

CELL THERAPEUTICS INC
Form 8-K
December 27, 2007

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): December 20, 2007

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)

91-1533912
(I.R.S. Employer

Identification Number)

501 Elliott Avenue West, Suite 400

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):

.. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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- “ 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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Section 1 Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

On December 20, 2007, Cell Therapeutics, Inc. (the Corporation) entered into a letter agreement with Rodman & Renshaw, LLC, as placement agent (the Engagement Letter), relating to the proposed offering of shares of the Corporation's common stock and warrants to purchase shares of the Corporation's common stock to investors. A copy of the Engagement Letter is attached hereto as Exhibit 1.1.

In addition, the Corporation entered into a Securities Purchase Agreement, dated as of December 20, 2007 (the Purchase Agreement) by and among the Corporation and the purchasers introduced to the Corporation by the placement agent signatory thereto (the Investors). Pursuant to the Purchase Agreement, the Corporation issued to the Investors 3,469,999 shares (the Shares) of its common stock, no par value (the Common Stock), in a registered offering at an issue price of \$2.02 per share and warrants to purchase an additional 3,469,999 shares of the Common Stock at an exercise price of \$2.02 per share (the Warrants) and, together with the Shares and the Common Stock issuable upon exercise of the Warrants, the Securities).

The Warrants will not be exercisable until six months after the date of issuance and their exercisability is contingent upon the Corporation obtaining shareholder approval to increase the number of authorized shares of common stock available for issuance (the Authorized Share Increase). The Warrants will terminate on the third anniversary of the date upon which the Warrants become exercisable. Assuming the Corporation obtains the Authorized Share Increase, the Warrants will be exercisable, at the option of each holder, upon the surrender of the Warrants to us and the payment of the exercise price of the shares of Common Stock being acquired and are governed by the terms of a Common Stock Purchase Warrant, dated as of December 21, 2007, by and between the Corporation and each Investor in the form attached hereto as Exhibit 4.1 (the Warrant Agreement).

The Securities are registered under the Securities Act of 1933, as amended, on the Corporation's previously filed and effective Registration Statement on Form S-3 (File No. 333-143452) (the Registration Statement). The Corporation filed a base prospectus and a prospectus supplement relating to the issuance and sale of the Securities with the Securities and Exchange Commission on December 21, 2007.

The descriptions of terms and conditions of the Engagement Letter, Purchase Agreement and Warrant Agreement set forth herein do not purport to be complete and are qualified in their entirety by the full text of the Engagement Letter, which is attached hereto as Exhibit 1.1 and incorporated herein by reference, the Purchase Agreement, the form of which is attached hereto as Exhibit 10.1 and incorporated herein by reference, and the Warrant Agreement, the form of which is attached hereto as Exhibit 4.1 and incorporated by reference herein.

The Corporation knows of no material relationship between the Corporation or its affiliates and the Investors other than in respect of the Purchase Agreement. The corporation knows of no material relationship between the Corporation or its affiliates and the placement agent other than in respect of the Engagement Letter.

Attached as Exhibit 5.1 is the opinion of Heller Ehrman LLP relating to the validity of the issuance and sale of the Shares and Warrants and the issuance of the shares of the Common Stock upon exercise of the Warrants.

Section 7 Regulation FD

Item 7.01. Regulation FD Disclosure.

The information provided pursuant to this Item 7.01 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or incorporated by reference into those filings of the Corporation that provide for the incorporation of all reports and documents filed by the Corporation under the Exchange Act. The information furnished pursuant to this Item 7.01 shall instead be deemed furnished.

On December 20, 2007, the Corporation issued a press release announcing the pricing of its public offering of the Shares and Warrants sold under the Registration Statement. A copy of this press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are attached with this report on Form 8-K:

- 1.1 Letter Agreement, dated December 20, 2007, by and between the Corporation and Rodman & Renshaw, LLC
- 4.1 Form of Warrant
- 5.1 Opinion of Heller Ehrman LLP
- 10.1 Form of Securities Purchase Agreement
- 99.1 Press Release dated December 20, 2007

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.

CELL THERAPEUTICS, INC.

Date: December 27, 2007

By: /s/ Louis A. Bianco
Louis A. Bianco
Executive Vice President, Finance and Administration

EXHIBIT INDEX

**Exhibit
Number**

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