
**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**

September 20, 2019
Date of Report (Date of earliest event reported)

PROCESSA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

333-184948
(Commission
File Number)

45-1539785
(I.R.S. Employer
Identification No.)

7380 Coca Cola Drive, Suite 106
Hanover, Maryland
(Address of principal executive offices)

21076
(Zip Code)

(443) 776-3133
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address, and former fiscal year, 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))

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

Title of each class	Trading Symbol	Name of Exchange on which registered
None	None	None

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 1.01 Entry into a Material Definitive Agreement.

On September 20, 2019, Processa Pharmaceuticals, Inc. (“the Company”) entered into two separate Line of Credit Agreements (“Line of Credit Agreements”) with DKBK Enterprises, LLC (“DKBK”) and current shareholder CorLyst, LLC (“CorLyst”) (“the Lenders”), which provide a revolving commitment of up to \$700,000 each (\$1.4 million total). The Company’s CEO is the Chief Executive Officer and Managing Member of both Lenders. CorLyst beneficially owns 6,859,527 shares of Processa common stock, representing approximately 17.7% of the Company’s outstanding shares of voting capital stock.

Under the Line of Credit Agreements, all funds borrowed will bear an 8% annual interest rate, which is prorated monthly from the date money has been borrowed to the date money has been paid back. The Company agrees to furnish certified financial statements to the Lenders upon demand so long as indebted under the Line of Credit Agreements and the Note remains unpaid. The Lenders have the right to convert all or any portion of the debt and interest into shares in the Company’s common stock at the terms defined in the July 2019 Bridge Subscription Agreement.

The foregoing summaries of the Line of Credit Agreements described above are summary in nature and are qualified in their entirety by reference to the agreements, copies of which are attached hereto as exhibits and incorporated herein by reference.

Item 1.02 Amendment of a Material Definitive Agreement.

On September 30, 2019, the Company amended its Agreement for the sale of 792,952 shares of our common stock for \$1,800,000 and associated Pledge Agreement with PoC Capital, LLC (“the Investor”), both dated May 25, 2018. As of September 30, 2019, the Investor had invested a total of \$900,000 of the \$1,800,000 amount pledged, and as a result we will retain 396,476 shares of common stock and warrants to purchase 396,476 of common stock that were held by us as collateral for the remaining amount pledged. We will use proceeds from the Line of Credit Agreements to fund our remaining clinical trial costs for our Phase 2a trial as needed.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above in Item 1.01 is incorporated herein by reference.

Item 9.01 Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
10.1	Line of Credit Agreement dated September 20, 2019 between Processa Pharmaceuticals and DKBK Enterprises, LLC
10.2	Line of Credit Agreement dated September 20, 2019 between Processa Pharmaceuticals and CorLyst, LLC
10.3	Amendment to the Agreement between PoC Capital and Processa Pharmaceuticals, Inc. dated September 30, 2019

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 thereunto duly authorized.

Processa Pharmaceuticals Inc.,
a Delaware corporation

Date: October 2, 2019

By: /s/ David Young
David Young
Chief Executive Officer

LINE OF CREDIT AGREEMENT

This LINE OF CREDIT AGREEMENT is made this 20th day of September 2019 (“**Line of Credit Agreement**”), by and among **Processa Pharmaceuticals, Inc.**, (**Borrower**) a Delaware Corporation and **DKBK ENTERPRISE, LLC**, (**Lender**) a Delaware Corporation. A line of credit is hereby established in the amount of Seven Hundred Thousand Dollars (\$700,000) for the benefit of the Borrower; provided however, that the lender may terminate the Borrower’s privilege to request advances hereunder or lower said amount. This line of credit will be subject to the following terms and conditions.

1. The Lender hereby establishes a revolving line of credit in Borrower’s favor in the amount of Seven Hundred Thousand Dollars (\$700,000), provided however, that no provision of this agreement shall be deemed to require the lender to advance any sum of money at any time. At any time that the Borrower desires the Lender to advance any sum of money hereunder, the Borrower may request the same, and the Lender for any or no reason may deny such request.

2. The loan made hereunder will bear interest at the rate as determined pursuant to a certain promissory note (the “Note”), a copy of which is attached hereto and made a part of hereof as Exhibit A.

