

**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): **June 26, 2015**

SUNSHINE HEART, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-35312
(Commission File Number)

68-0533453
(IRS Employer
Identification No.)

12988 Valley View Road
Eden Prairie, Minnesota 55344
(Address of principal executive offices) (Zip Code)

(952) 345-4200
(Registrant's telephone number, including area code)

Not Applicable
(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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

As previously disclosed in the Current Report on Form 8-K filed on February 19, 2015 with the Securities and Exchange Commission (the "**SEC**"), Sunshine Heart, Inc. (the "**Company**") entered into a loan and security agreement (the "**Loan Agreement**") with Silicon Valley Bank (the "**Bank**") on February 18, 2015.

Pursuant to the Loan Agreement, the Bank agreed to make certain term loans to the Company in an aggregate principal amount of up to \$10.0 million, comprised of: (i) a \$6.0 million term loan, which was funded at the closing; (ii) subject to the achievement of a specified regulatory milestone that the U.S. Food and Drug Administration has granted interim analysis of the Company's "C-Pulse Heart Assist System" product for the treatment of heart failure, an additional term loan totaling \$2.0 million, available from February 18, 2015 to June 30, 2015 (the "**Term B Loan**"); and (iii) subject to the achievement of a specified clinical milestone that the Company has enrolled one hundred (100) patients in the aggregate in the Company's "U.S. Counter HF" study in the United States in connection with the Company's "C-Pulse Heart Assist System" product for the treatment of heart failure, an additional term loan totaling \$2.0 million, available from February 18, 2015 to September 30, 2015.

As previously disclosed in the Current Report on Form 8-K filed with the SEC on February 25, 2015, the Company achieved the regulatory milestone for the Term B Loan referred to above in February 2015.

On June 26, 2015, the Company borrowed an additional \$2.0 million, constituting the Term B Loan under the Loan Agreement, and paid the Bank a commitment fee of 1% of the Term B Loan.

As a result of the funding of the Term B Loan, the Company must complete an equity financing resulting in unencumbered net cash proceeds in an amount of at least \$20.0 million by March 31, 2016.

Upon the Bank funding the Term B Loan, the warrants to purchase shares of the Company's common stock previously issued to the Bank and its affiliate in connection with entering into the Loan Agreement (the "**Warrants**") automatically became exercisable for an additional number of shares equal to

6% of the amount of the Term B Loan divided by the lower of (each, a “**Funding Shares Warrant Price**”) (i) the closing price for a share of the Company’s common stock as reported on NASDAQ for the date on which the Term B Loan advance is made to the Company, and (ii) the average of the closing prices for a share of the Company’s common stock reported for the ten (10) trading days ending on the date of such Term B Loan advance, at an exercise price equal to such Funding Shares Warrant Price.

A description of the Loan Agreement and Warrants was included in the Company’s Current Report on Form 8-K filed with the SEC on February 19, 2015 and is incorporated by reference herein. Such description and the description of the transactions described in this Item 2.03 do not purport to be complete and are qualified in their entirety by reference to the complete text of the Loan Agreement and forms of Warrants, which were previously filed with the SEC as Exhibits 10.1, 4.1 and 4.2, respectively, to the Company’s Current Report on Form 8-K filed with the SEC on February 19, 2015 and are incorporated by reference herein.

Item 3.02. Unregistered Sales of Equity Securities

As previously disclosed in the Current Report on Form 8-K filed on February 19, 2015 with the SEC, the Company relied on the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Rule 506 of Regulation D under the Securities Act, in connection with the issuance of the Warrants in connection with the Loan Agreement. The Warrants and the shares of common stock issuable under the Warrants have not been registered under the Securities Act, or state securities laws, and may not be offered or sold in the United States without being registered with the SEC or through an applicable exemption from SEC registration requirements. The other information called for by this item is contained in Item 2.03, which is incorporated by reference under this Item 3.02.

Item 8.01 Other Events.

On June 29, 2015, the Company issued a press release announcing the funding of the Term B Loan. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release issued by the Company dated June 29, 2015.

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.

Dated: June 30, 2015

SUNSHINE HEART, INC.

By: /S/ CLAUDIA DRAYTON
Name: Claudia Drayton
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release issued by the Company dated June 29, 2015.



