**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**



**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 2)\***



**Madrigal Pharmaceuticals, Inc.**

**(Name of Issuer)**

**Common Stock, Par Value $0.0001 Per Share**

**(Title of Class of Securities)**

**558868105**

**(CUSIP Number)**

**Susan Vuong**

**Chief Financial Officer**

**Bay City Capital LLC**

**750 Battery Street, Suite 400**

**San Francisco, CA 94111**

**(415) 835-9378**

**(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)**

**December 10, 2019**

**(Date of Event Which Requires Filing of this Statement)**



If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐



**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See section 240.13d-7 forother parties to whom copies are to be sent.



* The remainder of this cover page shall be filled out for a person’s initial filing on this form with respect to subject class of securities, and for any subsequent amendment containing information which would alter disclosures in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



CUSIP No. 558868105

|  |  |  |  |
| --- | --- | --- | --- |
| 1. |  | Names of Reporting Persons |  |
|  |  | Bay City Capital LLC |  |
| 2. |  | Check the Appropriate Box if a Member of a Group (See Instructions) |  |
|  |  | (a) ☒ | (b) | ☐ |  |
|  |  |  |  |  |  |  |
| 3. |  | SEC Use Only |  |  |
|  |  |  |  |  |  |
| 4. |  | Source of Funds (See Instructions) |  |
|  |  | AF |  |  |  |  |
| 5. |  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) |  |
|  |  | ☐ |  |  |  |  |
| 6. |  | Citizenship or Place of Organization |  |
|  |  | Delaware |  |  |  |  |
|  |  |  |  | 7. |  | Sole Voting Power |  |
| Number of |  |  |  | 4,177,854 |  |
|  | Shares |  |  |  |  |
| Beneficially |  | 8. |  | Shared Voting Power |  |
| Owned by |  |  |  |  |  |
|  |  | Each |  | 9. |  | Sole Dispositive Power |  |
| Reporting |  |  |  |  |  |
|  | Person |  |  |  | 4,177,854 |  |
|  |  | With |  |  |  |  |  |
|  |  |  | 10. |  | Shared Dispositive Power |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 11. |  | Aggregate Amount Beneficially Owned by Each Reporting Person |  |
|  |  | 4,177,854 |  |  |  |
| 12. |  | Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) |  |
|  |  | ☐ |  |  |  |  |
| 13. |  | Percent of Class Represented by Amount in Row (11) |  |
|  |  | 27.08% |  |  |  |  |  |
| 14. |  | Type of Reporting Person (See Instructions) |  |
|  |  | OO |  |  |  |  |

CUSIP No. 558868105

|  |  |  |  |
| --- | --- | --- | --- |
| 1. |  | Names of Reporting Persons |  |
|  |  | Bay City Capital Management IV LLC |  |
| 2. |  | Check the Appropriate Box if a Member of a Group (See Instructions) |  |
|  |  | (a) ☒ | (b) | ☐ |  |
|  |  |  |  |  |  |  |
| 3. |  | SEC Use Only |  |  |
|  |  |  |  |  |  |
| 4. |  | Source of Funds (See Instructions) |  |
|  |  | AF |  |  |  |  |
| 5. |  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) |  |
|  |  | ☐ |  |  |  |  |
| 6. |  | Citizenship or Place of Organization |  |
|  |  | Delaware |  |  |  |  |
|  |  |  |  | 7. |  | Sole Voting Power |  |
| Number of |  |  |  | 4,177,854 |  |
|  | Shares |  |  |  |  |
| Beneficially |  | 8. |  | Shared Voting Power |  |
| Owned by |  |  |  |  |  |
|  |  | Each |  | 9. |  | Sole Dispositive Power |  |
| Reporting |  |  |  |  |  |
|  | Person |  |  |  | 4,177,854 |  |
|  |  | With |  |  |  |  |  |
|  |  |  | 10. |  | Shared Dispositive Power |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 11. |  | Aggregate Amount Beneficially Owned by Each Reporting Person |  |
|  |  | 4,177,854 |  |  |  |
| 12. |  | Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) |  |
|  |  | ☐ |  |  |  |  |
| 13. |  | Percent of Class Represented by Amount in Row (11) |  |
|  |  | 27.08% |  |  |  |  |  |
| 14. |  | Type of Reporting Person (See Instructions) |  |
|  |  | OO |  |  |  |  |

