limited partnership, as Agent under that certain Noteholders Agreement dated as of February 6, 2004, as amended ("**Galen**"), or order (either, the "**Holder**"), on the Maturity Date (as defined below), unless sooner paid as provided in **Section 5** hereof, the principal sum of Five Million Dollars (\$5,000,000), plus accrued unpaid interest thereon. The outstanding principal balance of this Note shall bear interest at a variable rate equal to the prime rate announced from time to time by Bank of America (the "**Prime Rate**") plus four and one half percent (4.5%) per annum from February 6, 2004 to the date of the Fifth Amendment (as defined in Section 15 below), and at a fixed rate of ten percent (10%) per annum thereafter until the date the principal sum is paid in full. Interest payments shall be made as provided in **Section 2** below. All payments under this Note shall be made to the order of the Holder at the address Holder may designate in writing to Maker. All payments of principal under this Note shall be made in U.S. Dollars.

2. **Payment of Interest.** Except as otherwise provided in the Loan Agreement, all accrued interest shall be paid on each March 31, June 30, September 30 and December 31 during the term of this Note, commencing March 31, 2004. From and after the date of the Fifth Amendment, the payment of accrued interest on this Note shall be made in U.S. Dollars.

3. **Maturity Date.** The date that this Note shall mature, and the principal amount outstanding hereunder, plus accrued unpaid interest thereon and any charges pertaining thereto, shall become due and payable (the "**Maturity Date**") shall be December 31, 2008.

4. **Loan and Security Agreements.** Maker and Galen, as assignee of Watson Pharmaceuticals, Inc., are parties to that certain Loan Agreement, dated as of March 29, 2000, as amended by that certain Amendment to Loan Agreement dated as of March 31, 2000, as further amended by that certain Second Amendment to Loan Agreement dated as of December 20, 2002, as further amended by that certain Third Amendment, Waiver and Consent to Loan Agreement dated as of February 6, 2004, as further amended by that certain Fourth Amendment, Waiver and Consent to Loan Agreement dated as of June 28, 2007, as further amended by that Fifth Amendment to Loan Agreement dated as of August 20, 2007, and as further amended by that Sixth Amendment to Loan Agreement dated as of September \_\_, 2007 (as so amended, the "**Loan Agreement**"). The full and punctual payment and performance of this Note by Maker are secured and guaranteed by the Company General Security Agreement, the Company Collateral Assignments, the Stock Pledge Agreement, the Guaranties, the Guarantors Security Agreement, the Guarantor Collateral Assignments and the Mortgage, as those terms are defined in the Loan Agreement (the "**Security Agreements**"). The security interest granted to Holder under the Security Agreements extends to the proceeds of any sale or other transfer or disposition of such assets, whether by Maker, its affiliates, the Holder or any other person, that occurs prior to the payment in full of this Note. Copies of the Loan Agreement and the Security Agreements may be obtained from Maker without charge.

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5. Prepayments. Maker may voluntarily prepay this Note either in whole or in part without penalty or premium. This Note is subject to mandatory prepayment, in whole or in part, as provided in Section 1.3 of the Loan Agreement.

6. Waivers. Maker hereby waives diligence, presentment for payment, demand, protest, notice of non-payment, notice of dishonor, notice of protest, and any and all other notices and demands whatsoever. Maker shall remain bound under this Note until all principal and interest and any other amounts that are payable hereunder or under the Loan Agreement or the Security Agreements have been paid in full, notwithstanding any extensions or renewals granted with respect to this Note or the release of any party liable hereunder or any security for the payment of this Note. Maker, and any and all endorsers hereof, also waive the right to plead any and all statutes of limitations as a defense to any demand on this Note or any and all obligations or liabilities arising out of or in connection with this Note, the Loan Agreement or the Security Agreements, to the fullest extent permitted by law.

7. Events of Default. Any of the following events shall constitute an event of default by Maker under this Note (an “Event of Default”):

- (a) the failure of Maker to pay to Holder, on the Maturity Date, any and all principal amounts due and owing under this Note;
- (b) the failure of Maker to pay to Holder interest payments when due; or
- (c) there occurs any other event or circumstance that constitutes an “Event of Default” as defined in Section 9.1 of the Loan Agreement.

