

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): October 24, 2007

Neurocrine Biosciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-22705
(Commission File Number)

33-0525145
(I.R.S. Employer
Identification No.)

12790 El Camino Real
San Diego, California
(Address of principal executive offices)

92130
(Zip Code)

Registrant's telephone number, including area code: **(858) 617-7600**

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

(e) On October 24, 2007, we entered into Stock Option Cancellation Agreements with certain of our executive officers and directors, pursuant to which certain stock options previously granted to each such executive officer or director were cancelled in exchange for a nominal payment by us of \$100 in the aggregate.

The Stock Option Cancellation Agreements indicated that other than such nominal payment, the applicable executive officer or director had not received, and would not receive, any additional consideration in exchange for the cancellation of such options. Accordingly, while each such executive officer or director will be eligible to receive future equity grants in connection with our regular grant practices, no such executive officer or director will receive any future equity award in exchange for the cancellation of such options.

The executive officers and directors that entered into Stock Option Cancellation Agreements, and the aggregate number of shares underlying the stock options cancelled pursuant to such agreements, are as follows:

<u>Name</u>	<u>Title</u>	<u>Aggregate Number of Shares Underlying Stock Options</u>
Joseph A. Mollica, Ph.D.	Chairman of the Board	15,000
Corinne H. Lyle	Director	20,000
W. Thomas Mitchell	Director	12,000
Richard F. Pops	Director	12,000
Wylie W. Vale, Ph.D.	Director	12,000
Stephen A. Sherwin, M.D.	Director	12,000
Gary A. Lyons	President, Chief Executive Officer and Director	80,000
Margaret Valeur-Jensen, J.D., Ph.D.	Executive Vice President, General Counsel and Corporate Secretary	23,500
Kevin C. Gorman, Ph.D.	Executive Vice President and Chief Operating Officer	52,000
Richard Ranieri	Senior Vice President, Human Resources	6,000

A copy of the form of Stock Option Cancellation Agreement is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Number</u>	<u>Description</u>
10.1	Form of Stock Option Cancellation Agreement

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.

NEUROCRINE BIOSCIENCES, INC.

By: /s/ Timothy P. Coughlin

Timothy P. Coughlin

Vice President and Chief Financial Officer

Date: October 26, 2007

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>
10.1	Form of Stock Option Cancellation Agreement

NEUROCRINE BIOSCIENCES, INC.

STOCK OPTION CANCELLATION AGREEMENT

THIS STOCK OPTION CANCELLATION AGREEMENT (this “*Agreement*”) is made and entered into as of October ___, 2007, by and between NEUROCRINE BIOSCIENCES, INC., a Delaware corporation (the “*Company*”), and [___] (“*Optionholder*”).

RECITALS

WHEREAS, the Company previously granted to Optionholder the following stock options to purchase shares (the “*Shares*”) of the Company’s Common Stock (each an “*Option*” and together, the “*Options*”) pursuant to the Company’s 2003 Incentive Stock Plan:

Date of Grant	Number of Shares	Exercise Price

WHEREAS, as of the date of this Agreement, each entire Option remains unexercised.

WHEREAS, the Company’s Board of Directors has determined that it is in the best interests of the Company and its stockholders to cancel the Options in exchange for paying \$100 in the aggregate to Optionholder (the “*Consideration*”).

WHEREAS, other than the Consideration, the Optionholder has not received, and will not receive any additional consideration in exchange for the cancellation of the Options.

WHEREAS, Optionholder has decided to voluntarily consent to this Agreement and the cancellation of the Options subject to the terms described herein.

AGREEMENT

In consideration of the mutual promises and covenants herein, the parties hereto, each intending to be legally bound, agree as follows:

1. Cancellation of Options. The Options are hereby canceled in exchange for the Company’s payment to Optionholder of the sum of \$100 in the aggregate, less applicable deductions and tax withholdings, the receipt of which payment is hereby acknowledged. Optionholder hereby irrevocably relinquishes any right or interest that Optionholder may have had, may have or may acquire in the future with respect to the Options and to the Shares.

2. Further Assurances. Optionholder agrees to execute and/or cause to be delivered to the Company such instruments and other documents, and shall take such other actions, as the Company may reasonably request for the purpose of carrying out or evidencing the cancellation of the Options.

3. Legal Advice. Optionholder acknowledges and represents that Optionholder has had the opportunity to consult with a legal advisor in connection with this Agreement and that Optionholder is not relying upon the Company for any legal advice.

4. Governing Law. This Agreement shall be governed in all respects by the laws of the State of California, without regard to that State's conflicts of laws principles.

5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, this Stock Option Cancellation Agreement has been executed by the parties hereto as of the date first above written.

NEUROCRINE BIOSCIENCES, INC.

By: _____

Name: _____

Title: _____

OPTIONHOLDER:

[NAME]