

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): December 4, 2024

Verrica Pharmaceuticals Inc.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-38529  
(Commission  
File Number)

46-3137900  
(IRS Employer  
Identification No.)

44 W. Gay St., Suite 400  
West Chester, PA  
(Address of Principal Executive Offices)

19380  
(Zip Code)

Registrant's telephone number, including area code: (484) 453-3300

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))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock	VRCA	The Nasdaq Stock Market LLC

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 Arrangements of Certain Officers.**

***Appointment of David Zawitz as Chief Operating Officer and Principal Operating Officer***

On December 4, 2024, the Board of Directors (the “**Board**”) of Verrica Pharmaceuticals Inc. (the “**Company**”) appointed David Zawitz as the Company’s Chief Operating Officer and designated him as the Company’s principal operating officer, effective December 9, 2024 (the “**Effective Date**”).

There is no arrangement or understanding between Mr. Zawitz and any other person pursuant to which he was selected as an officer of the Company. There are no related party transactions between Mr. Zawitz and the Company that would require disclosure under Item 404(a) of Regulation S-K. There is no family relationship between Mr. Zawitz and any of the Company’s other directors or executive officers. Additional biographical information about Mr. Zawitz is set forth below:

Mr. Zawitz, age 43, has served as Executive Vice President and Secretary of PBM Capital Group, LLC (“**PBM Capital**”) since March 2021 after serving in roles of increasing responsibility within PBM Capital’s legal department beginning in 2018. He began providing services to PBM Capital as a consultant as of the Effective Date. Prior to joining PBM Capital, Mr. Zawitz served in roles of increasing responsibility with CarMax, Inc. from 2012 to 2018, including most recently as Assistant General Counsel and Assistant Secretary, and was an attorney in private practice with Bingham McCutchen LLP from 2010 to 2012 and McKee Nelson LLP from 2007 to 2009. Mr. Zawitz earned a B.S.C. in Commerce with concentrations in Finance and Information Technology from the University of Virginia and a J.D. from the University of Virginia School of Law. He is also a CFA® charterholder.

***Offer Letter with Mr. Zawitz***

In connection with Mr. Zawitz’s appointment as the Company’s Chief Operating Officer, on December 5, 2024, Mr. Zawitz and the Company entered into an offer letter effective as of the Effective Date (the “**Offer Letter**”). Pursuant to the terms of his Offer Letter, Mr. Zawitz’s employment is at will and may be terminated at any time by the Company or Mr. Zawitz. Under the terms of the Offer Letter, Mr. Zawitz will receive an annual base salary of \$250,000 per year, subject to review and adjustment from time to time by the Board in its sole discretion. Mr. Zawitz will be eligible to receive a target annual bonus per calendar year in an amount equal to 40% of his annual base salary, subject to the discretion of the Board. Mr. Zawitz is also eligible to participate in the Company’s employee and executive benefit plans and programs as may be maintained by the Company from time to time.

In addition, and pursuant to the terms of the Offer Letter, on December 4, 2024, the Compensation Committee of the Board approved an option grant (the “**Zawitz Option**”) to Mr. Zawitz to purchase 950,000 shares of the Company’s common stock (the “**Common Stock**”) effective as of the Effective Date (the “**Grant Date**”) pursuant to the Company’s 2024 Inducement Plan (the “**Inducement Plan**”). The Zawitz Option is being granted as an inducement material to the Mr. Zawitz’s becoming an employee of the Company in accordance with Nasdaq Listing Rule 5635(c)(4). The Zawitz Option will have an exercise price equal to the closing price of the Common Stock on the Grant Date and vests as follows: 1/8th of the total shares subject to the Zawitz Option shall vest on the date that is six months following the Effective Date, and 1/48th of the total shares subject to the Zawitz Option shall vest each month thereafter on the same day of the month as the Effective Date, subject to Mr. Zawitz’s Continuous Service (as defined in the Inducement Plan) as of each such date. In the event that Mr. Zawitz’s employment is terminated by the Company without Cause (as defined in the Offer Letter) or Mr. Zawitz resigns for Good Reason (as defined the Offer Letter) within the 12 month period immediately following a Change in Control (as defined in the Inducement Plan), then all unvested shares subject to the Zawitz Option will vest in full and be deemed vested and exercisable as of the date of such Change in Control subject to Mr. Zawitz’s execution of a standard release of claims.

