

CTI BIOPHARMA CORP
 Form 4
 March 21, 2017

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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. Name and Address of Reporting Person *
 Craig Adam R

(Last) (First) (Middle)

C/O CTI BIOPHARMA
 CORP., 3101 WESTERN AVE.,
 SUITE 600

(Street)

SEATTLE, WA 98121

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

CTI BIOPHARMA CORP [CTIC]

3. Date of Earliest Transaction
 (Month/Day/Year)

03/20/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

See Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474
 (9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares	
Stock Option (Right to Buy)	\$ 4.24	03/20/2017	A	1,200,000		<u>(1)</u>	03/19/2027	Common Stock	1,200,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Craig Adam R C/O CTI BIOPHARMA CORP. 3101 WESTERN AVE., SUITE 600 SEATTLE, WA 98121	X		See Remarks	

Signatures

/s/ Bruce J. Seeley, Attorney-in-fact for Adam R.
Craig

03/21/2017

__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).

The stock options will vest in six equal semi-annual installments over a three-year period beginning March 20, 2017, subject to Dr. Craig's continued employment by CTIC through the applicable vesting dates. The options will fully vest, to the extent then outstanding and unvested, if either (i) Dr. Craig's employment is terminated by CTIC without "Cause" or by him for "Good Reason" following a (1) change in control of CTIC or (ii) Dr. Craig's employment is terminated due to his death or "Disability" (as such terms are defined in Dr. Craig's Employment Agreement). Of the total award, stock options covering 80,000 shares were granted under CTIC's 2015 Equity Incentive Plan and the balance were granted on a stand-alone basis (not under CTIC's 2015 Equity Incentive Plan) in accordance with NASDAQ Listing Rule 5635(c)(4).

Remarks:

Chief Executive Officer and President

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.