CUSIP No. 558868105

|  |  |  |  |
| --- | --- | --- | --- |
| 1. |  | Names of Reporting Persons |  |
|  |  | Bay City Capital Fund IV, L.P. |  |
| 2. |  | Check the Appropriate Box if a Member of a Group (See Instructions) |  |
|  |  | (a) ☒ | (b) | ☐ |  |
|  |  |  |  |  |  |  |
| 3. |  | SEC Use Only |  |  |
|  |  |  |  |  |  |
| 4. |  | Source of Funds (See Instructions) |  |
|  |  | WC |  |  |  |  |
| 5. |  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) |  |
|  |  | ☐ |  |  |  |  |
| 6. |  | Citizenship or Place of Organization |  |
|  |  | Delaware |  |  |  |  |
|  |  |  |  | 7. |  | Sole Voting Power |  |
| Number of |  |  |  | — |  |
|  | Shares |  | 8. |  | Shared Voting Power |  |
| Beneficially |  |  |  | 4,177,854 |  |
| Owned by |  |  |  |  |
|  |  | Each |  | 9. |  | Sole Dispositive Power |  |
| Reporting |  |  |  |  |  |
|  | Person |  |  |  | — |  |
|  |  | With |  |  |  |  |  |
|  |  |  | 10. |  | Shared Dispositive Power |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  | 4,177,854 |  |
| 11. |  | Aggregate Amount Beneficially Owned by Each Reporting Person |  |
|  |  | 4,177,854 |  |  |  |
| 12. |  | Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) |  |
|  |  | ☐ |  |  |  |  |
| 13. |  | Percent of Class Represented by Amount in Row (11) |  |
|  |  | 27.08% |  |  |  |  |  |
| 14. |  | Type of Reporting Person (See Instructions) |  |
|  |  | PN |  |  |  |  |

CUSIP No. 558868105

|  |  |  |  |
| --- | --- | --- | --- |
| 1. |  | Names of Reporting Persons |  |
|  |  | Bay City Capital Fund IV Co-Investment Fund, L.P. |  |
| 2. |  | Check the Appropriate Box if a Member of a Group (See Instructions) |  |
|  |  | (a) ☒ | (b) | ☐ |  |
|  |  |  |  |  |  |  |
| 3. |  | SEC Use Only |  |  |
|  |  |  |  |  |  |
| 4. |  | Source of Funds (See Instructions) |  |
|  |  | WC |  |  |  |  |
| 5. |  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) |  |
|  |  | ☐ |  |  |  |  |
| 6. |  | Citizenship or Place of Organization |  |
|  |  | Delaware |  |  |  |  |
|  |  |  |  | 7. |  | Sole Voting Power |  |
| Number of |  |  |  | — |  |
|  | Shares |  | 8. |  | Shared Voting Power |  |
| Beneficially |  |  |  | 4,177,854 |  |
| Owned by |  |  |  |  |
|  |  | Each |  | 9. |  | Sole Dispositive Power |  |
| Reporting |  |  |  |  |  |
|  | Person |  |  |  | — |  |
|  |  | With |  |  |  |  |  |
|  |  |  | 10. |  | Shared Dispositive Power |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  | 4,177,854 |  |
| 11. |  | Aggregate Amount Beneficially Owned by Each Reporting Person |  |
|  |  | 4,177,854 |  |  |  |
| 12. |  | Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) |  |
|  |  | ☐ |  |  |  |  |
| 13. |  | Percent of Class Represented by Amount in Row (11) |  |
|  |  | 27.08% |  |  |  |  |  |
| 14. |  | Type of Reporting Person (See Instructions) |  |
|  |  | PN |  |  |  |  |

**EXPLANATORY NOTE**

This Amendment No. 2 (“Amendment No. 2”) relates to the shares of common stock, par value $0.0001 per share, of Madrigal Pharmaceuticals, Inc., a Delaware corporation (the “Issuer”). This Amendment No. 2 amends and supplements, as set forth below, the statement on Schedule 13D filed by the Reporting Persons with respect to the Issuer on July 29, 2016 (the “Original Schedule 13D”), as amended and supplemented by Amendment No. 1 to the Original Schedule 13D filed by the Reporting Persons on October 17, 2019 (“Amendment No. 1”). The Original Schedule 13D, as amended and supplemented by Amendment No. 1, is referred to as the “Statement.” All capitalized terms used and not expressly defined herein have the respective meanings ascribed to such terms in the Statement.