The description of the Offer Letter provided herein is not complete and is qualified in its entirety by reference to the Offer Letter which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

In connection with his appointment as Chief Operating Officer, Mr. Zawitz entered into the Company's standard form of Indemnification Agreement.

#### ***Amendment of 2024 Inducement Plan***

On December 4, 2024, the Board approved an amendment to the Inducement Plan (the "***Amendment***") to increase the number of shares of Common Stock reserved for issuance pursuant to Awards (as defined below) from 2,000,000 shares of Common Stock to 4,500,000 shares of Common Stock. After taking into account the Amendment and the Zawitz Option, the Company currently has 1,550,000 shares of Common Stock available for the grant of Awards under the Inducement Plan.

The Amendment was adopted without stockholder approval pursuant to Nasdaq Listing Rule 5635(c)(4). An "Award" is any right to receive shares of Common Stock or other property pursuant to the Inducement Plan, including nonstatutory stock options, restricted stock awards and restricted stock unit awards. Awards under the Inducement Plan may only be made to individuals not previously employees or directors of the Company, or who are returning to employment following a bona fide period of non-employment with the Company, in each case as an inducement material to the individual's entry into employment with us within the meaning of Nasdaq Listing Rule 5635(c)(4).

The description of the Amendment provided herein is not complete and is qualified in its entirety by reference to the Amendment which is filed as Exhibit 10.2 hereto and incorporated herein by reference.

#### **Item 9.01 Financial Statements and Exhibits.**

##### **(d) Exhibits**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1	<a href="#">Offer Letter, dated December 5, 2024, by and between the Company and David Zawitz</a>
10.2	<a href="#">Amendment to 2024 Inducement Plan</a>
104	Cover Page Interactive Data File (formatted as inline XBRL)

**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.

Date: December 9, 2024

**Verrica Pharmaceuticals Inc.**

/s/ John J. Kirby

John J. Kirby

Interim Chief Financial Officer



December 5, 2024

David Zawitz

**Re: Employment Terms**

Dear David:

**Verrica Pharmaceuticals, Inc.** (the “*Company*”) is pleased to offer you employment beginning on December 9, 2024 or such other date as set by the Company in its discretion (the “*Start Date*”).

**Position**

Your position will be Chief Operating Officer, responsible for performing duties regularly associated with your position and such other duties as are assigned to you from time to time, reporting to the Company’s President and Chief Executive Officer. During the term of your employment with the Company, you will devote your best efforts and substantially all of your business time and attention to the business of the Company (other than as provided herein). You will be expected to perform your duties to the Company principally from the Company’s office in West Chester, Pennsylvania and the PBM Capital Group (“*PBM Capital*”) office in Charlottesville, Virginia, as determined by the Company in its discretion, and will make such business trips to such places as may be necessary or advisable for the efficient operations of the Company.

**Compensation and Benefits**

Your initial base salary will be paid at the rate of \$250,000 per year (the “*Base Salary*”), less payroll deductions and withholdings, paid on the Company’s normal payroll schedule, subject to adjustment by the Company from time to time.

You will also be eligible to earn an annual performance bonus with a target amount equal to 40% (the “*Target Percentage*”) of your Base Salary (“*Annual Bonus*”). The Annual Bonus will be based upon the Company’s assessment of your performance and the Company’s attainment of targeted goals as set by the Company’s Board of Directors (the “*Board*”) in its sole discretion. The Annual Bonus, if any, will be subject to applicable payroll deductions and withholdings. Following the close of each calendar year, the Board will determine whether you have earned the Annual Bonus, and the amount of any Annual Bonus, which can be above or below the Target Percentage, based on the set criteria. No amount of the Annual Bonus is guaranteed, and you must be an employee in good standing on the Annual Bonus payment date to be eligible to receive an Annual Bonus; no partial or prorated bonuses will be provided. The Annual Bonus, if earned, will be paid no later than March 15 of the calendar year immediately following the applicable calendar year for which the Annual Bonus is being measured. Your eligibility for an Annual Bonus is subject to change in the discretion of the Board (or any authorized committee thereof).

During your employment, you will be eligible to participate in the benefits plans offered to similarly-situated employees by the Company from time to time, subject to plan terms and generally applicable Company policies. A full description of current benefits is available for your review.

