

**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): May 3, 2023

**Zevra Therapeutics, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation)

001-36913  
(Commission File Number)

20-5894398  
(IRS Employer Identification No.)

1180 Celebration Boulevard, Suite 103,  
Celebration, FL  
(Address of Principal Executive Offices)

34747  
(Zip Code)

(321) 939-3416  
(Registrant's Telephone Number, Including Area Code)

N/A  
(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 (See General Instructions 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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	ZVRA	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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.**

On May 5, 2023, Richard W. Pascoe, the Chief Executive Officer of Zevra Therapeutics, Inc. (the “Company” or “Zevra”), resigned as the Company’s Chief Executive Officer, effective as of June 1, 2023.

Additionally, on May 3, 2023, Matthew R. Plooster and Joseph B. Saluri, each a Class III director of the Company, notified the Company’s Board of Directors (the “Board”) that they do not intend to stand for re-election at the Company’s 2024 annual meeting of stockholders. The Board intends to immediately initiate a search for director candidates to fill each of Mr. Plooster’s and Mr. Saluri’s seats, and Mr. Plooster and Mr. Saluri have informed the Board that they intend to resign as soon as the Board finds candidates to fill the vacancies their resignations will create.

*Transition Agreement*

In connection with Mr. Pascoe’s resignation, the Company entered into a transition agreement with Mr. Pascoe (the “Transition Agreement”). Mr. Pascoe will serve as the Company’s Chief Executive Officer through the earlier of (i) June 1, 2023 or (ii) the earlier date determined by the Company (the “Transition Period”) and will continue to earn his current base salary and participate in the Company’s benefit plans during the Transition Period. Pursuant to the terms of the Transition Agreement, subject to his timely delivering a release of claims in the Company’s favor and completing the Transition Period, Mr. Pascoe will receive severance payments and benefits consisting of (i) continued payment of his base salary for 12 months following the date on which Mr. Pascoe’s employment with the Company ends (the “Separation Date”), (ii) up to 12 months of continued medical, dental and vision coverage pursuant to COBRA, (iii) an amount equal to Mr. Pascoe’s target annual bonus, pro-rated through the Separation Date and (iv) accelerated vesting of his outstanding equity awards. In addition, the exercise period of vested options to purchase the Company’s common stock held by Mr. Pascoe will be extended through the nine-month anniversary of the Separation Date.

The foregoing description of the Transition Agreement does not purport to be complete and is qualified in its entirety by reference to the full agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

**Exhibit No. Description**

10.1	<a href="#">Transition Agreement, dated as of May 6, 2023, between Zevra Therapeutics, Inc. and Richard W. Pascoe.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

## 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.

**Zevra Therapeutics, Inc.**

Date: May 8, 2023

By: /s/ R. LaDuane Clifton

R. LaDuane Clifton, CPA

Chief Financial Officer, Secretary and Treasurer

May 6, 2023

Richard Pascoe  
R\*\*\*\*\*@\*\*\*\*\*.com

**Re: Transition Agreement**

Dear Richard:

This letter sets forth the terms of the mutual agreement (the “*Agreement*”) between you and Zevra Therapeutics, Inc., formerly KemPharm, Inc., (the “*Company*”) regarding your employment transition.

**1. Transition Period and Services.** As we discussed, you have resigned and the Company has accepted your resignation and we have mutually agreed to the transition terms and severance benefits as set forth in this Agreement and consistent with the Employment Agreement between you and the Company, effective as of November 5, 2021 and amended on January 6, 2023 (the “*Employment Agreement*”). If you execute and return this Agreement within seven (7) days of receipt, then your employment with the Company will continue for a transition period through the earlier of (i) June 1, 2023 or (ii) such earlier date as determined by the Company (such period, the “*Transition Period*”). The date your employment ends for any reason is your “*Separation Date*” and it will automatically end at the end of the Transition Period. By your signature to this Agreement, you resign from each officer position you hold with the Company, effective as of the Separation Date. During the Transition Period, you will continue to perform your duties pursuant to your Employment Agreement and will be expected to continue to primarily work from the Company’s Celebration, Florida office consistent with the Company’s current hybrid work week. You agree through the Transition Period to continue to abide by all of your obligations to the Company, including such obligations set forth in your Employment Agreement, and the Company’s policies and procedures. During the Transition Period, your job title will be Chief Executive Officer, your base salary will remain the same, subject to standard deductions and withholdings, and you will retain your current eligibility to participate in benefits plans. The Company and you will agree to work in good faith on the messaging around your departure.

