

# GALECTIN THERAPEUTICS INC

## **FORM 8-K** (Current report filing)

Filed 09/22/17 for the Period Ending 09/18/17

Address	4960 PEACHTREE INDUSTRIAL BOULEVARD SUITE 240 NORCROSS, GA, 30071
Telephone	678-620-3186
CIK	0001133416
Symbol	GALT
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

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

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): September 18, 2017**

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**GALECTIN THERAPEUTICS INC.**

(Exact name of registrant as specified in its charter)

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**Nevada**  
(State or Other Jurisdiction  
of Incorporation)

**001-31791**  
(Commission  
File Number)

**04-3562325**  
(IRS Employer  
Identification No.)

**4960 PEACHTREE INDUSTRIAL BOULEVARD, STE 240  
NORCROSS, GA 30071**  
(Address of principal executive office) (zip code)

**Registrant's telephone number, including area code: (678) 620-3186**

**N/A**  
(Former name or former address, if changed since last report)

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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)
- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## SECTION 5 – CORPORATE GOVERNANCE AND MANAGEMENT

### Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(a) In a letter dated September 18, 2017 (the “Letter”), Peter G. Traber, MD, President, Chief Executive Officer, Chief Medical Officer and a director of Galectin Therapeutics Inc. (the “Company”), informed the board of directors (the “Board”) of the Company that he does not intend to stand for re-election to the Board at the Company’s 2017 Annual Stockholders Meeting (“2017 Annual Meeting”), which is scheduled for on or about December 14, 2017. Dr. Traber does not serve on any Board committees. Dr. Traber indicated in the Letter his intention to continue to serve as a director of the Company until the expiration of his current term at the 2017 Annual Meeting. Dr. Traber also stated in the Letter that his decision not to stand for re-election to the Board had no relationship to his position as President, CEO and CMO of the Company, and he will continue to serve in these capacities in accordance with his contract and at the pleasure of the Board.

Dr. Traber’s decision to not stand for re-election was a result of his concerns about the impact of governance constraints placed on the Board by the 10X Fund L.P., the largest shareholder of the Company and the holder of all the shares of the Company’s Series B Convertible Preferred Stock, as described in the Letter, which is attached as Exhibit 99.1 to this Current Report on Form 8-K. The Company has provided Dr. Traber with a copy of the foregoing disclosure and has provided him with an opportunity to furnish the Company with a letter stating whether he agrees with the statements made by the Company in this Current Report on Form 8-K. On September 20, 2017, the Company received a letter from Dr. Traber stating that he agreed with the foregoing statements made in this Current Report on Form 8-K. A copy of that letter is attached hereto as Exhibit 99.2.

## SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Letter from Peter G. Traber, MD dated September 18, 2017.</a>
99.2	<a href="#">Letter from Peter G. Traber, MD dated September 20, 2017.</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, Galectin Therapeutics Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 22, 2017

Galectin Therapeutics Inc.

By: /s/ Jack W. Callicutt  
Jack W. Callicutt  
Chief Financial Officer

September 18, 2017

To: Galectin Board of Directors

Marc Rubin  
James Czirr  
Gil Omenn  
Gil Amelio  
John Mauldin  
Kevin Freeman  
Steven Prelack  
Bobby Greenberg  
Ted Zuconni

cc. Joel Lewis, Board Observer  
Robert Tritt, General Counsel  
Harold Shlevin, COO and Board Secretary  
Jack Callicutt, CFO

Dear Board of Directors:

I am informing the Board that I will not be standing for re-election to the Board of Directors at the December 14, 2017 annual meeting. The Nominating & Governance Committee should not recommend to the Board my inclusion in the slate of directors to be published in the Proxy. Until the annual meeting, I will continue to faithfully execute my fiduciary duty to the Company as a board member. This decision has no relationship to my position as President, CEO, and CMO which I will continue, according to my contract and at the pleasure of the board.

I have come to this decision because I feel the board has been challenged to make decisions in the best interest of the Company and shareholders given governance constraints placed on the board by the 10X Fund, and the situation will become even more problematic after the Annual Meeting given recent decisions made by the 10X Fund. The reasons for my decision are as follows:

- The 10X Fund, and Jim Czirr as the sole decision maker and manager of the 10X Fund, has veto power over fundamental decisions that are core to conducting business of a public company. The Fund has wielded this veto power over multiple otherwise unanimous board resolutions, which I feel have been to the detriment to the company. I will not elaborate on those events in this letter, but they have been documented in board minutes, letters to the directors, and memos to the file submitted to our counsel.
- The 10X Fund's insistence on putting in place an ill-advised 10B5-1 plan to sell stock prior to reporting of NASH-CX data, despite the objection of the majority of the board, underscores the deep conflict of interest between Jim's role as manager of the 10X fund and his fiduciary to the Company.

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- As is within the power of the 10X Fund, it has communicated its desire to reappoint Jim and Ted to the board, reduce the board to 9 members, and nominate 3 completely new board members. Despite having over a month to discuss potential nominees with the company, the 10X Fund did not discuss these nominees with anyone from the company and submitted the nominees on the last permissible day. All three additional nominees are unknown to me or other board members, a situation that is unheard of in public company governance and which is not in the best interest of shareholders. The obvious 10X Fund intent with this action is to provide a block majority vote to gain control of the board.
  - Jim Czirr was removed as Chair by vote of the board in January 2016. Additionally, the majority of current board members and I believe that, because of his actions and conflict of interest, he should not be a member of the board. However, the preferred share rights of the 10X Fund preclude removing him. Now, on December 14, 2017 at the annual board meeting, by virtue of the 10X Fund nominees, he will have the votes to take complete control of the board, a situation that I cannot ethically abide.

I have come to this decision after much deliberation. For years, I have been devoted to the company and am excited about the upcoming results of the NASH-CX clinical trial which culminates over six years of work. I look forward to the results of the NASH-CX trial and I am hopeful for a positive outcome which will ultimately help many patients who have a disease with no current treatment. I emphasize that the clinical trial data remains blinded to treatment for the patients, investigators, CRO, and company and this blind will not be broken until study data base lock which is anticipated November 6, 2017. Therefore, neither I nor anyone else in the company knows what the results of the NASH-CX trial will show.

In summary, given this set of circumstances, I will remain on the board and fulfill my responsibilities to the utmost of my ability, but I cannot ethically commit to another year of board service. In addition, I reiterate that this decision has no relationship to my position as President, CEO, and CMO which I will continue, according to my contract and at the pleasure of the board.

Respectfully submitted,

/s/ Peter G. Traber, MD

Peter G. Traber, MD

September 20, 2017

To: Robert Tritt, General Counsel  
Galectin Therapeutics

cc. Harold Shlevin, COO and Board Secretary  
Jack Callicutt, CFO

Dear Bob:

This letter is regarding the SEC 8K filing the company will make regarding my letter to the Galectin Therapeutics Board of Directors of September 18, 2017 indicating my intent to not stand for re-election to the Board of Directors at the December 14, 2017 annual meeting. I have read the 8K disclosure scheduled for release on September 22, 2017 and I agree with the language.

Respectfully submitted,

/s/ Peter G. Traber, MD

Peter G. Traber, MD