Bay City Capital LLC, a Delaware limited liability company (“BCC”), is the manager of Bay City Capital Management IV LLC, a Delaware limited liability company (“Management IV”), which is the general partner of Bay City Capital Fund IV, L.P., a Delaware limited partnership (“Fund IV”), and Bay City Capital Fund IV Co-Investment Fund, L.P., a Delaware limited partnership (“Co-Investment IV”). BCC is also an advisor to Fund IV and Co-Investment IV.

**Item 4. Purpose of Transaction**

Item 4 of the Statement is amended and supplemented by inserting the following information:

On December 10, 2019, Fund IV and Co-Investment IV agreed to sell 1,200,000 shares of common stock of the Issuer, par value $0.0001 per share (“Common Stock”), at a price of $105.47 per share (the “Offering”) to Goldman Sachs & Co. LLC (the “Underwriter”) pursuant to the terms and conditions of the underwriting agreement (the “Underwriting Agreement”) entered into between the Issuer, Fund IV, Co-Investment IV and the Underwriter. The sale was consummated on December 13, 2019.

Pursuant to a lock-up agreement executed in connection with the Underwriting Agreement (the “Lock-Up Agreement”), BCC, Management IV, Fund IV and Co-Investment IV each have separately agreed that, subject to specified exceptions, without the prior written consent of the Underwriter, it will not, during the period ending 90 days after the date of the final prospectus supplement with respect to the Offering: (i) sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, or enter into any similar transactions with respect to the Common Stock; (ii) otherwise dispose of any shares of Common Stock, options or warrants to acquire shares of Common Stock, or securities exchangeable or exercisable for or convertible into shares of Common Stock currently or hereafter owned either of record or beneficially; or (iii) publicly announce an intention to do any of the foregoing.

The foregoing descriptions of the Underwriting Agreement and Lock-Up Agreement do not purport to be complete and are qualified in their entirety by reference to the Underwriting Agreement and the form of Lock-Up Agreement, respectively, which are filed as exhibits hereto and are incorporated herein by reference.

**Item 5. Interest in Securities of the Issuer.**

Item 5 of the Statement is amended and restated in its entirety as follows:

(a)(b)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Shares Held** | **Sole Voting** |  | **Shared** | **Sole** | **Shared** |  | **Beneficial** | **Percentage of** |  |
| **Reporting Person** |  | **Dispositive** | **Dispositive** |  |  |
| **Directly** | **Power** | **Voting Power** | **Power** | **Power** | **Ownership (1)** |  | **Class (2)** |  |
|  | Fund IV |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 4,089,702 | — | 4,177,854 | 0 | 4,177,854 | 4,177,854 | 27.08% |  |
|  | Co-Investment IV | 88,152 |  | — | 4,177,854 |  | 0 |  | 4,177,854 | 4,177,854 | 27.08% |  |
|  | Management IV(3) | — | 4,177,854 | 0 |  | 4,177,854 |  | 0 | 4,177,854 | 27.08% |  |
|  | BCC(4) | — | 4,177,854 | 0 |  | 4,177,854 |  | 0 | 4,177,854 | 27.08% |  |

1. Fund IV and Co-Investment IV constitute a “group” under Section 13(d) of the Exchange Act and consequently are deemed to have beneficial ownership of all shares held by members of the group.

1. This percentage is calculated based upon 15,429,154 shares of the Issuer’s common stock outstanding as of December 1, 2019 as computed in accordance with Rule 13d-3(d)(1)(i) promulgated under the Exchange Act.
2. Management IV holds no shares of common stock directly. Management IV is deemed to have beneficial ownership of common stock owned by Fund IV and Co-Investment IV due to its role as general partner of such funds. Investment and voting decisions by Management IV are exercised by BCC as manager.
3. BCC holds no shares of common stock directly. Due to its role as manager of Management IV, BCC is deemed to have beneficial ownership of common stock deemed to be beneficially owned by Management IV.