3. The occurrence of one or more of the following (herein called a “**Default**” or an “**Event of Default**”) shall constitute a default by the Borrower hereunder, and under the Note, in addition to but not in limitation of any events which would cause a default under the terms and conditions of the note:

(a) Default in the payment or performance of any liability or obligation of Borrower to the Lender or any covenant or liability contained or referred to herein, in the Note, or in any other note, instrument, document or agreement evidencing any obligation.

(b) Any representation or warranty of the Borrower in connection with this Line of Credit Agreement or any document executed in accordance herewith, or in pursuance hereof, shall be false on the date on which made.

(c) The failure of Borrower to pay, when due, any amount due under the Note or the failure by the Borrower to pay, when due, any obligation of Borrower to Lender.

(d) Borrower’s insolvency, appointment of a receiver for all or part of Borrower’s property, the making of any assignment by Borrower for the benefit of creditors or commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or upon the issuing of any writ of attachment by trustee process or otherwise or a restraining order or injunction affecting any of the Borrower’s property; provider, however, if any such proceeding is commenced against the Borrower, the Borrower shall have thirty (30) days in which to cause such proceeding to be dismissed.

(e) The insolvency of any guarantor of this Line of Credit Agreement and/or the Note or any obligation of any Borrower to the Lender.

(f) The death, dissolution, termination of existence, declared insolvency; or failure in the business of the Borrower of any guarantor of this Line of Credit or the Note.

(g) The admission in writing of a Borrower's insolvency or inability to pay debts generally as they become due, or upon any deterioration of the financial condition of the Borrower, any endorser or guarantor of this Line of Credit Agreement or the Note, which results in the Lender deeming itself, in good faith, insecure.

(h) Ninety (90) days after DEMAND is made pursuant to the Note, unless the Borrower has satisfied the Note in full.

Any such event caused by, or occurring with regard to, any one or more persons constituting the "Borrower" shall be deemed to be so caused by (or occurring with regard to) the "Borrower".

If any Event of Default occurs, all obligations outstanding from the Borrower to the lender, including obligations pursuant to this Line of Credit Agreement and/or the Note, shall immediately become due and payable without demand, presentment, protest or other notice of any kind, all of which are hereby expressly waived. In the event of such Event of Default, the Lender may proceed to enforce the payment of all obligations of Borrower to Lender and to exercise any and all rights and remedies afforded to Lender by law or under the terms of this Line of Credit Agreement or otherwise.

4. Borrower agrees to furnish to the Lender, upon demand, but not more than semi-annually, so long as indebtedness under the Line of Credit Agreement and the Note remains unpaid, a certified financial statement prepared by an independent accountant setting forth in reasonable detail the assets, liabilities, and net worth of the Borrower and certified to under oath by an officer of the Borrower. Such financial statements shall be sent to the Lender at its address listed above and shall be the sole and cost and expense of the Borrower.

5. This Line of Credit is supplementary to each and every other agreement between Borrower and Lender and shall not be construed as to limit or otherwise derogate from any of the rights or remedies of Lender of any of the liabilities, obligations or undertakings of Borrower under any such agreement, nor shall any contemporaneous or subsequent agreement Borrower and Lender be construed to limit or otherwise derogate from any of the rights or remedies of Lender or any of the liabilities, obligations or undertakings of Borrower hereunder unless such other agreement specifically refers to this Line of Credit Agreement and expressly so provides.

6. This Line of Credit Agreement and the covenants and agreements herein contained shall continue in full force and effect until all such obligations, liabilities and undertakings have been paid or otherwise satisfied in full. No delay or omission on the part of Lender in exercising any right hereunder shall operate as a waiver of such rights or any other right and waiver on any one or more occasions shall not be construed as to bar to or waiver of any right or remedy of Lender on any future occasion. This Line of Credit Agreement is intended to take effect as a sealed instrument, shall be governed by and construed in accordance with the laws of the Delaware, shall be binding upon Borrower's legal representatives, successors and assigns, and shall inure to the benefit of Lender's successors and assigns.


7. The Borrower does hereby certify that any all necessary resolutions that may be required to effectuate and validate the terms of this Line of Credit Agreement and the Note, have been duly made and adopted by the Borrower.

[The remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

PROCESSA PHARMACEUTICALS, INC.

By:  _____
Name: Wendy Guy
Title: Chief Administrative Officer

LENDER:

DKBK ENTERPRISE, LLC

By:  _____
Name: David Young
Title: Managing Member



EXHIBIT A

PROMISSORY NOTE

FOR EVERY DOLLAR WITHDRAWN, the DEBTOR promises to pay to the CREDITOR, or its permitted assigns, all money borrowed under this Line of Credit Agreement at an 8% annual interest rate prorated monthly from the date money has been borrowed to the money has been paid back. The DEBTOR may borrow any portion or pay back any portion during the life of the Line of Credit.

