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LANNETT CO INC
Form 8-K/A
August 27, 2004

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

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 20, 2004

LANNETT COMPANY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	0-9036	23-0787-699
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State or other Jurisdiction of Incorporation or Organization	Commission File Number	I.R.S. Employer Identification No.

9000 State Road, Philadelphia, PA 19136

(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (215) 333-9000

(Former name or former address, if changed since last report)

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))

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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On March 23, 2004, Lannett Company, Inc. (the "Company" or Lannett") entered into an agreement with Jerome Stevens Pharmaceuticals, Inc. (JSP) for the Company's exclusive distribution rights in the United States to the current line of JSP products, in exchange for four million (4,000,000) shares of the Company's common stock. According to the agreement, which has a term of ten years, JSP will supply Lannett with Butalbital with Aspirin, Caffeine and Codeine Phosphate capsules ("BACC"), Digoxin tablets ("Digoxin") and

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Levothyroxine Sodium tablets, sold under the generic name and the brand name "Unithroid" ("Levothyroxine"). For the purposes hereof, BACC, Digoxin and Levothyroxine are collectively referred to as the "Products." The obligation of LCI to issue the four million (4,000,000) shares was subject to the receipt of a fairness opinion issued by a recognized and reputable investment banking firm (the "Investment Banker") in opining that the issuance of the four million (4,000,000) shares and the resulting dilution of the ownership interest of Lannett's minority shareholders was fair to such shareholders in view of the Products' contribution or potential contribution to Lannett's profitability. On April 20, 2004, the Investment Banker, which was selected by the independent Directors of Lannett's Board, opined that the issuance of the four million (4,000,000) shares and the resulting dilution of the ownership interest of Lannett's minority shareholders was fair to such shareholders in view of the Products' contribution or potential contribution to Lannett's profitability. As such, the Company is obliged to issue the four million (4,000,000) shares to JSP, or its designees. The Company has also agreed to file a registration statement registering the four million (4,000,000) shares. The agreement and the Company's press release regarding the agreement are included in this Form 8-K, as Exhibits 2.1 and 99.1, respectively. This information shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(C) Exhibits

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|--------------|--|----------------|-------------|
| 2.1 (Note A) | Agreement dated March 23, 2004 by and between Lannett Company, Inc. and Jerome Stevens Pharmaceuticals, Inc. | Filed Herewith | Pages 6-13 |
| 99.1 | May 5, 2004 Press Release. | Filed Herewith | Pages 14-16 |

Note A: Portions of Exhibit 2.1 have been omitted pursuant to a request for confidential treatment. A complete copy of Exhibit 2.1, including redacted portions thereof, has been filed with the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LANNETT COMPANY, INC

By: /s/ Larry Dalesandro

Chief Financial Officer

Date: August 27, 2004

EXHIBIT INDEX

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and Jerome Stevens
Pharmaceuticals, Inc.

99.1

May 5, 2004 Press Release.

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