

CELL THERAPEUTICS INC
Form SC TO-I/A
May 19, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)

OF THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 3)

CELL THERAPEUTICS, INC.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

4% Convertible Senior Subordinated Notes due 2010

5.75% Convertible Senior Notes due 2011

6.75% Convertible Senior Notes due 2010

7.5% Convertible Senior Notes due 2011

9.0% Convertible Senior Notes due 2012

(Title of Class of Securities)

150934AF4

150934AL1 & 150934AM9

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150934AH0 & 150934AG2

150934AK3 & 150934AJ6

150934AN7

(CUSIP Numbers of Class of Securities)

James A. Bianco, M.D.

Chief Executive Officer

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(206) 282-7100

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

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Calculation of Filing Fee

| Transaction Valuation* | Amount of Filing Fee** |
|------------------------|------------------------|
| \$89,207,250 | \$4,978 |

* The transaction value is estimated only for purposes of calculating the filing fee. This amount is based on the purchase of an aggregate of \$89,207,250 principal amount of the outstanding 4% Convertible Senior Subordinated Notes due 2010, 5.75% Convertible Senior Notes due 2011, 6.75% Convertible Senior Notes due 2010, 7.5% Convertible Senior Notes due 2011, and 9.0% Convertible Senior Notes due 2012 (collectively, the Notes), at the maximum purchase price, as described herein, assuming the holders of the Notes tender the full \$89,207,250 aggregate principal amount of the Notes.

** Previously paid.

x Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
Amount Previously Paid: \$4,978

Form or Registration No.: Schedule TO

Filing Party: Cell Therapeutics, Inc.

Date Filed: May 12, 2009

.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

.. third party tender offer subject to Rule 14d-1.

x issuer tender offer subject to Rule 13e-4.

.. going-private transaction subject to Rule 13e-3.

.. amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer. ..

INTRODUCTORY STATEMENT

This Amendment No. 3 (this Amendment) amends and supplements the Tender Offer Statement on Schedule TO (the Original Schedule TO), originally filed with the Securities and Exchange Commission (the SEC) on May 12, 2009 by Cell Therapeutics, Inc., a Washington corporation (the Company), as amended by that certain Amendment No. 1 to Schedule TO filed with the SEC on May 12, 2009 (Amendment No. 1), and that certain Amendment No. 2 to Schedule TO filed with the SEC on May 15, 2009 (together with the Original Schedule TO and Amendment No. 1, the Schedule TO). The Schedule TO relates to the offer by the Company to exchange (the Exchange Offer) shares of the Company's common stock, no par value (the Common Stock), and cash for an aggregate of up to \$89,207,250 principal amount of its outstanding 4% Convertible Senior Subordinated Notes due 2010, 5.75% Convertible Senior Notes due 2011, 6.75% Convertible Senior Notes due 2010, 7.5% Convertible Senior Notes due 2011, and 9.0% Convertible Senior Notes due 2012 (collectively, the Notes), upon the terms and subject to the conditions set forth in the Offer to Exchange, dated May 12, 2009 (as amended or supplemented from time to time, the Offer to Exchange), and in the accompanying Amended and Restated Letter of Transmittal (as amended or supplemented from time to time, the Letter of Transmittal) and the other related Exchange Offer materials (as amended or supplemented from time to time).

This Amendment is being filed to reflect (i) the increase in the total consideration to be received by a tendering holder of Notes in the Exchange Offer to a value not greater than \$600 nor less than \$550 per \$1000 principal amount of Notes validly tendered and not withdrawn, from a value not greater than \$300 nor less than \$250 per \$1000 principal amount of Notes validly tendered and not withdrawn, with such value determined by the Modified Dutch Auction procedure described in the Offer to Exchange, and (ii) the increase in the maximum number of shares of Common Stock that may be issued upon exchange of the Notes and to pay accrued and unpaid interest to 30.63 million shares of Common Stock from 8.5 million shares of Common Stock.

The information contained in the Offer to Exchange is amended and supplemented by Supplement No. 1 to the Offer to Exchange, dated May 19, 2009, attached hereto as Exhibit (a)(1)(vi) (the Supplement). The Letter of Transmittal is amended and restated in its entirety by the Amended and Restated Letter of Transmittal attached hereto as Exhibit (a)(1)(vii). The Notice of Guaranteed Delivery, is amended and restated in its entirety by the Amended and Restated Notice of Guaranteed Delivery, attached hereto as Exhibit (a)(1)(viii). The Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, is amended and restated in its entirety by the Amended and Restated Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, attached hereto as Exhibit (a)(1)(ix). The Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, is amended and restated in its entirety by the Amended and Restated Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees, attached hereto as Exhibit (a)(1)(x).