The CREDITOR also has the right to convert all or any portion of the debt and interest into Processa common shares at the terms defined in the July 2019 Bridge Subscription Agreement.

There will be no cost if the Line of Credit is not used.

LINE OF CREDIT AGREEMENT

This LINE OF CREDIT AGREEMENT is made this 20th day of September 2019 (“**Line of Credit Agreement**”), by and among **Processa Pharmaceuticals, Inc., (Borrower)** a Delaware Corporation and **CorLyst, LLC, (Lender)** a Delaware Corporation. A line of credit is hereby established in the amount of Seven Hundred Thousand Dollars (\$700,000) for the benefit of the Borrower; provided however, that the lender may terminate the Borrower’s privilege to request advances hereunder or lower said amount. This line of credit will be subject to the following terms and conditions.

1. The Lender hereby establishes a revolving line of credit in Borrower’s favor in the amount of Seven Hundred Thousand Dollars (\$700,000), provided however, that no provision of this agreement shall be deemed to require the lender to advance any sum of money at any time. At any time that the Borrower desires the Lender to advance any sum of money hereunder, the Borrower may request the same, and the Lender for any or no reason may deny such request.

2. The loan made hereunder will bear interest at the rate as determined pursuant to a certain promissory note (the “Note”), a copy of which is attached hereto and made a part of hereof as Exhibit A.

3. The occurrence of one or more of the following (herein called a “**Default**” or an “**Event of Default**”) shall constitute a default by the Borrower hereunder, and under the Note, in addition to but not in limitation of any events which would cause a default under the terms and conditions of the note:

(a) Default in the payment or performance of any liability or obligation of Borrower to the Lender or any covenant or liability contained or referred to herein, in the Note, or in any other note, instrument, document or agreement evidencing any obligation.

(b) Any representation or warranty of the Borrower in connection with this Line of Credit Agreement or any document executed in accordance herewith, or in pursuance hereof, shall be false on the date on which made.

(c) The failure of Borrower to pay, when due, any amount due under the Note or the failure by the Borrower to pay, when due, any obligation of Borrower to Lender.

(d) Borrower’s insolvency, appointment of a receiver for all or part of Borrower’s property, the making of any assignment by Borrower for the benefit of creditors or commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or upon the issuing of any writ of attachment by trustee process or otherwise or a restraining order or injunction affecting any of the Borrower’s property; provided, however, if any such proceeding is commenced against the Borrower, the Borrower shall have thirty (30) days in which to cause such proceeding to be dismissed.

(e) The insolvency of any guarantor of this Line of Credit Agreement and/or the Note or any obligation of any Borrower to the Lender.

(f) The death, dissolution, termination of existence, declared insolvency; or failure in the business of the Borrower of any guarantor of this Line of Credit or the Note.

(g) The admission in writing of a Borrower's insolvency or inability to pay debts generally as they become due, or upon any deterioration of the financial condition of the Borrower, any endorser or guarantor of this Line of Credit Agreement or the Note, which results in the Lender deeming itself, in good faith, insecure.

(h) Ninety (90) days after DEMAND is made pursuant to the Note, unless the Borrower has satisfied the Note in full.

Any such event caused by, or occurring with regard to, any one or more persons constituting the "Borrower" shall be deemed to be so caused by (or occurring with regard to) the "Borrower".

If any Event of Default occurs, all obligations outstanding from the Borrower to the lender, including obligations pursuant to this Line of Credit Agreement and/or the Note, shall immediately become due and payable without demand, presentment, protest or other notice of any kind, all of which are hereby expressly waived. In the event of such Event of Default, the Lender may proceed to enforce the payment of all obligations of Borrower to Lender and to exercise any and all rights and remedies afforded to Lender by law or under the terms of this Line of Credit Agreement or otherwise.

4. Borrower agrees to furnish to the Lender, upon demand, but not more than semi-annually, so long as indebtedness under the Line of Credit Agreement and the Note remains unpaid, a certified financial statement prepared by an independent accountant setting forth in reasonable detail the assets, liabilities, and net worth of the Borrower and certified to under oath by an officer of the Borrower. Such financial statements shall be sent to the Lender at its address listed above and shall be the sole and cost and expense of the Borrower.

