

CESCA THERAPEUTICS INC.

Form 10-K/A

September 24, 2015

Table Of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-K/A**

(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended: **June 30, 2015**

Commission File Number: 000-16375

**CESCA THERAPEUTICS INC.**

(Name of Registrant as Specified In Its Charter)

**Delaware**                      **94-3018487**

(State of incorporation) (I.R.S. Employer Identification No.)

**2711 Citrus Road**

**Rancho Cordova, California 95742**

(Address of principal executive offices) (Zip Code)

**(916) 858-5100**

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act: Common Stock, \$0.001 par value Nasdaq Stock Market, LLC Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K, is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K/A or any amendment of this Form 10-K/A.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.)

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer\*  Smaller reporting company

\*(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes       No

The aggregate market value of the common stock held by non-affiliates as of December 31, 2014 (the last trading day of the second quarter) was \$30,860,000 based on the closing sale price on such day.

As of September 15, 2015, 40,616,730 shares of the registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None.

---

Table Of Contents

**Explanatory Note**

This Amendment No. 1 (this “Amendment”) amends the Annual Report on Form 10-K for the year ended June 30, 2015 of Cesca Therapeutics Inc. (the “Company,” “we”, “our”) originally filed with the Securities and Exchange Commission (the “SEC”) on September 17, 2015 (the “Original Filing”). This Amendment is being filed to provide the information required by Items 10, 11, 12, 13, and 14 of Part III of the Form 10-K. This information was previously omitted from the Original Filing in reliance on General Instruction G (3) to Form 10-K.

Other than the items outlined above, there are no changes to the Original Filing. This Amendment does not reflect events occurring after the date of the Original Filing or modify or update those disclosures that may be affected by subsequent events. Such subsequent matters are addressed in subsequent reports filed by us with the SEC. Accordingly; this Amendment should be read in conjunction with the Original Filing. Capitalized terms not defined in this Amendment have the meaning given to them in the Original Filing.

Table Of Contents

**CESCA THERAPEUTICS INC.**

**ANNUAL REPORT ON FORM 10-K/A**

**TABLE OF CONTENTS**

**Part III**

ITEM 10. <u>Directors, Executive Officers and Corporate Governance</u>	4
ITEM 11. <u>Executive Compensation</u>	9
ITEM 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	15
ITEM 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	18
ITEM 14. <u>Principal Accounting Fees and Services</u>	18

**Part IV**

ITEM 15. <u>Exhibits and Financial Statement Schedules</u>	19
--	----

Table Of Contents

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

**DIRECTORS**

Our bylaws presently provide that the authorized number of directors may be fixed by resolution of the Board from time to time, with a minimum of not less than three (3) directors and a maximum of seven (7) directors. The Board currently has fixed the authorized number of directors at five (5).

	Age
Craig W. Moore	70
Mahendra S. Rao, MD, PhD	54
Denis Michael Rhein	54
Robin C. Stracey	57
Kenneth L. Harris	51

**Biographies**

**Craig W. Moore, Chairman Director since 2009**

Mr. Moore was appointed to the Board of Directors in December 2009 and Chairman in January 2012. From 2002 to present, Mr. Moore served as director of NxStage (NXTM), chairman of their Compensation Committee and a member of their Audit Committee through July 2013. From 1986 to 2001, Mr. Moore was Chairman of the Board of Directors and Chief Executive Officer at Everest Healthcare Services Corporation, a provider of dialysis and contract services. Since 2001, Mr. Moore has acted as a consultant to various companies in the healthcare services industry. Mr. Moore also spent 13 years with American Hospital Supply/Baxter Healthcare, where he held senior management positions in sales, marketing and business development. Mr. Moore served as a director of Biologic System Corporation (BLSC) from 1992 thru 2006. Mr. Moore also serves as a director on several private company boards. Mr. Moore brings leadership, corporate and healthcare industry experience to our Board. Mr. Moore is one of our independent directors.