The information required by Item 5 with respect to persons with whom voting or dispositive power is shared is set forth in Items 2 and 3 of the Statement.

1. Except as reported in Item 4, none of the Reporting Persons has effected any transactions in the Common Stock during the past sixty days.
2. None.
3. Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

Item 6 of the Statement is amended and supplemented by inserting the following information:

Item 4 above summarizes certain provisions of the Underwriting Agreement and the Lock-Up Agreement and is incorporated herein by reference.

Copies of the Underwriting Agreement and the form of Lock-Up Agreement are attached as exhibits hereto and are incorporated herein by reference.

**Item 7. Materials to be Filed as Exhibits**

Item 7 of the Statement is amended and restated by the following:

|  |  |  |
| --- | --- | --- |
| **Exhibit No.** |  | **Description** |
|  |  |  |  |
| 1 | Joint Filing Agreement (incorporated by reference to Exhibit 99.1 to Schedule 13D filed by the reporting persons on July 29, |
|  |  | 2016). |
| 2 | Underwriting Agreement, dated as of December 10, 2019, by and among Madrigal Pharmaceuticals, Inc., Bay City Capital Fund |
|  |  | IV, L.P., Bay City Capital Fund IV Co-Investment Fund, L.P. and Goldman Sachs & Co. LLC (incorporated by reference to |
|  |  | Exhibit 1.1 of the Current Report on Form 8-K filed by Madrigal Pharmaceuticals, Inc. on December 12, 2019). |
| 3 | Form of Lock-Up Agreement. |

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 13, 2019

/s/ Fred Craves



Fred Craves, Managing Director

Bay City Capital LLC

for itself, for and on behalf of Bay City Capital Management IV LLC in its capacity as manager thereof, and for and on behalf of Bay City Capital Fund IV, L.P. and Bay City Capital Fund IV Co-Investment Fund, L.P. in its capacity as manager of Bay City Capital Management IV LLC, the general partner of Bay City Capital Fund IV, L.P. and Bay City Capital Fund IV Co-Investment Fund, L.P.

**Exhibit 3**

**Madrigal Pharmaceuticals, Inc.**

**Lock-Up Agreement**

**, 2019**

Goldman Sachs & Co. LLC

200 West Street

New York, NY 10282-2198

Re: Madrigal Pharmaceuticals, Inc. - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that you, as representative of the Underwriters (as defined below) (the “Representative”), propose to enter into an Underwriting Agreement on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the “Underwriters”), with Madrigal Pharmaceuticals, Inc., a Delaware corporation (the “Company”), Bay City Capital Fund IV, L.P., a Delaware limited partnership, and Bay City Capital Fund IV Co-Investment Fund, L.P., a Delaware limited partnership, providing for a public offering of shares of Common Stock (the “Common Stock Offering”) of the Company (the “Shares”) pursuant to a prospectus (the “Prospectus”) to be filed with the Securities and Exchange Commission (the “SEC”). In the event only one underwriter is listed in Schedule 1 to the Underwriting Agreement, any references herein to the “Underwriters” shall be deemed to refer to the sole underwriter in the singular form listed in such Schedule 1.

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date hereof and continuing to and including the date 90 days after the date of the final Prospectus covering the public offering of the Shares (the “Restricted Period”), the undersigned will not offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, distribute, transfer or otherwise dispose of any shares of Common Stock of the Company, or any options or warrants to purchase any shares of Common Stock of the Company, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock of the Company, whether now owned or hereinafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC (collectively the “Undersigned’s Shares”).

The foregoing restriction is expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Undersigned’s Shares even if such Shares would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Undersigned’s Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Shares.

If the undersigned is not a natural person, the undersigned represents and warrants that no single natural person, entity or “group” (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), other than a natural person, entity or “group” (as defined above) that has executed a Lock-Up Agreement in substantially the same form as this Lock-Up Agreement, beneficially owns, directly or indirectly, 50% or more of the common equity interests, or 50% or more of the voting power, in the undersigned.