All information in the Supplement is hereby expressly incorporated by reference to supplement Items 1 through 11 of the Schedule TO to the extent such Items incorporate by reference the information contained in the Offer to Exchange, and as more particularly set forth below:

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the Supplement is incorporated herein by reference to amend and supplement this Item 1 of the Schedule TO to reflect clauses (i) and (ii) of the second paragraph under Introductory Statement above.

ITEM 4. TERMS OF THE TRANSACTION.

(a) *Material Terms.* The information set forth in the Supplement is incorporated herein by reference to amend and supplement this Item 4 of the Schedule TO to reflect clauses (i) and (ii) of the second paragraph under Introductory Statement above.

ITEM 11. ADDITIONAL INFORMATION.

The information set forth in the Supplement is incorporated herein by reference to amend and supplement this Item 11 of the Schedule TO to reflect clauses (i) and (ii) of the second paragraph under Introductory Statement above.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment is true, complete and correct.

CELL THERAPEUTICS, INC.

/s/ James A. Bianco, M.D.
James A. Bianco, M.D.

Chief Executive Officer

Date: May 19, 2009

Index to Exhibits

Exhibit

| Number | Description |
|---------------|---|
| (a)(1)(i)* | Offer to Exchange, dated May 12, 2009. |
| (a)(1)(ii)* | Letter of Transmittal (including Substitute Form W-9 and Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9). |
| (a)(1)(iii)* | Notice of Guaranteed Delivery. |
| (a)(1)(iv)* | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees. |
| (a)(1)(v)* | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees. |
| (a)(1)(vi) | Supplement No. 1 to Offer to Exchange, dated May 19, 2009. |
| (a)(1)(vii) | Amended and Restated Letter of Transmittal (including substitute Form W-9 and Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9). |
| (a)(1)(viii) | Amended and Restated Notice of Guaranteed Delivery. |
| (a)(1)(ix) | Amended and Restated Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees. |
| (a)(1)(x) | Amended and Restated Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees. |
| (a)(5)(i)* | Press Release, dated May 11, 2009. |
| (a)(5)(ii)* | Press Release, dated May 12, 2009. |
| (a)(5)(iii) | Press Release, dated May 18, 2009. |
| (b) | Not applicable. |
| (d)(1) | Indenture, dated as of June 23, 2003, by and between the Company and U.S. Bank National Association, as Trustee, relating to the 4% Convertible Senior Subordinated Notes due 2010 (incorporated herein by reference to Exhibit 4.5 to the Company's quarterly report on Form 10-Q filed with the SEC on August 6, 2003). |
| (d)(2) | Indenture, dated as of November 4, 2005, by and between the Company and U.S. Bank National Association, as Trustee relating to the 6.75% Convertible Senior Notes due 2010 (incorporated herein by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the SEC on November 10, 2005). |
| (d)(3) | Indenture, dated as of April 27, 2006, by and between the Company and U.S. Bank National Association, as Trustee relating to the 7.5% Convertible Senior Notes due 2011 (incorporated herein by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the SEC on April 28, 2006). |
| (d)(4) | Indenture, dated as of December 12, 2007, by and between the Company and U.S. Bank National Association, as Trustee relating to the 5.75% Convertible Senior Notes due 2011 (incorporated herein by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the SEC on December 13, 2007). |
| (d)(5) | Indenture, dated as of March 3, 2008, by and between the Company and U.S. Bank National Association, as Trustee relating to the 9% Convertible Senior Notes due 2012 (incorporated herein by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the SEC on March 5, 2008). |
| (d)(6) | Registration Rights Agreement, dated June 23, 2003, between the Company and the initial purchasers relating to the 4.0% Convertible Senior Subordinated Notes due 2010 (incorporated herein by reference to Exhibit 10.23 to the Company's quarterly report on Form 10-Q filed with the SEC on August 6, 2003). |
| (d)(7) | Registration Rights Agreement, dated November 4, 2004, between the Company and the initial purchasers relating to the 6.75% Convertible Senior Notes due 2010 (incorporated herein by reference to Exhibit 4.2 to the Company's current report on Form 8-K filed with the SEC on November 10, 2005). |
| (d)(8) | Registration Rights Agreement, dated April 27, 2006, between the Company and the initial purchasers relating to the 7.5% Convertible Senior Notes due 2010 (incorporated herein by reference to Exhibit 4.2 to the Company's current report on Form 8-K filed with the SEC on April 28, 2006). |

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- (d)(9) Registration Rights Agreement, dated December 12, 2007, between the Company and the initial purchasers relating to the 5.75% Convertible Senior Notes due 2011 (incorporated herein by reference to Exhibit 4.2 to the Company's current report on Form 8-K filed with the SEC on December 13, 2007).
- (d)(10) Form of Exchange Agreements, by and between the Company and certain initial purchasers relating to the 5.75% Convertible Senior Notes due 2011 (incorporated herein by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the SEC on December 13, 2007).
- (g) Not applicable.
- (h) Not applicable.

* Previously filed with the Schedule TO.