Subject to the forbearance provisions contained in Section 9.4 of the Loan Agreement, upon the occurrence of any Event of Default, as defined herein above, at Holder’s option, Holder may declare immediately due and payable, and on any such declaration there shall become immediately due and payable, the entire unpaid principal balance of this Note, together with all accrued and unpaid interest under this Note and any other sums owing at the time of such declaration pursuant to this Note, the Loan Agreement or the Security Agreements, and Holder shall be entitled to exercise all rights and remedies available to Holder under this Note, under the Loan Agreement and the Security Agreements and under applicable law, all of which rights and remedies shall be cumulative. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, the interest rate at which interest shall accrue on the principal sum and any other amounts that are due under this Note shall increase to the lower of (i) twelve percent (12%) per annum or (ii) the maximum interest rate permitted under applicable law (the “Default Rate”), until all such amounts have been paid in full.

8. No Waiver by Holder. Subject to the forbearance provisions contained in Section 9.4 of the Loan Agreement, any delay or omission on the part of Holder to exercise any of Holder's rights or remedies hereunder, under the Loan Agreement or the Security Agreements or under applicable law, including, without limitation, the right to accelerate amounts owing under this Note, shall not be deemed a waiver of that right or remedy or of any other right or remedy of Holder in respect thereof. The acceptance by Holder of any payment pursuant to the terms of this Note which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the Holder's rights or remedies under this Note, the Loan Agreement, the Security Agreements or under applicable law at that time or at any subsequent time or nullify any prior exercise of any such rights or remedies without the express written consent of Holder, except as and to the extent provided to the contrary by applicable law.

9. Governing Law. This Note shall be governed by and construed according to and enforced under the internal laws of the State of New York without giving effect to its choice of laws rules.

10. Enforcement of the Note. Maker agrees that the Superior Court in and for the County of New York, New York shall have exclusive jurisdiction over any disputes, between the Maker and Holder and any action, suit or other proceeding brought by Maker or Holder relating to the interpretation or enforcement of this Note, and Maker agrees as follows: (a) Maker shall accept and not contest the personal or subject matter jurisdiction of such Court; (b) Maker shall accept and not object to or challenge the venue of such Court or assert the doctrine of forum non conveniens with respect to such Court; (c) Maker shall accept and not contest the validity or effectiveness of service of process in any such action, suit or other proceeding by registered or certified first class mail; and (d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, MAKER WAIVES AND SHALL WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT WITH RESPECT TO THIS NOTE OR ITS ENFORCEMENT OR INTERPRETATION. If Maker fails to pay any amounts due hereunder when due, then Maker shall pay all costs of enforcement and collection, including, without limitation, reasonable attorneys' fees and costs incurred by Holder, whether or not enforcement and collection includes the filing of a lawsuit, and whether or not that lawsuit is prosecuted to judgment. The costs of enforcement and collection shall be added to the principal amount of the Note and shall accrue interest at the Default Rate from the Date incurred until the date paid by Maker.

11. Binding Nature. The provisions of this Note shall be binding on Maker and shall inure to the benefit of Holder.

12. Usury Savings Provisions. In the event Holder receives any sums under this Note which constitute interest in an amount in excess of that permitted by any applicable law, then, all such sums constituting interest in excess of that permitted to be paid under applicable law shall, at Holder's option, either be credited to the payment of principal owing hereunder or returned to Maker. The provisions of this Section 12 control the other provisions of this Note and any other agreement between Maker and Holder.

13. Severability. If, but only to the extent that, any provision of this Note shall be invalid or unenforceable, then, such offending provision shall be deleted from this Note, but only to the extent necessary to preserve the validity and effectiveness of this Note to the fullest extent permitted by applicable law.

14. Interpretation. No provision of this Note shall be interpreted for or against Maker or Holder because that person or that person's legal representative drafted such provision. Unless otherwise indicated elsewhere in this Note, (a) the term "or" shall not be exclusive, (b) the term "including" shall mean "including, but not limited to," and (c) the terms "below," "above," "herein," "hereof," "hereto," "hereunder" and other terms similar to such terms shall refer to this Note as a whole and not merely to the specific section, subsection, paragraph or clause where such terms may appear. The section and subsection headings in this Note are included for convenience of reference only and shall be ignored in the construction or interpretation of this Note.

15. Amended and Restated Note. This Note is issued in accordance with that certain Sixth Amendment to Loan Agreement dated as of September \_\_, 2007, between Maker and Galen (the "Sixth Amendment"), and is issued by Maker as an amendment and restatement of that certain Secured Promissory Note issued by Maker to Galen in the principal amount of \$5,000,000 dated December 20, 2002 (the "Original Note"). Upon execution and delivery of this Note to Galen, the Original Note shall be null and void and of no further legal force or effect.

[SIGNATURE PAGE TO FOLLOW]

“MAKER”

ACURA PHARMACEUTICALS, INC.

/s/ Peter Clemens

By: Peter A. Clemens

Its: Senior Vice President and Chief Financial Officer