GREGORIAN VARTAN

Form 4

January 04, 2012

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

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Check this box if no longer subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction

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(b).

| 1. Name and Address of Reporting Person *_ GREGORIAN VARTAN | | | 2. Issuer Name and Ticker or Trading Symbol CELL THERAPEUTICS INC | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | |
|---|------------------|-------------------|--|--|--|--|--|
| (Last) 501 ELLIOTT | (First) AVE W, S | (Middle) UITE 400 | [CTIC] 3. Date of Earliest Transaction (Month/Day/Year) 12/31/2011 | _X_ Director 10% Owner Officer (give title below) Other (specify below) | | | |
| (Street) | | | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Chec Applicable Line) _X_ Form filed by One Reporting Person | | | |
| SEATTLE, WA 98119 | | | | Form filed by More than One Reporting Person | | | |

(State)

(Zip)

(City)

| (City) | (State) | Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially | | | | | | | | |
|------------------------|--------------------------------------|--|-------------------|---|-----------|-----------------------|---|----------------------------|-------------------------|--|
| 1.Title of Security | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if | 3. Transaction | 4. Securities Acquired on(A) or Disposed of (D) | | | 5. Amount of Securities | 6. Ownership Form: Direct | 7. Nature of Indirect | |
| (Instr. 3) | | any (Month/Doy/Voor) | · / / | | | Beneficially Owned | (D) or | Beneficial | | |
| | | (Month/Day/Year) | (Instr. 8) | | (A) or | | Following Reported Transaction(s) | Indirect (I) (Instr. 4) | Ownership (Instr. 4) | |
| | | | Code V | Amount | (D) | Price | (Instr. 3 and 4) | | | |
| Common Stock | 12/31/2011 | | D <u>(1)</u> | 166,109 | D | \$0 | 357,004 | D | | |
| Common Stock | 01/03/2012 | | A(2) | 516,360 | A | \$ 0 | 873,364 | D | | |

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

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

| 1. Title of | 2. | 3. Transaction Date | 3A. Deemed | 4. | 5. | 6. Date Exerc | cisable and | 7. Title | and | 8. Price of | 9. Nu |
|-------------|-------------|---------------------|--------------------|-------------------|------------|---------------|-------------|-----------|-------------|-------------|--------|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | TransactionNumber | | Expiration D | ate | Amount | t of | Derivative | Deriv |
| Security | or Exercise | | any | Code | of | (Month/Day/ | Year) | Underly | ing | Security | Secui |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Derivative | e | | Securitie | es | (Instr. 5) | Bene |
| | Derivative | | | | Securities | | | (Instr. 3 | and 4) | | Own |
| | Security | | | | Acquired | | | | | | Follo |
| | • | | | | (A) or | | | | | | Repo |
| | | | | | Disposed | | | | | | Trans |
| | | | | | of (D) | | | | | | (Instr |
| | | | | | (Instr. 3, | | | | | | |
| | | | | | 4, and 5) | | | | | | |
| | | | | | | | | ^ | mount | | |
| | | | | | | | | | mount | | |
| | | | | | | Date | Expiration | Title N | r Jumber | | |
| | | | | | | Exercisable | Date | | | | |
| | | | | C + V | (A) (D) | | | 0 | | | |
| | | | | Code V | (A) (D) | | | S | hares | | |

Reporting Owners

Relationships Reporting Owner Name / Address Director 10% Owner Officer Other **GREGORIAN VARTAN** 501 ELLIOTT AVE W, SUITE 400 X SEATTLE, WA 98119

Signatures

Louis A. Bianco, Attorney-in-fact for Vartan Gregorian

01/04/2012

**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).
- Represents the forfeiture back to CTIC of shares of restricted stock. The restricted shares were originally awarded on July 12, 2010 and were subject to performance-based vesting conditions that were not satisfied.

As disclosed by CTIC in Form 8-K filed 12/1/11, CTIC granted a bonus opportunity, effective 1/3/12, to the reporting person that is payable in shares of CTIC stock upon the achievement of certain performance goals. These goals include market capitalization and other goals, with the number of shares payable based on the number of shares of CTIC common stock outstanding at the time the particular

goal is achieved. A portion of this bonus opportunity was granted in the form of an award of performance-based restricted stock. The shares reported above on this Form 4 reflect the grant of this restricted stock award that is subject to the same performance-based vesting requirements as described in the Form 8-K for the bonus opportunity generally. The number of shares that would otherwise be paid on achievement of a particular performance goal will be reduced by the number of any related restricted shares that vest in connection with the attainment of that goal.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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