**Mahendra S. Rao, MD, PhD Director rejoined in 2014**

Dr. Rao rejoined the Board of Directors in April 2014. He had previously been a member of our Board of Directors from 2008 – 2011. Dr. Rao was the Director and Chief of Laboratory of Stem Cell Biology at the National Institute of Health (NIH) from 2011 through 2014. He was Vice President, Regenerative Medicine at Invitrogen (IVGN) from 2006 thru 2011. From May 2001 through October 2005 he was Stem Cell Section Chief and Senior Investigator at the National Institute on Aging's Laboratory of Neuroscience. He has also held associate professor positions at both the Johns Hopkins University and the University of Utah Schools of Medicine, and at the National Center for Biological Science in India. Dr. Rao has served as Chairman of the FDA's Cell and Gene Therapy Advisory Committee and is the founder of Q Therapeutics, a company working on the development of cellular therapy to treat multiple sclerosis. He holds degrees from Bombay University in India and earned his Ph.D. in Biology from California Institute of Technology. He also conducted post-doctorate studies at Case Western Reserve University and Caltech. Dr. Rao brings his clinical, corporate and regulatory experience in the stem cell therapy field to our Board. Dr. Rao is one of our independent directors.

**Denis Michael Rhein Director since 2014**

Michael Rhein was appointed to the Board of Directors in December 2014. Mr. Rhein has over 30 years of corporate banking and securities experience at Deutsche Bank AG in Frankfurt, Germany, where he served in various executive management positions including Managing Director, Senior Client Executive of Asset and Wealth Management, Global Head of Hedge Fund Research, Head of Alternative Investments, and Head of Product Development. Mr. Rhein retired from Deutsche Bank in June 2013. Mr. Rhein is the founder and a Director of EMR Vermögensverwaltung GmbH, an investment management company, since July 2013. He is also the founder and the Principal Shareholder and a Director of Illumisound GmbH, an alternative energy efficient commercial lighting company, since October 2013. Mr. Rhein was a director of TotipotentRX Corporation from 2012 until the merger that resulted in the formation of Cesca Therapeutics in February 2014. Mr. Rhein brings his corporate banking and securities experience to the Board. Mr. Rhein is one of our independent directors.

Table Of Contents

**Robin C. Stracey Director since 2011**

Robin C. Stracey was appointed to the Board of Directors in July 2011. He became our interim Chief Executive Officer in October 2014 before being appointed to the permanent position in June 2015. Since June 2013 he has been Principal and Managing Director of Apex Life Science Advisors LLC, a boutique life sciences consulting firm. From July 2012 to June 2014, he served as President and Chief Executive Officer of Integrated Fluidics, Inc., a privately-held, development-stage micro-fluidics company, at which he remains a Director. From December 2007 to April 2012 he was the President and Chief Executive Officer of Cantimer Incorporated, a privately-held biosensor company. From November 2003 to March 2007, he served as Director, President and Chief Executive Officer of Applied Imaging Corporation, a Nasdaq-listed, pre-natal diagnostics company that is now part of Danaher Corporation. Previously, Mr. Stracey was the Vice President and General Manager of a Chromatography and Mass Spectrometry business unit at Thermo Electron Corporation, now Thermo Fisher Scientific, the world's largest supplier of laboratory equipment and reagents to life scientists. He also served as a Corporate Vice President at Dade Behring Inc., a leading supplier of clinical diagnostic products that is now part of Siemens Healthcare. Mr. Stracey has a Bachelor of Science degree with honors from the University of Nottingham in the United Kingdom and is a graduate of the Executive Program at the Stanford University Graduate School of Business. Mr. Stracey brings leadership, corporate and operational experience in the life sciences industry to our Board.

**Kenneth L. Harris Director since 2014**

Kenneth L. Harris was appointed to the Board of Directors in February 2014 pursuant to the terms of and upon completion of the Merger between ThermoGenesis Corp. and TotipotentRX. Mr. Harris has served as the Chairman and Chief Executive Officer of TotipotentRX Corporation and MK Alliance, Inc. from January 2008 through the Merger with ThermoGenesis. Prior to that Mr. Harris was the Corporate Senior Vice President and Global President of BioSciences, a \$120 million business unit at Pall Corporation (NYSE:PLL) from 2000 to 2008. Mr. Harris has served in a number of key biotechnology and biomedical roles at InVitro International, Qiagen GmbH, Amersham Life Sciences (now GE Life Sciences) and Boehringer Mannheim (now Roche Diagnostics). Mr. Harris is a frequent speaker at international conferences, and a thought leader in the evolving specialized field of conducting cellular clinical therapies. He holds a bachelor's degree in microbiology from Indiana University, Bloomington, and graduate molecular biology training at Indiana University School of Medicine, Indianapolis. Mr. Harris brings more than 25 years of biotechnology and cellular biology leadership and executive management with cell therapy inventorship to our Board.



