

CELLECTAR BIOSCIENCES, INC.

FORM 8-K (Current report filing)

Filed 12/15/06 for the Period Ending 12/11/06

Address	3301 AGRICULTURE DRIVE MADISON, WI 53716
Telephone	617-244-1616
CIK	0001279704
Symbol	CLRB
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

NOVELOS THERAPEUTICS, INC.

FORM 8-K (Current report filing)

Filed 12/15/2006 For Period Ending 12/11/2006

Address	ONE GATEWAY CENTER, SUITE 504 NEWTON, Massachusetts 02458
Telephone	617-244-1616
CIK	0001279704
Industry	Not Assigned
Fiscal Year	12/31

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**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: December 11, 2006
(*Date of earliest event reported*)

NOVELOS THERAPEUTICS, INC.

(*Exact name of registrant as specified in its charter*)

Delaware

(*State or other jurisdiction
of incorporation*)

333-119366

(*Commission
File Number*)

04-3321804

(*IRS Employer
Identification Number*)

**One Gateway Center, Suite 504
Newton, MA 02458**

(*Address of principal executive offices*)

(617) 244-1616

(*Registrant's telephone number, including area code*)

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))
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ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

On December 11, 2006, we granted options to purchase common stock to the persons and in the amounts that follow:

<u>Executive Officers</u>	<u>Shares</u>
Harry Palmin	150,000
Christopher J. Pazoles, Ph.D.	100,000
M. Taylor Burtis	100,000
George Vaughn	30,000

We also granted additional options to purchase up to 230,000 shares of common stock to certain other employees and consultants. All of the above options have an exercise price of \$0.91 per share which represents the closing price of our common stock on December 11, 2006 as reported on the Over the Counter Bulletin Board and an expiration date of December 11, 2016. The options were granted as compensation for employment or consulting services, as applicable. The options will vest and become exercisable for 1/3 of the maximum number of shares granted on the first anniversary of the date of grant, and shall vest and become exercisable for an additional 1/3 on the last day of each year thereafter, so that the options shall be fully vested on the third anniversary of the date of grant. The options granted to employees are evidenced by an agreement in the form of the incentive stock option agreement filed as Exhibit 10.1 to this report. The options granted to consultants are evidenced by an agreement in the form of the non-statutory stock option agreement filed as Exhibit 10.2 to this report.

These issuances were exempt from registration under the Securities Act of 1933 pursuant to an exemption under Section 4(2) thereof as a sale of securities not involving any public offering.

The form of the incentive stock option agreement, the form of non-statutory stock option agreement and the form of non-statutory director stock option agreement filed as Exhibit 10.1, Exhibit 10.2 and Exhibit 10.3, respectively, to this report are the forms to be used for all options granted under our 2006 Stock Incentive Plan.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Incentive Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan
10.2	Form of Non-Statutory Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan
10.3	Form of Non-Statutory Director Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan

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.

Dated: December 15, 2006

NOVELOS THERAPEUTICS, INC.

By: /s/ Harry S. Palmin

Name: Harry S. Palmin

Title: President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Form of Incentive Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan
10.2	Form of Non-Statutory Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan
10.3	Form of Non-Statutory Director Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan

INCENTIVE STOCK OPTION

Granted by

Novelos Therapeutics, Inc. (the "Company")

Under the 2006 Stock Incentive Plan

This Option is and shall be subject in every respect to the provisions of the Company's 2006 Stock Incentive Plan, as amended from time to time, which is incorporated herein by reference and made a part hereof. The holder of this Option (the "Holder") hereby accepts this Option subject to all the terms and provisions of the Plan and agrees that (a) in the event of any conflict between the terms hereof and those of the Plan, the latter shall prevail, and (b) all decisions under and interpretations of the Plan by the Board or the Committee shall be final, binding and conclusive upon the Holder and his or her heirs and legal representatives.

1. **Name of Holder:**
2. **Date of Grant:**
3. **Maximum number of shares for which this Option is exercisable:**
4. **Exercise (purchase) price per share:**
5. **Payment method:**

a personal, certified or bank check or postal money order payable to the order of the Company for an amount equal to the exercise price of the shares being purchased; or

with the consent of the Company, any of the other methods set forth in the Plan.

