

TRABER PETER G  
Form 4  
March 09, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
TRABER PETER G

2. Issuer Name and Ticker or Trading Symbol  
PRO PHARMACEUTICALS INC  
[PRWP.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/07/2011

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

C/O PRO-PHARMACEUTICALS,  
INC., 7 WELLS AVENUE, SUITE  
34

(Street)

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

NEWTON, MA 02459

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code V (A) (D)                 |   | Date Exercisable Expiration Date                         | Title Amount Number Shares                                    |
| Employee Stock Option (right to buy)       | \$ 1.16  | 03/07/2011                           |  | A                              | 5,000,000   | (1)(2) 03/07/2021  | Common Stock 5,000,000  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| TRABER PETER G<br>C/O PRO-PHARMACEUTICALS, INC.<br>7 WELLS AVENUE, SUITE 34<br>NEWTON, MA 02459 |               | X         |         |       |

## Signatures

/s/ Maureen E. Foley,  
Attorney-in-Fact  
Date: 03/09/2011

\*\*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 option vests as follows: (i) 750,000 on the grant date, (ii) 625,000 on the 1st anniversary of the grant date, (iii) 625,000 on the 2nd anniversary of the grant date, (iv) 500,000 on the 3rd anniversary of the grant date, (v) 500,000 on the 4th anniversary of the grant date,
- (1) (vi) 1,000,000 on the 5th anniversary of the grant date, which vesting dates are accelerated for such number of options in the following events: (A) 250,000 as of the date the Company reports revenues of at least \$50,000,000 for a financial year, (B) 250,000 as of the date of approval by the Food and Drug Administration ("FDA") of each of up to two investigational new drug applications filed by the Company, (C) 250,000 as of the date of approval by the FDA of each of up to two new drug applications filed by the Company, and (D) 500,000 as of the date on which the non-affiliate market capitalization of the Company is at least \$1,000,000,000 on any 10 days within the
- (2) preceding 20 trading days ("Public Float Test"), (vii) 500,000 as of the date the Public Float Test demonstrates the Company's market capitalization is at least \$5,000,000,000, and (viii) 500,000 as of the date the Public Float Test demonstrates that the Company's market capitalization is at least \$10,000,000,000.

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.