Table Of Contents

**EXECUTIVE OFFICERS**

Set forth below is information about the executive officers of the Company as of June 30, 2015:

<b>Name</b>	<b>Position</b>	<b>Age</b>
Mr. Robin Stracey	Chief Executive Officer	57
Mr. Michael Bruch	Interim Chief Financial Officer	50
Mr. Ken Harris	President	51
Mr. Mitchel Sivilotti	Chief Biologist	38
Mr. Ray DeGrella	VP, Quality and Regulatory Affairs*	65

\*Mr. DeGrella was terminated on September 11, 2015.

Executive officers serve at the pleasure of the Board. There are no family relationships between any of the directors, executive officers or key employees.

**Biographies**

The biographies for Messrs. Stracey and Harris can be found under Directors.

**Mr. Michael Bruch** was appointed Interim Chief Financial Officer on May 9, 2015. Mr. Bruch as served as Controller since joining the Company in 2003 and has had responsibility for the Accounting and Internal Control functions. Mr. Bruch has over 25 years of accounting experience in various financial and managerial roles for General Electric and Dade MicroScan (now Siemens Healthcare). Mr. Bruch is a Certified Public Accountant and graduated with honors from California State University, Sacramento with a Bachelors of Science degree in business administration.

**Mr. Mitchel Sivilotti** joined Cesca pursuant to the terms of the merger with TotipotentRX and currently serves as our Chief Biologist. Prior to the merger, Mr. Sivilotti co-founded TotipotentRX Corporation (formerly MK Alliance, Inc.) where he served as Chief Executive Officer and Director from 2008 to 2012 and as President and Director from 2012 to 2013 and Chief Biologist and Director of TotipotentRX until the merger. From 2003 to 2007, Mr. Sivilotti served in

various key technical and business leadership roles at Pall Corporation (PLL:NYSE), completing his tenure as Global Marketing Manager, Regenerative Medicine from 2006-2007. Mr. Sivilotti holds a bachelor's degree in Biology (Honors Genetics) from the University of Western Ontario (London, Canada) and a graduate degree in Cellular and Molecular Biology from the University Laval (Quebec, Canada).

**Mr. Ray DeGrella** served as the Company's Vice President of Quality and Regulatory Affairs from March 3, 2014 thru September 11, 2015. He has served as a consultant to the Company since 2012, in addition to providing consulting services to other medical device companies from 2011 until joining the Company in 2014. From 2005-2008, Mr. DeGrella was Vice President Quality at Beckman Coulter, Inc. and served as their Vice President Advanced Supply chain from 2008-2011. Mr. DeGrella is a member of the American Society for Quality. He received a B.A. degree in Chemistry from Bellarmine College and holds a Ph.D. in BioChemistry from Florida State University.

Table Of Contents

**CORPORATE GOVERNANCE**

**General**

Our Board of Directors believes that good corporate governance is important to ensure that Cesca Therapeutics Inc. is managed for the long-term benefit of our stockholders. This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of our corporate governance guidelines, committee charters and code of ethical conduct described below are available under the investor information section of our website at [www.cescatherapeutics.com](http://www.cescatherapeutics.com).

**Board Operating and Governance Guidelines**

Our Board of Directors has adopted a number of operating and governance guidelines, including the following:

- Majority of the members of the Board should be independent directors;
- Formalization of the ability of each committee to retain independent advisors;
- Performance of an annual assessment of the Board's performance by the Governance and Nominating Committee;
- Directors will have open access to the Company's management; and
- Independent directors may meet in executive session prior to or after each regularly scheduled Board meeting without management present.