Sunshine Heart Exercises \$2 Million Milestone Advance from Silicon Valley Bank

Eden Prairie, MN: June 29, 2015: Sunshine Heart, Inc. (NASDAQ:SSH) announced today that it has exercised the right to borrow an additional \$2 million under its existing loan and security agreement with Silicon Valley Bank. The right to borrow this second tranche was conditioned on the U.S. Food and Drug Administration granting interim analysis of COUNTER HF™, Sunshine Heart's U.S. pivotal study for the C-Pulse® Heart Assist System, which was obtained in February 2015. COUNTER HF is a prospective, randomized, multi-center, controlled study evaluating the safety and efficacy of the C-Pulse system for the treatment of NYHA Class III and ambulatory Class IV heart failure.

"We view Silicon Valley Bank as a valued partner, providing non-dilutive capital at an important time in the Company's growth trajectory as we continue to advance physician involvement and patient enrollment in the COUNTER HF and OPTIONS HF studies," commented Dave Rosa, President and Chief Executive Officer of Sunshine Heart.

The payment is the second advance under the loan and security agreement entered into with Silicon Valley Bank on February 18, 2015, which provides up to \$10 million in growth capital. The first \$6 million term loan was funded at the time of closing. Additional details regarding the loan and security agreement are included in a Current Report on Form 8-K filed on February 19, 2015 by Sunshine Heart with the Securities and Exchange Commission.

About the C-Pulse Heart Assist System

The C-Pulse Heart Assist System, or C-Pulse System, an investigational device in the United States, Canada and countries that do not recognize the CE mark approval, utilizes the scientific principles of intra-aortic balloon counter-pulsation applied in an extra-aortic approach to assist the left ventricle by reducing the workload required to pump blood throughout the body, while increasing blood flow to the coronary arteries. Combined, these potential benefits may help sustain the patient's current condition or, in some cases, reverse the heart failure process, thereby potentially preventing the need for later-stage heart failure devices, such as left ventricular assist devices (LVADs), artificial hearts or transplants. It may also provide relief from the symptoms of Class III and ambulatory Class IV heart failure and improve quality of life and cardiac function. Based on the results from our feasibility study, we also believe that some patients treated with our C-Pulse System may be able to stop using the device due to sustained improvement in their conditions as a result of the therapy.

Caution: Investigational device, limited by Federal (or United States) Law to Investigational use.

About Sunshine® Heart

Sunshine Heart, Inc. (Nasdaq:SSH) is an early-stage medical device company focused on developing, manufacturing and commercializing the C-Pulse System for treatment of Class III and ambulatory Class

IV heart failure. Sunshine Heart has completed an approved U.S. Food and Drug Administration (FDA) feasibility clinical study of the C-Pulse System and presented the results in November 2011. In March 2012, the FDA notified the Company that it could move forward with an investigational device exemption (IDE) application. Sunshine Heart received unconditional approval from the FDA in November 2012 to initiate its pivotal study. In July 2012, Sunshine Heart received CE Mark approval for its C-Pulse System in Europe. Sunshine Heart is a Delaware corporation headquartered in Minneapolis with wholly owned subsidiaries in Australia and Ireland. The Company has been listed on the NASDAQ Capital Market since February 2012.

About Silicon Valley Bank

For more than 30 years, Silicon Valley Bank (SVB) has helped innovative companies and their investors move bold ideas forward, fast. SVB provides targeted financial services and expertise through its offices in innovation centers around the world. With commercial, international and private banking services, SVB helps address the unique needs of innovators. Forbes named SVB one of America's best banks (2015) and one of America's best-managed companies (2014).

SVB's life science and healthcare practice provides a range of financial services to innovative companies that are improving health through technology. Learn more at svb.com/lifescience.

Silicon Valley Bank is the California bank subsidiary and commercial banking operation of SVB Financial Group (Nasdaq:SIVB), and a member of the FDIC. Silicon Valley Bank and SVB Financial Group are members of the Federal Reserve System.

Forward-Looking Statements

Certain statements in this release are forward-looking statements that are based on management's beliefs, assumptions, expectations, and information currently available to management. All statements that address future operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including, without limitation, our expectations with respect to future clinical study activities and results including patient enrollment in studies. These forward-looking statements are subject to numerous risks and uncertainties, including, without limitation, the possibility that our clinical studies do not meet their enrollment goals, meet their endpoints or otherwise fail, that regulatory authorities do not accept our application or approve the marketing of the C-Pulse System, the possibility that we may be unable to raise the funds necessary for the development and commercialization of our products, that we may not be able to commercialize our products successfully in the EU and the other risk factors described under the caption "Risk Factors" and elsewhere in our filings with the U.S. Securities and Exchange Commission. You should not place undue reliance on forward-looking statements because they speak only as of the date when made and may turn out to be inaccurate. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We may not actually achieve the plans,

projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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