5. This Line of Credit is supplementary to each and every other agreement between Borrower and Lender and shall not be construed as to limit or otherwise derogate from any of the rights or remedies of Lender of any of the liabilities, obligations or undertakings of Borrower under any such agreement, nor shall any contemporaneous or subsequent agreement Borrower and Lender be construed to limit or otherwise derogate from any of the rights or remedies of Lender or any of the liabilities, obligations or undertakings of Borrower hereunder unless such other agreement specifically refers to this Line of Credit Agreement and expressly so provides.

6. This Line of Credit Agreement and the covenants and agreements herein contained shall continue in full force and effect until all such obligations, liabilities and undertakings have been paid or otherwise satisfied in full. No delay or omission on the part of Lender in exercising any right hereunder shall operate as a waiver of such rights or any other right and waiver on any one or more occasions shall not be construed as to bar to or waiver of any right or remedy of Lender on any future occasion. This Line of Credit Agreement is intended to take effect as a sealed instrument, shall be governed by and construed in accordance with the laws of the Delaware, shall be binding upon Borrower's legal representatives, successors and assigns, and shall inure to the benefit of Lender's successors and assigns.

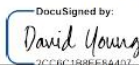
7. The Borrower does hereby certify that any all necessary resolutions that may be required to effectuate and validate the terms of this Line of Credit Agreement and the Note, have been duly made and adopted by the Borrower.

[The remainder of this page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

PROCESSA PHARMACEUTICALS, INC.

By:  _____
Name: David Young
Title: Chief Executive Officer

LENDER:

CORLYST, LLC

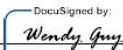
By:  _____
Name: Wendy Guy
Title: Chief Management Officer



EXHIBIT A

PROMISSORY NOTE

FOR EVERY DOLLAR WITHDRAWN, the DEBTOR promises to pay to the CREDITOR, or its permitted assigns, all money borrowed under this Line of Credit Agreement at an 8% annual interest rate prorated monthly from the date money has been borrowed to the money has been paid back. The DEBTOR may borrow any portion or pay back any portion during the life of the Line of Credit.

The CREDITOR also has the right to convert all or any portion of the debt and interest into Processa common shares at the terms defined in the July 2019 Bridge Subscription Agreement.

There will be no cost if the Line of Credit is not used.



Amendment to the Agreement between PoC Capital and Processa Pharmaceuticals, Inc.

On May 25, 2018, the Company entered into an Agreement with PoC Capital, LLC ("PoC") pursuant to which, among other things, the Company issued to PoC 792,952 shares of its common stock and a warrant for the purchase of 792,952 shares of common stock at an exercise price of \$2.72, expiring on July 29, 2021. Under the terms of the Agreement, PoC agreed to fund \$1,800,000 in study costs associated with certain clinical studies, including the Phase 2a study to evaluate the safety, tolerability, efficacy and pharmacodynamics of PCS 499 in patients with Necrosis Lipoidica. Any study costs in excess of that amount will be the Company's sole responsibility. PoC will not make payments to us, but directly to the contract research organization based on their invoices.

The Company issued to PoC half of the shares (396,476 shares) and kept the other half pursuant to a Pledge Agreement executed between the Company and PoC, under which PoC pledged these shares as collateral, and the Company received a security interest in the 396,476 shares (the "Pledged Collateral").

Effective 30 September 2019 PoC and Processa have mutually agreed to amend the agreement and will reduce the \$1,800,000 to \$900,000 in costs associated with the Phase 2a study. As PoC have already received the shares and has fully met the obligations, we can consider this agreement fully satisfied. PoC will maintain the right to purchase 396,476 shares common stock at an exercise price of \$2.72, expiring on July 29, 2021 (the warrant aforementioned above). The collateral shares will become null and void as of the date of this document.

The representations and warranties of the parties contained in the original agreement dated 25 May 2018 or in any other agreements or documents executed in connection herewith shall survive the Closing of this transaction.

Duly agreed and made effective on 30 September 2019.

Wendy J. Guy Digitally signed by Wendy J. Guy
DN: cn=Wendy J. Guy, ou=Processa Pharmaceuticals,
inc., ou=Chief Administrative Officer,
email=guywendy@processapharmaceuticals.com, c=US
Date: 2019.10.01 11:01:54 -0400

Wendy Guy
Processa Pharmaceuticals



Daron Evans
PoC Capital, LLC