**2. Severance Benefits.** If you (i) execute and return this Agreement within seven (7) days of receipt, (ii) complete the Transition Period under this Agreement and fully comply with the terms herein, and (iii) execute the Updated Release of Claims attached to this Agreement as **Exhibit A** and made a part of this Agreement (the “*Updated Release*”) on the Separation Date and allow it to become effective, then the Company will provide you with (1) the severance benefits set forth in Section 4(E) of the Employment Agreement, which are the same severance benefits you would have received in connection with a termination without Cause (as defined in the Employment Agreement) outside of the Change in Control Measurement Period, as defined in the Employment Agreement and (2) an extended period to exercise any vested stock options to purchase the Company’s common stock (the “*Vested Options*”) so that such Vested Options may be exercised through the nine (9) month anniversary of the Separation Date, subject to earlier termination at the end of the maximum term of the applicable Vested Options and the ability of the Company to cancel any unexercised Vested Options in connection with a Change in Control, as defined in the Company’s Amended and Restated 2014 Equity Incentive Plan (collectively, the “*Severance Benefits*”). By signing this Agreement, you accept the extended exercisability of the Vested Options and acknowledge that such Vested Options may no longer qualify as “incentive stock options” and will instead be treated as non-statutory stock options for tax purposes.

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3. **Accrued Salary.** On the Separation Date, the Company will pay you all accrued salary earned through the Separation Date, subject to standard payroll deductions and withholdings. You will receive these payments regardless of whether or not you sign this Agreement. You acknowledge that the Company maintains a non- accrual paid time off (“*PTO*”) policy and as a result, you have no accrued but unused PTO that the Company is obligated to pay you upon your separation from employment.

4. **Other Compensation or Benefits.** You acknowledge that, except as expressly provided in this Agreement, you will not receive any additional compensation, severance, commissions or benefits after the Separation Date.

5. **Expense Reimbursements.** You agree that, within ten (10) days of the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for reasonable business expenses pursuant to its regular business practice.

6. **Return of Company Property.** By the Separation Date, you agree to return to the Company all Company documents (and all copies thereof) and other Company property that you have had in your possession at any time, including, but not limited to, Company files, notes, drawings, records, business plans and forecasts, financial information, specifications, computer-recorded information, tangible property (including, but not limited to, computers), credit cards, entry cards, identification badges and keys; and, any materials of any kind that contain or embody any proprietary or confidential information of the Company (and all reproductions thereof). Please coordinate the return of all property with LaDuane Clifton, Chief Financial Officer.

7. **Proprietary Information and Post-Termination Obligations.** Both during and after your employment you acknowledge your continuing obligations under Sections 6 through 9 of the Employment Agreement (attached as **Exhibit B**) not to use or disclose any confidential or proprietary information of the Company and to refrain from certain solicitation and competitive activities. Confidential information that is also a “trade secret,” as defined by law, may be disclosed (A) if it is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, in the event that you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in the court proceeding, if you: (A) file any document containing the trade secret under seal; and (B) do not disclose the trade secret, except pursuant to court order.

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**8. Confidentiality.** Nothing in this Agreement shall limit your right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission or any other federal government agency or similar state or local agency or to discuss the terms and conditions of your employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act.

**9. Non-Disparagement.** Both you and the Company agree not to disparage the other party, and the other party's officers, directors, employees, shareholders and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation; provided that both you and the Company will respond accurately and fully to any question, inquiry or request for information when required by legal process. The Company's obligations under this Section are limited to Company representatives with knowledge of this provision. Notwithstanding the foregoing, nothing in this Agreement shall limit your right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, other federal government agency or similar state or local agency or to discuss the terms and conditions of your employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act.

**10. Cooperation after Termination.** In accordance with Section 4(F) of the Employment Agreement, you agree to reasonably cooperate with Company in all matters relating to the winding up of your pending work on behalf of Company and the orderly transfer of any such pending work to other employees of Company as may be reasonably designated by Company. For each day that you perform services under this Section 10 after the Separation Date, the Company will reimburse you for your reasonable out-of-pocket expenses and, if any cooperation is required under this Section 10 after the final payment by Company of the Severance Benefits, you will be paid at the rate of \$285 per hour for your time.

**11. Release.** In exchange for the payments and other consideration under this Agreement, to which you would not otherwise be entitled, and except as otherwise set forth in this Agreement, you, on behalf of yourself and, to the extent permitted by law, on behalf of your spouse, heirs, executors, administrators, assigns, insurers, attorneys and other persons or entities, acting or purporting to act on your behalf (collectively, the "**Employee Parties**"), hereby generally and completely release, acquit and forever discharge the Company, and its respective current and former parent companies, subsidiaries and other affiliated companies as well as any of their respective current and former insurers, directors, officers, managers, partners, agents, representatives, employees, attorneys, shareholders, predecessors, successors, assigns, insurers and affiliates (the "**Company Parties**") of and from any and all claims, liabilities, demands, contentions, actions, causes of action, suits, costs, expenses, attorneys' fees, damages, indemnities, debts, judgments, levies, executions and obligations of every kind and nature, in law, equity, or otherwise, both known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way related to agreements, events, acts or conduct at any time prior to and including the execution date of this Agreement, including but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with your employment with the Company or the termination of that employment; claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law, statute, or cause of action; tort law; or contract law (individually a "**Claim**" and collectively "**Claims**"). The Claims you are releasing and waiving in this Agreement include, but are not limited to, any and all Claims that any of the Company Parties:

