



Edgar Filing: Arch Therapeutics, Inc. - Form 8-K

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))

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

Reference is made to the disclosure set forth in Item 5.02(e)(B) (“Restricted Stock Awards”) of this Current Report on Form 8-K, which disclosure is incorporated by reference into this Item 3.02.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e)

**A. Stock Option Awards**

On May 3, 2016, the Board of Directors (the “**Board**”) of Arch Therapeutics, Inc. (the “**Company**”) approved the granting of the following stock options to purchase shares of the Company’s Common Stock (the “**Stock Option Awards**”) under the Company’s 2013 Stock Incentive Plan (the “**Plan**”) and in accordance with the Form of Stock Option Agreement adopted in connection with the Plan (the “**Form of Stock Option Agreement**”):

| <b>Stock Option Awardee</b> | <b>Grant Date</b> | <b>Expiration Date</b> | <b>Number of Shares of Common Stock</b> | <b>Exercise Price Per Share</b> | <b>Vesting Schedule</b>   |
|-----------------------------|-------------------|------------------------|---|---------------------------------|---|
| Avtar Dhillon               | 5/3/16            | 5/2/26                 | 830,000                                 | \$0.39                          | · 25% of the shares subject to the Stock Option Award vest upon grant.  |
| Terrence W. Norchi          | 5/3/16            | 5/2/26                 | 1,250,000                               | \$0.39                          |   |
| James R. Sulat              | 5/3/16            | 5/2/26                 | 130,000                                 | \$0.39                          | · The remaining 75% of the shares subject to the Stock Option Award vest in equal installments on each of the following 36 monthly anniversaries of the grant date. |
| Richard Davis               | 5/3/16            | 5/2/26                 | 150,000                                 | \$0.39                          | · In addition, in the event of a Change of Control (as such term is defined in the Plan), all the shares subject to the Stock Option Award will immediately vest.   |

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The Form of Stock Option Agreement was filed by the Company as Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2013, and is incorporated herein by reference.

**B. Restricted Stock Awards**

In addition to the Stock Option Awards, the Board also approved the granting of the following restricted stock awards of Common Stock outside the Plan in accordance with the Form of Restricted Stock Agreement (the “**Restricted Stock Awards**”) attached hereto as Exhibit 10.2, which is incorporated herein by reference:

| <b>Restricted Stock Awardee</b> | <b>Grant Date</b> | <b>Number of Shares of Common Stock</b> | <b>Vesting Schedule</b>  |
|---------------------------------|-------------------|---|--|
| Avtar Dhillon                   | 5/3/16            | 737,000                                 | · 100% of the shares subject to the Restricted Stock Award vest fully on the second anniversary of the date of grant.  |
| Terrence W. Norchi              | 5/3/16            | 1,130,000                               |  |
| James R. Sulat                  | 5/3/16            | 30,000                                  |  |
| Richard Davis                   | 5/3/16            | 103,000                                 | · In addition, in the event of a Change of Control (as such term is defined in the Plan) all the shares subject to the Restricted Stock Award will immediately vest. |

The Restricted Stock Awards were granted in consideration for each Restricted Stock Awardee’s services to the Company. The issuance of the Common Stock subject to the Restricted Stock Awards (the “**Securities**”) has not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and the Securities may not be offered or sold in the United States absent registration under or exemption from the Securities Act and any applicable state securities laws. The Securities were issued in reliance upon an exemption from registration afforded by Section 4(a)(2) of the Securities Act based on the following facts: each of the Restricted Stock Awardees is an accredited investor as defined in Rule 501 promulgated under the Securities Act; the Restricted Stock Awardees did not acquire the Securities with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws; and the Securities will be issued as restricted securities.

**Item 9.01 Financial Statements and Exhibit**

(d) Exhibits

**Exhibit Description**

|      |  |
|------|--|
| 10.1 | Form of Stock Option Award Agreement under Arch Therapeutics, Inc. 2013 Stock Incentive Plan (incorporated by reference to Exhibit 10.13 to the Quarterly Report on Form 10-Q filed by the Company with the SEC on August 14, 2013)(File Number 000-54986) |
| 10.2 | Form of Restricted Stock Award Agreement   |



**SIGNATURES**

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.

**ARCH THERAPEUTICS, INC.**

Dated: May 6, 2016 By: /s/ Terrence W. Norchi, M.D.  
Name: Terrence W. Norchi,  
M.D.  
Title: President, Chief  
Executive Officer

**Exhibit List**

**Exhibit Description**

- |      |  |
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