6. **Expiration Date of Option:**
7. **Vesting Schedule:** This Option shall become exercisable for 1/3 of the maximum number of shares granted on the first anniversary of the Date of Grant, and shall become exercisable for an additional 1/3 on the last day of each year thereafter; so that the Option shall be fully vested on the third anniversary of the Date of Grant. All vesting shall cease upon the date of termination of employment.

Notwithstanding the foregoing, the vesting of this Option shall accelerate with respect to all of the then unvested shares upon a Termination Event.

As used herein, a "Termination Event" shall mean either of the following events, but only if such event occurs within one year of a "Change of Control" (as defined in the Plan):

- (i) termination by the Company of the Holder's employment with the Company for any reason other than for "Cause," as defined in the Plan; or
- (ii) the Holder's resignation as an employee of the Company, other than for reasons of Disability (as defined in the Plan), following (x) a significant reduction in the nature or scope of the Holder's duties, responsibilities, authority or powers, from the duties, responsibilities, authority or powers exercised by the Holder immediately prior to the Change of Control, or (y) a reduction in the Holder's annual base salary or benefits as in effect on the date of the Change of Control, except for across-the-board salary or benefits reductions affecting all similarly situated personnel of the Company, or (z) a transfer of the Holder from the office of the Company where he is based immediately before the Change of Control to an office more than twenty-five (25) miles away from such office (unless the distance the employee has to travel to work is actually shortened as a result of such transfer).

For purposes of this Section 7, "Company" shall include any surviving entity, in the case of a merger or acquisition in which the Company is not the surviving entity.

8. **Termination of Employment.** This Option shall terminate on the earliest to occur of:

- (i) the date of expiration thereof;
- (ii) immediately upon termination of the Holder's employment with the Company by the Company for Cause (as defined in the Plan);
- (iii) thirty (30) days after the date of voluntary termination of employment by the Holder (other than upon death, or for Disability or Normal Retirement, each as defined in the Plan);
- (iv) ninety (90) days after the date of involuntary termination of the Holder's employment by the Company without Cause (as defined in the Plan), or termination of the Holder's employment with the Company by reason of Disability or Normal Retirement (each as defined in the Plan); or
- (v) 180 days after the date of termination of the Holder's employment with the Company by reason of death.

9. **Lock-Up Agreement.** The Holder agrees for a period of up to 180 days from the effective date of any registration of securities of the Company under the Securities Act of 1933, as amended (the "Securities Act"), upon request of the Company or underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any

shares issued pursuant to the exercise of this Option, without the prior written consent of the Company and such underwriters.

10. **Incentive Stock Option; Disqualifying Disposition.** Although this Option is intended to qualify as an incentive stock option under the Internal Revenue Code of 1986 (the "Code"), the Company makes no representation as to the tax treatment upon exercise of this Option or sale or other disposition of the shares covered by this Option, and the Holder is advised to consult a personal tax advisor. Upon a Disqualifying Disposition of shares received upon exercise of this Option, the Holder will forfeit the favorable income tax treatment otherwise available with respect to the exercise of this Option. A "Disqualifying Disposition" shall have the meaning specified in Section 421(b) of the Code; as of the date of grant of this Option a Disqualifying Disposition is any disposition (including any sale) of such shares before the later of (a) the second anniversary of the date of grant of this Option and (b) the first anniversary of the date on which the Holder acquired such shares by exercising this Option, *provided* that such holding period requirements terminate upon the death of the Holder. The Holder shall notify the Company in writing immediately upon making a Disqualifying Disposition of any shares of Common Stock received pursuant to the exercise of this Option, and shall provide the Company with any information that the Company shall request concerning any such Disqualifying Disposition.
11. **Notice.** Any notice to be given to the Company hereunder shall be deemed sufficient if addressed to the Company and delivered to the office of the Company, One Gateway Center, Suite 504, Newton, Massachusetts, 02458, attention of the president, or such other address as the Company may hereafter designate.

Any notice to be given to the Holder hereunder shall be deemed sufficient if addressed to and delivered in person to the Holder at his or her address furnished to the Company or when deposited in the mail, postage prepaid, addressed to the Holder at such address.

IN WITNESS WHEREOF, the parties have executed this Option, or caused this Option to be executed, as of the Date of Grant.

NOVELOS THERAPEUTICS, INC.

By: _____

The undersigned Holder hereby acknowledges receipt of a copy of the Plan and this Option, and agrees to the terms of this Option and the Plan.