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- has violated its personnel policies, handbooks, contracts of employment, or covenants of good faith and fair dealing;
- has discriminated against you on the basis of age, race, color, sex (including sexual harassment), national origin, ancestry, disability, religion, sexual orientation, marital status, parental status, source of income, entitlement to benefits, any union activities or other protected category in violation of any local, state or federal law, constitution, ordinance, or regulation, including but not limited to: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C. § 1981, as amended; the Equal Pay Act; the Americans With Disabilities Act; the Genetic Information Nondiscrimination Act; the Family and Medical Leave Act; the Iowa Civil Rights Act of 1965; the Iowa Wage Payment Collection Law; the Iowa Law on Discrimination Through Genetic Testing; the Civil Rights Commission: Unfair Employment Practices, Iowa Code § 216.6 et seq.; the Civil Rights Commission: Aiding, abetting, or retaliation, Iowa Code § 216.11; the Florida Civil Rights Act; the Florida Whistleblower Protection Act; the Florida Minimum Wage Act; the Florida Constitution, Article X, Section 24; the Employee Retirement Income Security Act; the Employee Polygraph Protection Act; the Worker Adjustment and Retraining Notification Act; the Older Workers Benefit Protection Act; the anti-retaliation provisions of the Sarbanes-Oxley Act, or any other federal or state law regarding whistleblower retaliation; the Lilly Ledbetter Fair Pay Act; the Uniformed Services Employment and Reemployment Rights Act; the Fair Credit Reporting Act; and the National Labor Relations Act; or
- has violated any statute, public policy or common law (including but not limited to Claims for retaliatory discharge; negligent hiring, retention or supervision; defamation; intentional or negligent infliction of emotional distress and/or mental anguish; intentional interference with contract; negligence; detrimental reliance; loss of consortium to you or any member of your family and/or promissory estoppel).

Notwithstanding the foregoing, other than events expressly contemplated by this Agreement, you do not waive or release rights or Claims that may arise from events that occur after the date this waiver is executed, enforcement by you of your rights under this Agreement, or any rights you may have as a stockholder in the Company or any of its affiliates. In addition, you are not releasing any right of indemnification you may have for any liabilities arising from your actions within the course and scope of your employment with the Company or within the course and scope of your role as a member of the Board of Directors of the Company. Also excluded from this Agreement are any Claims which cannot be waived by law, including, without limitation, any rights you may have under applicable workers' compensation laws and your right, if applicable, to file or participate in an investigative proceeding of any federal, state or local governmental agency. Nothing in this Agreement shall prevent you from filing, cooperating with, or participating in any proceeding or investigation before the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal government agency, or similar state or local agency ("**Government Agencies**"), or exercising any rights pursuant to Section 7 of the National Labor Relations Act. You further understand this Agreement does not limit your ability to voluntarily communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, you are otherwise waiving, to the fullest extent permitted by law, any and all rights you may have to individual relief based on any Claims that you have released and any rights you have waived by signing this Agreement. If any Claim is not subject to release, to the extent permitted by law, you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a Claim in which any of the Company Parties is a party. This Agreement does not abrogate your existing rights under any Company benefit plan or any plan or agreement related to equity ownership in the Company; however, it does waive, release and forever discharge Claims existing as of the date you execute this Agreement pursuant to any such plan or agreement.

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**12. Your Acknowledgments and Affirmations.** You acknowledge and agree that (i) the consideration given to you in exchange for the waiver and release in this Agreement is in addition to anything of value to which you were already entitled; (ii) that you have been paid for all time worked, have received all the leave, leaves of absence and leave benefits and protections for which you are eligible, and have not suffered any on-the-job injury for which you have not already filed a Claim; (iii) you have been given sufficient time to consider this Agreement and to consult an attorney or advisor of your choosing; and (iv) you are knowingly and voluntarily executing this Agreement waiving and releasing any Claims you may have as of the date you execute it. You affirm that all of the decisions of the Company Parties regarding your pay and benefits through the date of your execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law. You affirm that you have not filed or caused to be filed, and are not presently a party to, a Claim against any of the Company Parties. You further affirm that you have no known workplace injuries or occupational diseases. You acknowledge and affirm that you have not been retaliated against for reporting any allegation of corporate fraud or other wrongdoing by any of the Company Parties, or for exercising any rights protected by law, including any rights protected by the Fair Labor Standards Act, the Family Medical Leave Act, or any related statute or local leave or disability accommodation laws, or any applicable state workers' compensation law.

