

---

---

**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**

**September 30, 2009**

**Date of Report**

(Date of earliest event reported)

---

**PRO-PHARMACEUTICALS, INC.**

(Exact name of Registrant as specified in its charter)

---

**Nevada**  
(State or other jurisdiction of  
incorporation or organization)

**000-32877**  
(Commission File Number)

**04-3562325**  
(I.R.S. Employer  
Identification No.)

**7 Wells Avenue**  
**Newton, Massachusetts 02459**  
(Address of principal executive offices) (Zip code)

**(617) 559-0033**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

---

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:

- 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))
- 
-

## **Item 1.01 Entry into a Material Definitive Agreement**

In a Current Report on Form 8-K filed with the Commission on February 18, 2009 (the "February 18, 2009 Form 8-K Current Report"), Pro-Pharmaceuticals, Inc., a Nevada corporation (the "Company"), reported, among other things, that the Company (i) had entered into a Securities Purchase Agreement (the "Purchase Agreement") and related agreements on February 12, 2009 with 10X Fund, L.P., a Delaware limited partnership (the "Purchaser") and (ii) had completed an initial closing under the Purchase Agreement. The February 18, 2009 Form 8-K Current Report also reported that under the Purchase Agreement the Company agreed to issue and sell to the Purchaser, and the Purchaser agreed to purchase, at one or more subsequent closings: (i) up to 2,100,000 shares of Series B-2 Preferred Stock (the "Series B-2 Preferred Stock") convertible into up to 8,400,000 shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"); (ii) Class A-1 Warrants exercisable to purchase up to 4,200,000 shares of Common Stock (the "Class A-1 Warrants"); (iii) Class A-2 Warrants exercisable to purchase up to 4,200,000 shares of Common Stock (the "Class A-2 Warrants"); and (iv) Class B Warrants exercisable to purchase up to 16,800,000 shares of Common Stock (the "Class B Warrants") for an aggregate purchase price of \$4.2 million (less the origination fees and expenses described below).

On August 11, 2009, the Company and the Purchaser entered in to a letter agreement (the "Letter Agreement"), pursuant to which the parties amended the Purchase Agreement and agreed to the terms of an amendment to the Certificate of Designation of Preferences, Rights and Limitations for the Series B-1 Convertible Preferred Stock and Series B-2 Convertible Preferred Stock (the "Designation Certificate Amendment"). Among the changes contained in the terms of the Letter Agreement and the Designation Certificate Amendment was an extension of the final purchase date under the Purchase Agreement from August 11, 2009 to February 11, 2010.

In a subsequent closing on September 30, 2009, pursuant to the Purchase Agreement, the Company issued and sold an aggregate of (i) 162,500 shares of Series B-2 Preferred Stock convertible into 650,000 shares of Common Stock, (ii) Class A-1 Warrants exercisable to purchase 325,000 shares of Common Stock, (iii) Class A-2 Warrants exercisable to purchase 325,000 shares of Common Stock, and (iv) Class B Warrants exercisable to purchase 1,300,000 shares of Common Stock for gross proceeds of \$325,000. Net proceeds of these sales were approximately \$305,200 after reimbursement of the Purchaser's expenses (including legal expenses) in connection with the subsequent closings and an origination fee in the amount of three percent of the gross proceeds from the sale of these securities. The terms and conditions of the Purchase Agreement, the Certificate of Designation of Preferences, Rights and Limitations for the Series B-1 Convertible Preferred Stock and Series B-2 Convertible Preferred Stock, the "Original Designation Certificate", that established the Series B-2 Preferred Stock, the Series A-1 Warrants, the Series A-2 Warrants and the Series B Warrants were disclosed in the February 18, 2009 Form 8-K Current Report including the exhibits thereto. The terms and conditions of the Letter Agreement and the Designation Certificate Amendment were described in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, and copies of the Letter Agreement and Designation Certificate Amendment were filed as exhibits thereto.

The description of the Class A-1 Warrants, the Class A-2 Warrants and the Class B Warrants issued by the Company in the subsequent closing reported in this report is not complete and is qualified in its entirety by reference to the full text of the Form of Class A-1 Warrants, the Form of Class A-2 Warrants and the Form of Class B Warrants, copies of which are filed as Exhibit 4.1, Exhibit 4.2 and Exhibit 4.3, respectively, in the February 18, 2009 Form 8-K Current Report and incorporated herein by reference.

## **Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Arrangement of Registrant.**

Under the terms of the Original Designation Certificate, as amended by the Designation Certificate Amendment, upon notice of not less than 30 trading days, a holder may require the Company to redeem, in whole or in part, (i) the Series B-1 Preferred Stock at any time on or after September 12, 2010 and (ii) the Series B-2 Preferred Stock at any time on or after two years from the date of issuance of such shares of Series B-2 Preferred Stock. The redemption price will be equal to the sum of the stated value of the Series B Preferred Stock, plus all accrued but unpaid dividends thereon, as of the redemption date.