Holder

NON-STATUTORY STOCK OPTION

Granted by

Novelos Therapeutics, Inc. (the "Company")

Under the 2006 Stock Incentive Plan

This Option is and shall be subject in every respect to the provisions of the Company's 2006 Stock Incentive Plan, as amended from time to time, which is incorporated herein by reference and made a part hereof. The holder of this Option (the "Holder") hereby accepts this Option subject to all the terms and provisions of the Plan and agrees that (a) in the event of any conflict between the terms hereof and those of the Plan, the latter shall prevail, and (b) all decisions under and interpretations of the Plan by the Board or the Committee shall be final, binding and conclusive upon the Holder and his or her heirs and legal representatives.

1. **Name of Holder:**
2. **Date of Grant:**
3. **Maximum Number of Shares for which this Option is exercisable:**
4. **Exercise (purchase) price per share:**
5. **Payment method:**

a personal, certified or bank check or postal money order payable to the order of the Company for an amount equal to the exercise price of the shares being purchased; or

with the consent of the Company, any of the other methods set forth in the Plan.

6. **Expiration Date of Option:**
7. **Vesting Schedule:** This Option shall become exercisable for 1/3 of the maximum number of shares granted on the first anniversary of the Date of Grant, and shall become exercisable for an additional 1/3 on the last day of each year thereafter; so that the Option shall be fully vested on the third anniversary of the Date of Grant. All vesting shall cease upon the date of termination of employment or termination of the provision of services.

Notwithstanding the foregoing, the vesting of this Option shall accelerate with respect to all of the then unvested shares upon a Termination Event.

As used herein, a "Termination Event" shall mean either of the following events, but only if such event occurs within one year of a "Change of Control" (as defined in the Plan):

- (i) termination by the Company of the Holder's employment or service relationship with the Company for any reason other than for "Cause," as defined in the Plan; or
- (ii) the Holder's resignation as an employee of, or service provider to, the Company, other than for reasons of Disability (as defined in the Plan), following (x) a significant reduction in the nature or scope of the Holder's duties, responsibilities, authority or powers, from the duties, responsibilities, authority or powers exercised by the Holder immediately prior to the Change of Control, or (y) a reduction in the Holder's annual base salary (or base fees, as applicable) or benefits as in effect on the date of the Change of Control, except for across-the-board salary or benefits reductions affecting all similarly situated personnel of the Company, or (z) a transfer of the Holder from the office of the Company where he is based immediately before the Change of Control to an office more than twenty-five (25) miles away such office (unless the distance the Holder has to travel to work is actually shortened as a result of such transfer).

For purposes of this Section 7, "Company" shall include any surviving entity, in the case of a merger or acquisition in which the Company is not the surviving entity.

8. **Termination of Employment or Provision of Services.** This Option shall terminate on the earliest to occur of:
- (i) the date of expiration thereof;
 - (ii) immediately upon termination of the Holder's employment with, or provision of services to, the Company by the Company for Cause (as defined in the Plan);
 - (iii) thirty (30) days after the date of voluntary termination of employment or provision of services by the Holder (other than upon death, or for Disability or Normal Retirement, each as defined in the Plan);
 - (iv) ninety (90) days after the date of involuntary termination of the Holder's employment with, or provision of services to, the Company by the Company without Cause (as defined in the Plan), or termination of the Holder's employment or provision of services by reason of Disability or Normal Retirement (each as defined in the Plan); or
 - (v) 180 days after the date of termination of the Holder's employment with, or provision of services to, the Company by reason of death.
9. **Lock-Up Agreement.** The Holder agrees for a period of up to 180 days from the effective date of any registration of securities of the Company under the Securities Act of 1933, as amended (the "Securities Act"), upon request of the Company or underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any

shares issued pursuant to the exercise of this Option, without the prior written consent of the Company and such underwriters.

- 10. **Tax Withholding.** The Company's obligation to deliver shares shall be subject to the Holder's satisfaction of any federal, state and local income and employment tax withholding requirements.
- 11. **Notice.** Any notice to be given to the Company hereunder shall be deemed sufficient if addressed to the Company and delivered to the office of the Company, One Gateway Center, Suite 504, Newton, Massachusetts, 02458, attention of the president, or such other address as the Company may hereafter designate.

Any notice to be given to the Holder hereunder shall be deemed sufficient if addressed to and delivered in person to the Holder at his or her address furnished to the Company or when deposited in the mail, postage prepaid, addressed to the Holder at such address.

