

Plunkett Matthew
Form 4
March 22, 2013

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
Plunkett Matthew

2. Issuer Name and Ticker or Trading Symbol
CELL THERAPEUTICS INC
[CTIC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
3101 WESTERN AVENUE, SUITE 600

3. Date of Earliest Transaction (Month/Day/Year)
03/21/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, Corporate Development

(Street)
SEATTLE, WA 98121

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V Amount (A) or (D) Price | | | |
| Common Stock ⁽¹⁾ | 03/21/2013 | | A | 296,705 A \$ 0 | 396,705 | D | |

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)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Performance Rights ⁽²⁾ | \$ 0 | 03/21/2013 | | A | 253,438 ⁽²⁾ | ⁽²⁾ 12/31/2015 | Common Stock | 253,438 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Plunkett Matthew 3101 WESTERN AVENUE, SUITE 600 SEATTLE, WA 98121 | | | EVP, Corporate Development | |

Signatures

Louis A. Bianco, Attorney-in-fact for Matthew Plunkett
 Signature: _____ Date: 03/22/2013

⁽²⁾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).
- (1) This transaction represents a grant by CTIC of restricted stock. The grant is scheduled to vest as to one-third of the shares on the dates that are six months, 12 months and 18 months after the date of grant.

(2) This transaction represents a grant of performance-based restricted stock units pursuant to CTIC's long-term incentive program. The reporting person has been granted an award that is payable in shares of CTIC common stock upon the achievement of certain performance goals on or before December 31, 2015. Should such a goal be timely achieved, the number of shares payable will be determined by multiplying the payout percentage that has been assigned by CTIC to that goal multiplied by the number of shares of CTIC common stock issued and outstanding at the time that particular goal has been achieved. One such performance goal is the attainment by CTIC of a specified level of market capitalization. The units reported above reflect the 0.225% payout percentage that has been assigned by CTIC to this market capitalization goal for purposes of the reporting person's award multiplied by the number of shares of CTIC common stock issued and outstanding as of March 21, 2013.

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.