

CTI BIOPHARMA CORP
Form 4
June 14, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BVF PARTNERS L P/IL

(Last) (First) (Middle)

1 SANSOME ST, 30TH FL

(Street)

SAN FRANCISCO, CA 94104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

CTI BIOPHARMA CORP [CTIC]

3. Date of Earliest Transaction (Month/Day/Year)

06/09/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock, no par value per share (1)	06/09/2017		C	2,007,333 (7) (8) A (7)	3,566,549	D (2)	
Common Stock, no par value per share (1)	06/09/2017		C	1,410,000 (7) (8) A (7)	2,295,083	D (3)	
Common Stock, no par value per share (1)	06/09/2017		C	342,000 (7) (8) A (7)	651,074	D (4)	

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par value
per share
(1)

Common
Stock, no
par value
per share
(1)

06/09/2017 C 357,333 (7) (8) A (7) 2,083,651 I (5)

Please see
footnote
(5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Series N3 Preferred Stock, no par value per share <u>(1)</u>	<u>(7)</u>	06/09/2017		P	3,292	<u>(6)</u> <u>(6)</u>	Common Stock, no par value per share <u>(1)</u> 2,194,667 <u>(7)</u> <u>(8)</u>
Series N3 Preferred Stock, no par value per share <u>(1)</u>	<u>(7)</u>	06/09/2017		P	2,312	<u>(6)</u> <u>(6)</u>	Common Stock, no par value per share <u>(1)</u> 1,541,333 <u>(7)</u> <u>(8)</u>
Series N3 Preferred Stock, no par value per share <u>(1)</u>	<u>(7)</u>	06/09/2017		P	561	<u>(6)</u> <u>(6)</u>	Common Stock, no par value per share <u>(1)</u> 374,000 <u>(7)</u> <u>(8)</u>
Series N3 Preferred Stock, no	<u>(7)</u>	06/09/2017		P	585	<u>(6)</u> <u>(6)</u>	Common Stock, no par value <u>(7)</u> <u>(8)</u> 390,000

par value per share (1)								per share (1)	
Series N3 Preferred Stock, no par value per share (1)	(7)	06/09/2017	C	3,011	(6)	(6)	Common Stock, no par value per share (1)	2,007,333	(7) (8)
Series N3 Preferred Stock, no par value per share (1)	(7)	06/09/2017	C	2,115	(6)	(6)	Common Stock, no par value per share (1)	1,410,000	(7) (8)
Series N3 Preferred Stock, no par value per share (1)	(7)	06/09/2017	C	513	(6)	(6)	Common Stock, no par value per share (1)	342,000	(7) (8)
Series N3 Preferred Stock, no par value per share (1)	(7)	06/09/2017	C	536	(6)	(6)	Common Stock, no par value per share (1)	357,333	(7) (8)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BVF PARTNERS L P/IL 1 SANSOME ST 30TH FL SAN FRANCISCO, CA 94104		X		
BIOTECHNOLOGY VALUE FUND L P 1 SANSOME ST 30TH FL SAN FRANCISCO, CA 94104				See Explanation of Responses
BIOTECHNOLOGY VALUE FUND II LP 1 SANSOME ST 30TH FL SAN FRANCISCO, CA 94104				See Explanation of Responses
				See Explanation of Responses

Biotechnology Value Trading Fund OS LP
P.O. BOX 309 UGLAND HOUSE
GRAND CAYMAN, E9 KY1-1104