**Board Leadership Structure**

Craig Moore, an independent director, serves as our Chairman of the Board. The Board has had the same individual serve as Chief Executive Officer and Board chairman in the past, but does not believe that structure to be the most desirable structure for the Company at this time. The Board views independent oversight of management as an important component of an effective board of directors and believes that a separated Chief Executive Officer and Chairman structure provides the Board with the greatest diversity of ideas and experience. The Chairman of the Board is responsible for coordinating the Board's activities, including the scheduling of meetings of the full Board, scheduling executive sessions of the non-employee directors and setting relevant items on the agenda (in consultation with the Chief Executive Officer as necessary or appropriate). The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company.

## **Risk Oversight**

The Board has an active role, as a whole and also at the committee level, in overseeing risk management. The Board regularly reviews information regarding the Company's liquidity and operations, as well as the risks associated with each. The Company's Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements. The Audit Committee oversees management of risks relating to financial reporting, internal controls and compliance with legal and regulatory requirements. The Governance and Nominating Committee oversees the management of risks associated with corporate governance, the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

## **Governance and Nominating Committee**

The Governance and Nominating Committee was formed to address general governance and policy oversight; succession planning; to identify qualified individuals to become prospective Board members and make recommendations regarding nominations for the Board of Directors; to advise the Board with respect to appropriate composition of Board committees; to advise the Board about and develop and recommend to the Board appropriate corporate governance documents and assist the Board in implementing guidelines; to oversee the annual evaluation of the Board and the Company's Chief Executive Officer, and to perform such other functions as the Board may assign to the committee from time to time. The Governance and Nominating Committee has a Charter which is available on the Company's website at [www.cescatherapeutics.com](http://www.cescatherapeutics.com). The Governance and Nominating Committee consists of three independent directors: Mr. Moore (Governance and Nominating Committee Chairman), Dr. Rao and Mr. Rhein.

## Table Of Contents

### **Audit Committee**

The Audit Committee of the Board of Directors makes recommendations regarding the retention of the independent registered public accounting firm, reviews the scope of the annual audit undertaken by our independent registered public accounting firm and the progress and results of their work, reviews our financial statements, and oversees the internal controls over financial reporting and corporate programs to ensure compliance with applicable laws. The Audit Committee reviews the services performed by the independent registered public accounting firm and determines whether they are compatible with maintaining the registered public accounting firm's independence. The Audit Committee has a Charter, which is reviewed annually and as may be required due to changes in industry accounting practices or the promulgation of new rules or guidance documents. The Audit Committee Charter is available on the Company's website at [www.cescatherapeutics.com](http://www.cescatherapeutics.com). The Audit Committee consists of three independent directors as determined by NASDAQ rules: Mr. Rhein (Audit Committee Chairman), Mr. Moore and Dr. Rao. Mr. Moore is qualified as an Audit Committee Financial Expert as defined in Regulation S-K Item 407(d)(5)(ii).

### **Compensation Committee**

The Compensation Committee of the Board of Directors reviews and approves executive compensation policies and practices, reviews salaries and bonuses for our Chief Executive Officer and Chief Financial Officer, administers the Company's stock option plans and other benefit plans, and considers other matters as may, from time to time, be referred to them by the Board of Directors. The Compensation Committee has a charter which is available on the Company's website at [www.cescatherapeutics.com](http://www.cescatherapeutics.com). The Compensation Committee consists of three independent directors: Dr. Rao (Compensation Committee Chairman), Mr. Moore and Mr. Rhein.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our Compensation Committee served at any time as an officer or employee of ours. In addition, none of our executive officers serves as a member of the compensation committee of any entity that has one or more executive officers serving as a member of our Compensation Committee.

### **Board and Committee Meetings and Attendance**

In fiscal 2015, the Board of Directors met fifteen (15) times, the Audit Committee met seven (7) times, the Compensation Committee met three (3) times, the Governance and Nominating Committee met three (3) times and the Independent Director Committee met one (1) time. Each director attended at least 75% of the meetings of the Board of Directors held while serving as a director.

