
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

July 7, 2008

Date of Report

(Date of earliest event reported)

A.P. PHARMA, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-33221
(Commission File Number)

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

123 Saginaw Drive
Redwood City, California 94063

(Address of principal executive offices) (Zip code)

(650) 366-2626

(Registrant's telephone number, including area code)

(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))
-

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Effective July 7, 2008, Mr. Prentki was appointed President and Chief Executive Officer of A.P. Pharma, Inc. (the "Company"). He will serve as principal executive officer of the Company. Mr. Prentki was also elected as a director of the Company, effective on July 7, 2008, to serve until the Company's 2009 annual meeting of stockholders.

Mr. Turnbull, who served as the Company's Chief Executive Officer (and Chief Financial Officer on an interim basis), will continue to serve as the Company's Chief Financial Officer (principal financial officer and principal accounting officer).

Pursuant to his employment letter agreement, Mr. Prentki will be entitled to receive cash compensation equal to \$425,000 annually and be eligible to receive an annual incentive bonus with a target of 50% of his base salary.

Additionally, on July 7, 2008, Mr. Prentki was granted options to purchase 1,400,000 shares of the Company's Common Stock, which will vest over a four-year period with 25% of the shares vesting one year from July 7, 2008, and at a rate of 1/48th of the shares per month for the remaining 36 months, for so long as Mr. Prentki continues to be employed by the Company. The exercise price of the options is \$1.19 per share, which was the closing price of the Company's Common Stock on the grant date.

In the event of "Involuntary Termination", as defined in his employment letter, Mr. Prentki will be entitled to (i) cash severance in the amount equal to 24 months of his annual salary, (ii) continued Company-paid health insurance coverage pursuant to COBRA for up to 12 month from the date of the termination, and (iii) an additional 12 month vesting of his stock options. Furthermore, if a change of control of the Company occurs and Mr. Prentki's employment is terminated or his duties are materially reduced within 30 days prior to or one year following such change of control event, in addition to the cash severance payment equal to 24 months of his annual salary, and up to 12 months of COBRA coverage, all of his stock options shall immediately vest.

Item 9.01 Financial Statements and Exhibits**(d) Exhibits**

[Exhibit 99.1](#)

Press Release issued on July 7, 2008

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.

A.P. PHARMA, INC.

Date: July 7, 2008

By: /s/ Gregory Turnbull
Name: Gregory Turnbull
Title: Chief Financial Officer



A.P. PHARMA APPOINTS RONALD J. PRENTKI AS PRESIDENT, CHIEF EXECUTIVE OFFICER AND MEMBER OF ITS BOARD OF DIRECTORS

REDWOOD CITY, Calif. (July 7, 2008) – **A.P. Pharma, Inc. (NASDAQ: APPA)**, a specialty pharmaceutical company, has appointed Ronald J. Prentki as President, Chief Executive Officer and a member of the company's board of directors, effective July 7, 2008. Mr. Prentki succeeds Gregory Turnbull, who will remain a company director, a member of the board's executive committee and, until a permanent successor is recruited, interim chief financial officer.

"I am delighted to welcome Ron Prentki as our new CEO. Ron brings a wealth of experience in business development, commercialization and general management to A.P. Pharma," stated Dr. Paul Goddard, the company's chairman. "We believe that Ron will provide the strong leadership we need as we further develop a pipeline of products based upon our bioerodible drug delivery system and in particular, our lead product APF530, for the prevention of nausea and vomiting in chemotherapy patients."

Having spent thirty years in the pharmaceutical and biotech industries, Ron Prentki joins A.P. Pharma from Easton Healthcare Ventures, LLC, a business development and consulting company he founded in 2005. Previously, he served for seven years as president and on the board of directors at Progenics Pharmaceuticals, Inc., a biopharmaceutical company focusing on the development of products for HIV, cancer and supportive care. While at Progenics, he played a major role in the acquisition and development of the company's lead supportive care product RELISTOR™ (methylnaltrexone), which recently received FDA approval for the treatment of opioid-induced constipation in patients with advanced illness.

Prior to joining Progenics, Mr. Prentki acquired significant pharmaceutical industry experience while serving as vice president of business development and strategic planning for the U.S. division of Hoffman-La Roche; vice president of business development for Sanofi Pharma & Sterling Drug; director of cardiovascular products and manager of anticancer products for Bristol-Myers Squibb; and in various management positions at Miles Laboratories. He earned his MBA at the University of Detroit, and holds an undergraduate degree in Microbiology and Public Health from Michigan State University.

"I am honored and excited to be joining A.P. Pharma at this important time in the company's history," stated Mr. Prentki. "I look forward to continuing the leadership that Greg Turnbull has brought to the company and to working closely with the board and the entire team at A.P. Pharma to advance the company's lead program, APF530, through development and registration toward commercialization. The company's proprietary Biochronomer technology has the potential for broad application, and I believe the opportunity exists to create a pipeline of products which will generate additional long-term value for shareholders."

About A.P. Pharma

A.P. Pharma is a specialty pharmaceutical company focused on the development of ethical (prescription) pharmaceuticals utilizing its proprietary polymer-based drug delivery systems. The company's primary focus is the development and commercialization of its bioerodible injectable and implantable systems under the trade name Biochronomer. Initial target areas of application for the company's drug delivery technology include anti-nausea, pain management, anti-inflammation and DNA/RNAI applications. For further information visit the company's web site at www.appharma.com.

Forward-looking Statements

This news release contains "forward-looking statements" as defined by the Private Securities Reform Act of 1995. These forward-looking statements involve risks and uncertainties, including uncertainties associated with expected management contributions by Mr. Prentki, 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.

Investor Relations Contacts:

Lippert/Heilshorn & Associates
Don Markley (dmarkley@lhai.com)
(310) 691-7100

Company Contacts:

Gregory Turnbull
Chief Financial Officer
(650) 366-2626