Notwithstanding the foregoing, the undersigned may transfer the Undersigned’s Shares (i) as a *bona fide* gift or gifts or by will, other testamentary document or intestate succession, (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) pursuant to any order or settlement agreement approved by any court of competent jurisdiction, (iv) to any corporation, partnership, limited liability company or similar entity of which 100% of the beneficial ownership interests are owned by the undersigned or the immediate family of the undersigned, (v) to the undersigned’s affiliates, shareholders, members, partners, subsidiaries or to any investment fund or other entity controlled or managed by the undersigned (vi) by operation of law, including pursuant to a domestic order or negotiated divorce settlement, provided that in the case of any transfer pursuant to clauses (i), (iii), (iv), (v) and (vi), (x) each transferee agrees in writing to be bound by the restrictions set forth herein, (y) no public announcement or filing by any party (the undersigned, transferor or transferee) under the Exchange Act, shall be required or voluntarily made in connection with such transfer and (z) any such transfer shall not involve a disposition for value, or (vi) with the prior written consent of Goldman Sachs & Co. LLC on behalf of the Underwriters.

In addition, the foregoing restriction shall not apply to (i) the establishment of a new trading plan pursuant to Rule 10b5-1 under the Exchange Act providing for dispositions or sales of the Undersigned’s Shares; provided that such plan does not permit dispositions or sales of the Undersigned’s Shares during the Restricted Period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required or voluntarily made during the Restricted Period, (ii) the exercise of options or other stock-based awards to purchase Common Stock of the Company or the vesting of restricted stock or other stock-based awards outstanding as of the date hereof or granted under equity incentive plans in effect as of the date hereof or described in the Prospectus; provided that the underlying Common Stock of the Company continues to be subject to the terms of this agreement, and provided further that any filing under Section 16(a) of the Exchange Act made in connection with such transfer shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this clause (ii), (iii) transfers of the Undersigned’s Shares pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction made to holders of the Common Stock of the Company involving a Change of Control (as defined below) of the Company; provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed during the Restricted Period, the Undersigned’s Shares shall remain subject to the foregoing restrictions during such period, (iv) the repurchase or forfeiture of the Undersigned’s Shares in connection with termination of the undersigned’s employment with the Company, or (v) the settlement of options, restricted stock or other stock-based awards during the Restricted Period on a “net” or “cashless” basis or any other withholding of shares of Common Stock by the Company upon vesting and/or settlement of options, restricted stock or other stock-based awards during the Restricted Period to satisfy tax obligations, provided that (x) the underlying shares of Common Stock received by the undersigned shall continue to be subject to the restrictions set forth herein, (y) any such settled or withheld shares are surrendered to the Company in the net or cashless exercise and (z) that any filing under Section 16(a) of the Exchange Act made in connection with such transfer or disposition shall clearly indicate in the footnotes thereto the nature of the transfer or disposition.

For purposes of this Lock-Up Agreement, “immediate family” shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is a corporation, the corporation may transfer the capital stock of the Company to any wholly-owned subsidiary of such corporation; provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such capital stock subject to the provisions of this Agreement and there shall be no further transfer of such capital stock except in accordance with this Agreement, and provided further that any such transfer shall not involve a disposition for value. For purposes of this Lock-up Agreement, “Change of Control” means the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an Underwriter pursuant to the Common Stock Offering), of the Company’s voting securities if, after such transfer, such person or group of affiliated persons would hold greater than 50% of the outstanding voting securities of the Company (or the surviving entity) and, for the avoidance of doubt, the Common Stock Offering is not a Change of Control. The undersigned now has, and, except as contemplated by the foregoing paragraph, for the duration of this Lock-Up Agreement will have, good and marketable title to the Undersigned’s Shares, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the Undersigned’s Shares except in compliance with the foregoing restrictions.

If the Company notifies you in writing that it does not intend to proceed with the offering, or for any reason the Underwriting Agreement shall be terminated prior to December 31, 2019, this agreement shall be of no further force or effect.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned’s heirs, legal representatives, successors, and assigns.

Very truly yours,



Exact Name of Shareholder



Authorized Signature



Title