## Equity

Subject to approval by the Board, the Company anticipates granting you an option to purchase 950,000 shares of the Company's outstanding common stock, on the Start Date, with an exercise price equal to the fair market value on the grant date as determined by the Board (the "**Option**"). The Option is intended to be a material inducement to your employment by the Company. The Company anticipates granting the Option pursuant to the Verrica Pharmaceuticals, Inc. 2024 Inducement Plan, as amended (the "**Plan**") and a grant agreement. The Option shall vest in accordance with the following schedule: 1/8th of the total shares subject to the Option shall vest on the date that is six months following the Start Date, and 1/48th of the total shares subject to the Option shall vest each month thereafter on the same day of the month as the Start Date (or if there is no corresponding day, on the last day of the month), subject to your Continuous Service (as defined in the Plan) as of each such date. In the event that your employment is terminated by the Company without Cause (as defined below) or you resign for Good Reason (as defined below) within the twelve (12) month period immediately following a Change in Control (as defined in the Plan), then all unvested shares subject to the Option will vest in full and be deemed vested and exercisable as of the date of such Change in Control provided you timely execute and allow to become effective a separation agreement containing a release of claims in favor of the Company and other customary provisions in a form presented by the Company.

For purposes of this letter, "**Cause**" shall mean the occurrence of any of the following: (i) your conviction of any felony or any crime involving fraud or dishonesty; (ii) your participation in a fraud, act of dishonesty or other act of gross misconduct that adversely affects the Company; (iii) conduct by you that demonstrates your gross unfitness to serve under circumstances that materially and adversely affect the Company; (iv) your violation of any statutory or fiduciary duty, or duty of loyalty, owed to the Company; (v) your breach of any material term of any contract between you and the Company; and/or (vi) your serious violation of a material Company policy. Whether a termination is for Cause shall be decided by the Board in its sole and exclusive judgment and discretion. Prior to termination for Cause pursuant to each event listed in (iii) and (iv) above, the Company shall give you notice of such event(s), which notice shall specify in reasonable detail the circumstances constituting Cause, and an opportunity to explain the circumstances. Prior to any termination for Cause pursuant to each event listed in (v) and (vi) above, to the extent such event(s) is (are) capable of being cured by you, (A) the Company shall give you notice of such event(s), which notice shall specify in reasonable detail the circumstances constituting Cause, and an opportunity to cure, and (B) there shall be no Cause with respect to any such event(s) if the Board determines in good faith that such events have been cured by you within fifteen (15) days after the delivery of such notice.

For purposes of this letter, "**Good Reason**" shall mean any of following actions are taken by the Company without your prior written consent: (i) a material reduction by the Company of your Base Salary as initially set forth herein or as the same may be increased from time to time, provided, however, that if such reduction occurs in connection with a Company-wide decrease in executive team compensation, such reduction shall not constitute Good Reason; (ii) a material breach of this Agreement by the Company; (iii) the relocation of your principal place of employment, without your consent, by fifty (50) or more miles from Charlottesville, Virginia; (iv) a material reduction in your title, duties, authority, or responsibilities relative to your title, duties, authority, or responsibilities in effect immediately prior to such reduction; or (v) Paul Manning no longer serving in the capacity of Chair of the Board; **provided**, however, that, any such termination by you shall only be deemed for Good Reason pursuant to this definition if: (1) you give the Company written notice of your intent to terminate for Good Reason within thirty (30) days following the occurrence of the condition(s) that you believe constitute(s) Good Reason, which notice shall describe such condition(s); (2) the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "**Cure Period**"); and (3) you voluntarily terminate your employment within thirty (30) days following the end of the Cure Period.

## **Confidential Information and Company Policies**

As a Company employee, you will be expected to abide by Company rules and policies. As a condition of employment, you must sign and comply with the attached Employee Confidential Information and Inventions Assignment Agreement which prohibits unauthorized use or disclosure of the Company's proprietary information, among other obligations. This Employee Confidential Information and Inventions Assignment Agreement will be presented to you under separate cover and must be signed before you commence employment with the Company.

By signing this letter you are representing that you have full authority to accept this position and perform the duties of the position without conflict with any other obligations and that you are not involved in any situation that might create, or appear to create, a conflict of interest with respect to your loyalty or duties to the Company. You specifically warrant that you are not subject to an employment agreement or restrictive covenant preventing full performance of your duties to the Company. You agree not to bring to the Company or use in the performance of your responsibilities at the Company any materials or documents of a former employer that are not generally available to the public, unless you have obtained express written authorization from the former employer for their possession and use. You also agree to honor all obligations to former employers during your employment with the Company.