If the Company fails for any reason to pay the redemption price in cash on the redemption date, then the holders requesting redemption may, at their sole option, automatically convert their shares of Series B Preferred Stock into a promissory note bearing interest at the rate of 15% per year and secured by a lien on all assets of the Company. The Company has executed a promissory note, security agreement and escrow agreement, copies of which were filed as Exhibits 10.2, 10.3 and 10.4, respectively, to the February 18, 2009 Current Report on Form 8-K and are incorporated herein by reference, which will be held in escrow and released to the holders upon the occurrence of such an event.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information contained in Item 1.01 of this report is incorporated by reference into this Item 3.02. The Series B-2 Convertible Stock and warrants sold at the subsequent closing on September 30, 2009, under the Purchase Agreement were issued in reliance on the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506 of Regulation D promulgated thereunder. The Series B-2 Preferred Stock and warrants were not registered under the Securities Act and are “restricted securities” as such term is defined in Rule 144 under the Securities Act.

**Item 9.01 Financial Statements and Exhibits.**

- (a) Financial Statements of Businesses Acquired.  
Not applicable.
- (b) Pro Forma Financial Information.  
Not applicable.
- (c) Shell Company Transactions  
Not applicable.
- (d) Exhibits.

**Exhibit  
Number**

- 4.1 Form of Class A-1 Common Stock Purchase Warrant\*
- 4.2 Form of Class A-2 Common Stock Purchase Warrant\*
- 4.3 Form of Class B Common Stock Purchase Warrant\*
- 99.1 News release dated October 6, 2009, “Pro-Pharmaceuticals Closes \$325,000 Tranche Brings Total to \$3.8 Million of \$6 Million Private Placement.”

---

\* Incorporated by reference to the Company’s Current Report on Form 8-K filed with the Commission on February 18, 2009.

**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 thereunto duly authorized.

PRO-PHARMACEUTICALS, INC.

By: \_\_\_\_\_ /s/ ANTHONY D. SQUEGLIA  
Anthony D. Squeglia  
Chief Financial Officer

Date: October 6, 2009

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
4.1	Form of Class A-1 Common Stock Purchase Warrant.*
4.2	Form of Class A-2 Common Stock Purchase Warrant.*
4.3	Form of Class B Common Stock Purchase Warrant.*
99.1	News release dated October 6, 2009, "Pro-Pharmaceuticals Closes \$325,000 Tranche Brings Total to \$3.8 Million of \$6 Million Private Placement."

\* Incorporated by reference to the Company's Current Report on Form 8-K filed with the Commission on February 18, 2009.



**PRO-PHARMACEUTICALS CLOSES \$325,000 TRANCHE;  
BRINGS TOTAL TO \$3.8 MILLION OF \$6.0 MILLION  
PRIVATE PLACEMENT**

**Newton, MA (October 6, 2009) Pro-Pharmaceuticals, Inc. (OTCBB: PRWP)** (the “Company”), today announced that it has closed a \$325,000 tranche of a private placement of up to \$6.0 million with 10X Fund, L.P., which is purchasing unregistered Series B convertible preferred stock and warrants. This tranche brings the total raised to date to approximately \$3.8 million.

At the closing, which occurred on September 30, 2009, the Company issued and sold 162,500 shares of Series B-2 preferred stock convertible into 650,000 shares of common stock, a Class A-1 and a Class A-2 warrant each exercisable to purchase 325,000 shares of common stock and a Class B warrant exercisable to purchase 1,300,000 shares of common stock, for a gross purchase price of \$325,000. Net proceeds were approximately \$305,000.

The Company expects to use the proceeds from the financing for partnership development and approvals in countries with their own approval process, as well as for general corporate purposes.

The Series B Preferred Stock, the Class A-1 Warrants, the Class A-2 Warrants and the Class B Warrants, including the common stock underlying the Series B Preferred Stock and warrants, have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

**About DAVANAT® and Galectin Therapeutics**

DAVANAT®, the Company’s lead product candidate, is a carbohydrate polymer designed to interact with Galectin receptors which are up-regulated on all solid tumors. Current research indicates that galectins affect cell development and play important roles in cancer, including tumor cell survival, angiogenesis and tumor metastasis. DAVANAT® is a drug that is not yet approved for commercial use by the FDA.

**Pro-Pharmaceuticals, Inc.**

Pro-Pharmaceuticals, OTCBB: PRWP, is focused on the commercialization of Galectin therapeutics for advanced treatment of cancer and fibrosis. Initially, the product pipeline is focused on increasing the efficacy and decreasing the toxicity of chemotherapy drugs. The Company is headquartered in Newton, Mass. Additional information is available at [www.pro-pharmaceuticals.com](http://www.pro-pharmaceuticals.com).

**FORWARD LOOKING STATEMENTS:** Any statements in this news release about future expectations, plans and prospects for the company, including without limitation statements containing the words “believes,” “anticipates,” “plans,” “expects,” “intends,” and similar expressions, constitute forward-looking statements as defined in the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management’s current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in such statements. We caution investors that actual results or business conditions may differ materially

from those projected or suggested in forward-looking statements as a result of various factors including, but not limited to, the following: uncertainties as to the utility and market for our potential products; uncertainties associated with pre-clinical and clinical trials of our product candidates; and uncertainties as to the results of the financing. More information about those risks and uncertainties is contained in the Company's most recent quarterly or annual report and in the Company's other reports filed with the Securities and Exchange Commission. While the Company anticipates that subsequent events may cause the Company's views to change, the Company disclaims any obligation to update such forward-looking statements.

Contact: Pro-Pharmaceuticals, Inc., Anthony D. Squeglia: 617.559.0033; [squeglia@pro-pharmaceuticals.com](mailto:squeglia@pro-pharmaceuticals.com).

DAVANAT is a registered trademark of Pro-Pharmaceuticals.