BVF Partners OS Ltd.
P.O. BOX 309 UGLAND HOUSE
GRAND CAYMAN, E9 KY1-1104

See Explanation of Responses

BVF INC/IL
1 SANSOME ST
30TH FL
SAN FRANCISCO, CA 94104

X

LAMPERT MARK N
1 SANSOME ST
30TH FL
SAN FRANCISCO, CA 94104

X

Signatures

BVF Partners L.P., By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President	06/14/2017
__Signature of Reporting Person	Date
Biotechnology Value Fund, L.P., By: BVF Partners L.P., its general partner, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President	06/14/2017
__Signature of Reporting Person	Date
Biotechnology Value Fund II, L.P., By: BVF Partners L.P., its general partner, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President	06/14/2017
__Signature of Reporting Person	Date
BVF Partners OS Ltd., By: BVF Partners L.P., its sole member, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President	06/14/2017
__Signature of Reporting Person	Date
Biotechnology Value Trading Fund OS LP, By: BVF Partners L.P., its investment manager, BVF Inc., its general partner, By: /s/ Mark N. Lampert, President	06/14/2017
__Signature of Reporting Person	Date
BVF Inc., By: /s/ Mark N. Lampert, President	06/14/2017
__Signature of Reporting Person	Date
/s/ Mark N. Lampert	06/14/2017
__Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This Form 4 is filed jointly by Biotechnology Value Fund, L.P. ("BVF"), Biotechnology Value Fund II, L.P. ("BVF2"), Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), BVF Partners OS Ltd. ("Partners OS"), BVF Partners L.P. ("Partners"), BVF Inc. and Mark N. Lampert (collectively, the "Reporting Persons"). Each of the Reporting Persons is a member of a Section 13(d) group that collectively owns more than 10% of the Issuer's outstanding shares of Common Stock. Each of the Reporting Persons disclaims beneficial

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ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

- Securities owned directly by BVF. As the general partner of BVF, Partners may be deemed to beneficially own the securities owned directly by BVF. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by BVF. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by BVF.
- Securities owned directly by BVF2. As the general partner of BVF2, Partners may be deemed to beneficially own the securities owned directly by BVF2. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by BVF2. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by BVF2.
- Securities owned directly by Trading Fund OS. As the general partner of Trading Fund OS, Partners OS may be deemed to beneficially own the securities owned directly by Trading Fund OS. As the investment manager of Trading Fund OS and the sole member of Partners OS, Partners may be deemed to beneficially own the securities owned directly by Trading Fund OS. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by Trading Fund OS. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by Trading Fund OS.
- Securities held in certain Partners managed accounts (the "Partners Managed Accounts"). Partners, as the investment manager of the Partners Managed Accounts may be deemed to beneficially own the securities held by the Partners Managed Accounts.
- The Issuer's Series N-3 Preferred Stock ("Preferred Stock") has no expiration date, and are convertible upon issuance; provided, however, that the Beneficial Ownership Conversion Limit (defined below) has not been reached by an exchanging stockholder. The Reporting Persons purchased a total of 6,750 shares of Preferred Stock. After the conversion of 6,175 Preferred Stock, the Reporting Persons reached the Beneficial Ownership Conversion Limit (defined below). Accordingly, 575 shares of Preferred Stock have not been converted to Common Stock.
- This Form 4 is filed in connection with the purchase by the Reporting Persons of a total of 6,750 shares of Preferred Stock, convertible for a total of approximately 4,500,000 shares of Common Stock. Pursuant to the terms of the Preferred Stock offering, the Reporting Persons have an ongoing right to convert the Preferred Stock, accordingly, on June 9, 2017, the Reporting Persons converted an aggregate of 6,175 shares of Preferred Stock into approximately 4,116,666 shares of Common Stock at a conversion price of \$3.00 per share of underlying Common Stock, (the "Conversion Price"); provided, however, certain of the Preferred Stock could not be converted by the Reporting Persons, because the Reporting Persons may be deemed to beneficially own 19.99% of the issued and outstanding Common Stock, calculated as provided in the certificate of designation establishing the Preferred Stock (the "Beneficial Ownership Conversion Limit").
- Preferred Stock (defined above), with a stated value of \$2,000 per share (the "Stated Value"), are convertible into Common Stock at a ratio determined by dividing the Stated Value by the Conversion Price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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