

**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) February 17, 2010**

**A.P. Pharma, Inc.**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction  
of incorporation)**

**001-33221**  
**(Commission File Number)**

**94-2875566**  
**(I.R.S. Employer  
Identification No.)**

**123 Saginaw Drive**  
**Redwood City CA**  
**(Address of principal executive offices)**

**94063**  
**(Zip Code)**

**Registrant's telephone number, including area code (650) 366-2626**

**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 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))

**ITEM 5.02 Department of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

**Director Appointment**

Effective February 17, 2010, Stephen R. Davis accepted an appointment to the board of directors (the "Board") of A.P. Pharma, Inc. (the "Company"), making him the seventh director. Mr. Davis served as a director of Neurogen Corporation from September 2001 until December 2009. Mr. Davis was Chief Executive Officer of Neurogen Corporation from February 2008 through December 2009, and President from September 2007 until December 2009. Previously, he also served as Executive Vice President of Neurogen Corporation from September 2001 and Chief Operating Officer from April 2005. Mr. Davis joined Neurogen Corporation in 1994 as Vice President of Finance and Chief Financial Officer. From 1990 through June 1994, Mr. Davis was employed by Milbank, Tweed, Hadley & McCloy LLP as a corporate and securities attorney. Previously, Mr. Davis practiced as a Certified Public Accountant with Arthur Andersen & Co. Mr. Davis received his B.S. in Accounting from Southern Nazarene University and a J.D. degree from Vanderbilt University. Mr. Davis is also a director of Trimeris, Inc.

In connection with his appointment to the Board, Mr. Davis was granted a restricted stock award pursuant to the Company's 2002 Equity Incentive Plan to receive 31,088 (the "Shares"), which is equal to \$60,000 divided by the closing price of the Company's common stock on the date of the grant (the "Award"). The Award vests and all restrictions thereon lapse with respect to one-third (1/3rd) of the Shares on each anniversary of the date of the grant, subject to Mr. Davis's continued service on the Board

**Compensatory Arrangement of Certain Executive Officers**

On February 17, 2010, the Board approved the following actions relating to certain of the executive officers of the Company.

**2009 Cash Bonus Payments**

The Board approved the following cash bonus payments to Ronald J. Prentki, Chief Executive Officer, John Barr, Sr. Vice President of Research and Development, and John B. Whelan, Vice President, Finance and Chief Financial Officer, for achieving objectives that were established by the Board in 2009. The performance-based cash bonus plan for 2009 for Messrs. Prentki, Barr and Whelan consisted of payment of a percentage of year-end base salary based on Company achievement of corporate objectives. The performance-based cash bonus targets for 2009 for Messrs. Prentki, Barr and Whelan were 50%, 35% and 35%, respectively, of year-end salary. The Board approved the following bonus payments to the executive officers:

Name	Title	Bonus Payment
Ronald J. Prentki	President and Chief Executive Officer	\$72,000
John Barr	Sr. Vice President of Research and Development	\$47,250
John B. Whelan	Vice President, Finance and Chief Financial Officer	\$40,000

**Performance-Based Cash Bonus Plan for 2010**

The Board also approved a performance-based cash bonus plan for Ronald J. Prentki, Chief Executive Officer, John Barr, Sr. Vice President of Research and Development, and John B. Whelan, Vice President, Finance and Chief Financial Officer. For 2010, Mr. Prentki is eligible for an annual performance-based cash bonus with a target of 50% of his annual base salary. Messrs. Barr and Whelan are eligible for annual performance-based cash bonuses with a target of 35% of their respective annual base salaries. These performance-based cash bonuses are based 100% on the achievement of corporate bonus objectives as approved by the Board. The corporate bonus objectives are: objectives relating to the development of the Company's APF530 product candidate and objectives relating to marketing/licensing partnerships or other business development transactions approved by the Board.

**SIGNATURE**

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.

A.P. Pharma, Inc.

Date: February 18, 2010

/s/ Ronald J. Prentki

Ronald J. Prentki  
President, Chief Executive Officer and  
Director

## A.P. Pharma Appoints Stephen R. Davis to Its Board of Directors

**REDWOOD CITY, Calif.** – February 19, 2010 – A.P. Pharma, Inc. (Nasdaq: APPA), a specialty pharmaceutical company, today announced the appointment of Stephen Davis to its board of directors. Mr. Davis was the chief executive officer for Neurogen Corporation, which was recently acquired by Ligand Pharmaceuticals. His appointment brings the number of A.P. Pharma board members to seven.

“Steve’s industry experience and extensive business acumen will make him a valuable addition to A.P. Pharma’s board of directors as we continue to advance APF530 towards commercialization for the prevention of chemotherapy-induced nausea and vomiting,” said Paul Goddard, Ph.D., A.P. Pharma’s board chairman.

Mr. Davis joined Neurogen Corporation in 1994, where he most recently served as the organization’s chief executive officer and president. Prior to joining Neurogen, he was employed by Milbank, Tweed, Hadley & McCloy LLP as a corporate and securities attorney. Previously, Mr. Davis practiced as a Certified Public Accountant with Arthur Andersen & Co. Mr. Davis received his B.S. in Accounting from Southern Nazarene University and a J.D. degree from Vanderbilt University. He is also a director of Trimeris, Inc.

“As A.P. Pharma approaches its PDUFA date for APF530, I am excited to have the opportunity to join the Company’s board of directors,” said Mr. Davis. “It is a transformational time in A.P. Pharma’s history, and I look forward to working with the board and management team.”

### About A.P. Pharma

A.P. Pharma is a specialty pharmaceutical company developing products using its proprietary Biochronomer™ polymer-based drug delivery technology. The Company’s primary focus is on its lead product candidate, APF530, for the prevention of chemotherapy-induced nausea and vomiting (CINV). The New Drug Application (NDA) for APF530 was submitted to the U.S. Food and Drug Administration (FDA) in May 2009 and accepted for review in July 2009, at which time the FDA set a Prescription Drug User Fee Act (PDUFA) date of March 18, 2010. The Company has additional clinical and preclinical stage programs in the area of pain management, all of which utilize its bioerodible injectable and implantable delivery systems. For further information, visit the Company’s web site at [www.appharma.com](http://www.appharma.com).

## **A.P. Pharma's Forward-looking Statements**

This news release contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties, including uncertainties associated with timely development, approval, launch and acceptance of new products, satisfactory completion of clinical studies, establishment of new corporate alliances, progress in research and development programs and other risks and uncertainties identified in the Company's filings with the Securities and Exchange Commission. We caution investors that forward-looking statements reflect our analysis only on their stated date. We do not intend to update them except as required by law.

### **Contacts**

#### **Corporate Contact:**

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John B. Whelan, Vice President, Finance and Chief Financial Officer

650-366-2626

and

#### **Investor and Media Relations:**

Corporate Communications Alliance, LLC

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