

CELL THERAPEUTICS INC  
Form 8-K  
May 20, 2010

**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): May 20, 2010 (May 16, 2010)

**CELL THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Washington**  
(State or other jurisdiction  
of incorporation or organization)

**001-12465**  
(Commission  
File Number)  
**501 Elliott Avenue West, Suite 400**

**91-1533912**  
(I.R.S. Employer  
Identification Number)

**Seattle, Washington 98119**

(Address of principal executive offices)

Registrant's telephone number, including area code: (206) 282-7100

**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):

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- .. 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 3.02 Unregistered Sales of Equity Securities.**

On May 16, 2010, Cell Therapeutics, Inc. (the Company) entered into privately negotiated exchange agreements (the Exchange Agreements) with certain holders of some of the Company's outstanding 4% Convertible Senior Subordinated Notes due 2010 (the Notes). Pursuant to the terms of the Exchange Agreements, the Company may exchange up to approximately 60 million shares of its common stock, no par value, for approximately \$30 million aggregate outstanding principal amount of Notes in one or a series of exchanges, which may be effected over several days. The term of the Exchange Agreements is ten days, subject to extension, unless earlier terminated by any party to the Exchange Agreements. The final number of shares of common stock and the final principal amount of Notes to be exchanged will be determined based on a number of factors, including, among others, the trading price and volume of the common stock during the term of the Exchange Agreements, the volume weighted average price of the common stock on the securities exchanges where the common stock is listed for trading and the setting of minimum share prices with respect to the maximum number of shares that may be exchanged on a particular trading day. The Company will pay accrued and unpaid interest to the applicable settlement date on the Notes in cash.

On May 18, 2010 and May 19, 2010, pursuant to one of the Exchange Agreements, the Company agreed to exchange an aggregate of 2,439,593 shares of its common stock for \$1,069,000 aggregate outstanding principal amount of the Notes.

The shares of common stock issuable under the Exchange Agreements will be issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the Securities Act), and/or Regulation D thereunder.

This Current Report on Form 8-K does not constitute an offer to exchange the Notes or other securities of the Company for shares of common stock or any other securities of the Company.

**Item 7.01 Regulation FD Disclosure.**

On May 17, 2010, the Company announced that it entered into the Exchange Agreements with certain holders of the Notes. A copy of the Company's press release, entitled "Cell Therapeutics, Inc. Announces Agreements to Exchange up to \$30 Million Aggregate Outstanding Principal Amount of 4% Convertible Senior Subordinated Notes due 2010 for Common Stock" is furnished and not filed pursuant to Item 7.01 as Exhibit 99.1 hereto. Such information shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act or the Exchange Act, whether made before or after the date hereof, and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

Exhibit No.	Description
99.1	Press Release, dated May 17, 2010, entitled "Cell Therapeutics, Inc. Announces Agreements to Exchange up to \$30 Million Aggregate Outstanding Principal Amount of 4% Convertible Senior Subordinated Notes due 2010 for Common Stock."

**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.

Date: May 20, 2010

**CELL THERAPEUTICS, INC.**

By: /s/ James A. Bianco  
Name: James A. Bianco, M.D.  
Title: Chief Executive Officer

**EXHIBIT INDEX**

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