## **At-Will Employment and Exempt Status**

Your employment with the Company will be "at-will." You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time, with or without Cause or advance notice. Your employment at-will status can only be modified in a written agreement signed by you and by an authorized officer of the Company.

As a full-time exempt, salaried employee, you will be expected to work the Company's normal business hours as well as additional hours as required by the nature of your work assignments, and you will not be eligible for overtime compensation.

Except with the prior written consent of the Company, you will not, while employed by the Company, undertake or engage in any other employment, occupation or business enterprise that would interfere with your responsibilities and the performance of your duties hereunder except for: (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit and/or other charitable organization as you may wish to serve; (ii) reasonable time devoted to activities in the non-profit and business communities consistent with your duties to the Company; (iii) reasonable time devoted to service on boards of directors of companies that are not competitive with the Company, do not otherwise present a conflict of interest and would not otherwise interfere with your responsibilities and the performance of your duties hereunder, subject to the prior written approval of the Company (which approval shall not be unreasonably withheld); (iv) continued consulting services for PBM Capital, provided that any increase in the time spent performing such consulting services (relative to your time commitment as of the Start Date) shall require the prior written approval of the Board; and (v) such other activities that would not interfere with your responsibilities and the performance of your duties hereunder as may be specifically approved by the Company (which approval shall not be unreasonably withheld). This restriction shall not, however, preclude you from owning less than one percent (1%) of the total outstanding shares of a publicly traded company.

## **Conditions, Dispute Resolution, and Complete Agreement**

This offer is contingent upon a satisfactory reference check and satisfactory proof of your right to work in the United States. If the Company informs you that you are required to complete a background check, this offer is contingent upon satisfactory clearance of such background check. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions.

To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted in the Commonwealth of Pennsylvania by JAMS or its successor, under JAMS' then applicable rules and procedures for employment disputes before a single arbitrator (available upon request and also currently available at <http://www.jamsadr.com/rules-employment-arbitration/>). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** In addition, all claims, disputes, or causes of action under this Section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, sexual harassment claims, to the extent such claims are not permitted by applicable law(s) to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "**Excluded Claims**"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. You will have the right to be represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. You and the Company shall equally share all JAMS' arbitration fees. Each party is responsible for its own attorneys' fees, except as expressly set forth in your Employee Confidential Information and Inventions Assignment Agreement. Nothing in this agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

This letter, together with your Employee Confidential Information and Inventions Assignment Agreement, forms the complete and exclusive statement of your employment agreement with the Company. It supersedes any other agreements or promises made to you by anyone, whether oral or written. You acknowledge and agree that you are not relying on any representations other than the terms set forth in this letter and your Employee Confidential Information and Inventions Assignment Agreement. No term or provision of this letter may be amended, waived, released, discharged or modified except in writing, signed by you and an authorized officer of the Company, except that the Company may, in its sole discretion, adjust salaries, incentive compensation, benefits, duties and responsibilities. If any provision of this offer letter agreement is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this offer letter agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This letter may be executed in counterparts and may be delivered and executed via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes. Please sign and date this letter and return it to me by December 6, 2024, if you wish to accept employment at the Company under the terms described above.



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We look forward to your favorable reply and to a productive and enjoyable work relationship.

Sincerely,

/s/ Jayson Rieger

Jayson Rieger  
President and Chief Executive Officer

Understood and Accepted:

/s/ David Zawitz

David Zawitz

12/5/24

Date

Attachment: Employee Confidential Information and Inventions Assignment Agreement

**AMENDMENT TO  
VERRICA PHARMACEUTICALS INC.  
2024 INDUCEMENT PLAN**

**A.** Verrica Pharmaceuticals Inc., a corporation organized under the laws of the State of Delaware, (the “*Company*”) established the Company’s 2024 Inducement Plan (the “*Plan*”);

**B.** The Plan currently provides for 2,000,000 shares of Common Stock to be reserved for issuance under the Plan; and

**C.** The Company now wishes to amend the Plan to increase the number of shares of Common Stock reserved for issuance under the Plan to an aggregate of 4,500,000 shares.

Effective immediately, the Plan is amended as follows:

1. The reference to “2,000,000 shares” in Section 3(a) of the Plan is hereby amended to reference “4,500,000 shares”.
2. In all other respects, the Plan will remain the same.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed as of December 5, 2024.

**VERRICA PHARMACEUTICALS INC.**

By: /s/ Jayson Rieger  
Jayson Rieger  
President and Chief Executive Officer