IN WITNESS WHEREOF, the parties have executed this Option, or caused this Option to be executed, as of the Date of Grant.

NOVELOS THERAPEUTICS, INC.

By: _____

The undersigned Holder hereby acknowledges receipt of a copy of the Plan and this Option, and agrees to the terms of this Option and the Plan.

Holder

NON-STATUTORY STOCK OPTION

Granted by

Novelos Therapeutics, Inc. (the "Company")

Under the 2006 Stock Incentive Plan

This Option is and shall be subject in every respect to the provisions of the Company's 2006 Stock Incentive Plan, as amended from time to time, which is incorporated herein by reference and made a part hereof. The holder of this Option (the "Holder") hereby accepts this Option subject to all the terms and provisions of the Plan and agrees that (a) in the event of any conflict between the terms hereof and those of the Plan, the latter shall prevail, and (b) all decisions under and interpretations of the Plan by the Board or the Committee shall be final, binding and conclusive upon the Holder and his or her heirs and legal representatives.

1. **Name of Holder:**
2. **Date of Grant:**
3. **Maximum Number of Shares for which this Option is exercisable:**
4. **Exercise (purchase) price per share:**
5. **Payment method:**

a personal, certified or bank check or postal money order payable to the order of the Company for an amount equal to the exercise price of the shares being purchased; or

with the consent of the Company, any of the other methods set forth in the Plan.

6. **Expiration Date of Option:**
7. **Vesting Schedule:** This Option shall become exercisable for 1/8 of the maximum number of shares granted on the three-month anniversary of the Date of Grant, and shall become exercisable for an additional 1/8 on the last day of each three month period thereafter; so that the Option shall be fully vested on the second anniversary of the Date of Grant. All vesting shall cease upon the date of termination of services as a Director.

Notwithstanding the foregoing, the vesting of this Option shall accelerate with respect to all of the then unvested shares upon a Termination Event.

As used herein, a "Termination Event" shall mean the following events, but only if such event occurs within one year of a "Change of Control" (as defined in the Plan):

- (i) termination by the Company of the Holder's services as a Director for any reason other than for "Cause," as defined in the Plan; or
- (i) the failure of the Company to reelect the Holder as a Director, for any reason other than for "Cause," as defined in the Plan;

For purposes of this Section 7, "Company" shall include any surviving entity, in the case of a merger or acquisition in which the Company is not the surviving entity.

8. **Termination of Services.** This Option shall terminate on the earliest to occur of:
- (i) the date of expiration thereof;
 - (ii) immediately upon termination of the Holder's services as a Director by the Company for Cause (as defined in the Plan);
 - (iii) thirty (30) days after the date of voluntary termination of services as a Director by the Holder (other than upon death, or for Disability or Normal Retirement, each as defined in the Plan);
 - (iv) ninety (90) days after the date of involuntary termination of the Holder's services as a Director to the Company by the Company without Cause (as defined in the Plan), or termination of the Holder's services by reason of Disability or Normal Retirement (each as defined in the Plan); or
 - (v) 180 days after the date of termination of the Holder's services as a Director by reason of death.
9. **Lock-Up Agreement.** The Holder agrees for a period of up to 180 days from the effective date of any registration of securities of the Company under the Securities Act of 1933, as amended (the "Securities Act"), upon request of the Company or underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any shares issued pursuant to the exercise of this Option, without the prior written consent of the Company and such underwriters.
10. **Tax Withholding.** The Company's obligation to deliver shares shall be subject to the Holder's satisfaction of any federal, state and local income and employment tax withholding requirements.
11. **Notice.** Any notice to be given to the Company hereunder shall be deemed sufficient if addressed to the Company and delivered to the office of the Company, One Gateway Center, Suite 504, Newton, Massachusetts, 02458, attention of the president, or such other address as the Company may hereafter designate.

Any notice to be given to the Holder hereunder shall be deemed sufficient if addressed to and delivered in person to the Holder at his or her address furnished to the Company or when deposited in the mail, postage prepaid, addressed to the Holder at such address.

IN WITNESS WHEREOF, the parties have executed this Option, or caused this Option to be executed, as of the Date of Grant.

NOVELOS THERAPEUTICS, INC.

By: _____

The undersigned Holder hereby acknowledges receipt of a copy of the Plan and this Option, and agrees to the terms of this Option and the Plan.

Holder