**13. No Admission.** This Agreement does not constitute an admission by the Company of any wrongful action or violation of any federal, state, or local statute, or common law rights, including those relating to the provisions of any law or statute concerning employment actions, or of any other possible or claimed violation of law or rights.

**14. Breach.** The parties agree that upon any material breach of this Agreement, the breaching party will forfeit all of the benefits of this Agreement. The parties further acknowledge that it may be impossible to assess the damages caused by violation of the terms of Sections 6, 7, 8 and 9 of this Agreement and further agree that any threatened or actual violation or breach of those Sections of this Agreement will constitute immediate and irreparable injury to the non-breaching party. The parties therefore agree that, in addition to any and all other damages and remedies available to the non-breaching party upon a material breach of this Agreement, the non-breaching party shall be entitled to an injunction to prevent violation or breach of this Agreement. If either party is successful in whole or part in any legal or equitable action to enforce this Agreement, then the enforcing party is entitled to recover from the other party all of the costs, including reasonable attorneys' fees, incurred in enforcing the terms of this Agreement.

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**15. Miscellaneous.** This Agreement, including its Exhibits, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of Florida as applied to contracts made and to be performed entirely within Florida.

If this Agreement is acceptable to you, please sign below and return the original to me on or before May 12, 2023. The Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.

I thank you for your efforts to date on behalf of the Company and thank you in advance for your cooperation in successfully completing the Transition Period. I also wish you good luck in your future endeavors.

*[The remainder of this page left blank; Signature Page Follows]*

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Sincerely,

**ZEVRA THERAPEUTICS, INC.**

By: /s/ R. LaDuane Clifton  
Name: R. LaDuane Clifton  
Title: CFO, Secretary and Treasurer

**AGREED TO AND ACCEPTED:**

/s/ Richard Pascoe  
Richard Pascoe

Date: May 6, 2023

**Exhibit A – Updated Release**  
**Exhibit B – Employment Agreement**

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EXHIBIT A

**Updated Release of Claims**

*(To be signed and returned to the Company on or within three (3) days of the Separation Date, and in no event before the Separation Date)*

Zevra Therapeutics, Inc., formerly KemPharm, Inc., (the “**Company**”) and Richard Pascoe (the “**Employee**”) entered into a Transition Agreement dated May 6, 2023 (the “**Agreement**”). The parties to that Agreement hereby further agree as follows:

1. A blank copy of this Updated Release of Claims (“**Updated Release**”) was attached to the Agreement as **Exhibit A** and the parties agree that it is part of the Agreement.

2. In consideration of the Severance Benefits (as defined in the Agreement), Employee hereby extends the release of claims in Section 11 of the Agreement to any claims that arose through the date he signs this Updated Release and extends the representations he has made in Section 12 of the Agreement through the date he signs this Updated Release.

3. Employee also hereby extends the release of claims in Section 11 of the Agreement to any and all Claims under the federal Age Discrimination in Employment Act, as amended (“**ADEA**”). Employee acknowledges that he is knowingly and voluntarily waiving and releasing any rights he may have under the ADEA and that the consideration given for this Updated Release is in addition to anything of value to which he was already entitled. Employee further acknowledges that he has been advised by this writing, as required by the ADEA, that: (a) this Updated Release does not apply to any rights or claims that arise after the date he signs this Updated Release; (b) Employee should consult with an attorney prior to signing this Updated Release; (c) Employee has been given up to twenty-one (21) calendar days to consider this Updated Release (although he may choose to voluntarily execute this Updated Release earlier, though not earlier than the Separation Date (as defined in the Agreement), and if Employee does, he will sign the Consideration Period waiver below); (d) Employee has seven (7) calendar days following the date he signs this Updated Release to revoke it; and (e) this Updated Release will not be effective until the date upon which the revocation period has expired unexercised (the “**Effective Date**”), which will be the eighth (8th) calendar day after Employee signs it. For the avoidance of doubt, Employee understands and agrees that the Effective Date of this Updated Release cannot be on or before Employee’s Separation Date.

4. The parties agree that this Updated Release is a part of the Agreement.

*[The remainder of this page left blank. Signature page follows.]*

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**UNDERSTOOD, ACCEPTED AND AGREED:**

**Zevra Therapeutics, Inc.**

**Employee**

By: \_\_\_\_\_

Name: [\_\_\_\_\_]

Title: [\_\_\_\_\_]

Richard Pascoe

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

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**Exhibit B**

**Employment Agreement**

**[Attached]**