Stockholders may send communications to the Board by mail to the Chairman of the Board, Cesca Therapeutics Inc., 2711 Citrus Road, Rancho Cordova, California 95742.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Based solely upon a review of Forms 3, 4 and 5 delivered to the Company as filed with the Securities and Exchange Commission in fiscal 2015, directors and officers of the Company and persons who own more than 10% of the Company's common stock timely filed all required reports pursuant to Section 16(a) of the Securities Exchange Act of 1934, except for Mr. Harris who was late filing a Form 4 since we needed to acquire correct filing edgar codes.

### **Code of Ethics**

We have adopted a code of ethics that applies to all employees, including our Chief Executive Officer and Chief Financial Officer, Controller or any person performing similar functions. A copy of our code of ethics can be found on our website at [www.cescatherapeutics.com](http://www.cescatherapeutics.com). The Company will report any amendment or waiver to the code of ethics on our website within five (5) days.

Table Of Contents**ITEM 11. EXECUTIVE COMPENSATION.****COMPENSATION OF NAMED EXECUTIVE OFFICERS****Summary Compensation Table**

The following table sets forth certain information regarding the compensation paid to our named executive officers for all of the services they rendered to the Company.

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	All Other Compensation (\$)	Total (\$)
<b>Robin Stracey</b> CEO as of October 29, 2014	2015	283,000 <sup>(2)</sup>	--	832,000	465,000	1,000	<sup>(3)</sup> 1,581,000
<b>Michael Bruch</b> Interim CFO as of May 9, 2015	2015	157,000	--	53,000	--	--	210,000
	2014	157,000 <sup>(8)</sup>	30,000 <sup>(4)</sup>	15,000	--	--	202,000
<b>Ken Harris</b> President	2015	329,000	--	--	122,000	12,000	<sup>(3)</sup> 463,000
	2014	96,000	40,000 <sup>(5)</sup>	109,000	121,000	4,000	<sup>(3)</sup> 370,000
<b>Mitchel Sivilotti</b> Chief Biologist	2015	240,000	--	--	61,000	12,000	<sup>(3)</sup> 313,000
	2014	74,000	40,000 <sup>(5)</sup>	109,000	121,000	4,000	<sup>(3)</sup> 348,000
<b>Ray DeGrella</b> VP, Quality & Regulatory Affairs	2015	250,000	--	--	61,000	--	311,000
	2014	77,000	--	96,000	--	--	173,000
<b>Matthew Plavan</b> CEO thru October 28, 2014	2015	142,000 <sup>(9)</sup>	--	--	304,000	560,000	<sup>(6)</sup> 1,006,000
	2014	349,000	100,000 <sup>(4)</sup>	458,000	122,000	--	1,029,000
<b>Dan Bessey</b> CFO thru May 9, 2015	2015	248,000 <sup>(10)</sup>	--	--	208,000	26,000	<sup>(7)</sup> 482,000
	2014	259,000	50,000 <sup>(4)</sup>	147,000	41,000	--	497,000

The amounts reported are the aggregate grant date fair value of the awards computed in accordance with Financial Accounting Standards Board's Codification topic 718. See Note 1 of notes to Financial Statements set forth in our Annual Report on Form 10-K for fiscal 2015 for the assumptions used in determining such amounts.

<sup>(2)</sup> Mr. Stracey was paid as a consultant to the Company while he was interim CEO from October 29, 2014 through June 9, 2015.

<sup>(3)</sup> Represents payments for an auto allowance.

<sup>(4)</sup> Represents a bonus for contribution to the achievement of the corporate milestones including the acquisition of TotipotentRX by merger and formation of the combined company, Cesca Therapeutics, and completion of

financing.

(5) Represents a relocation payment.

(6) Includes \$65,000 pay-out of accrued vacation balance, \$449,000 severance upon termination of employment on October 28, 2014 and \$46,000 of consultant fees after his termination.

(7) Represents pay-out of accrued vacation balance.

(8) Represents payments through May 8, 2015 when Mr. Bruch was Controller.

(9) Mr. Plavan was terminated as CEO on October 28, 2014 and represents salary until his termination.

(10) Mr. Bessey was terminated as CFO on May 9, 2014 and represents salary until his termination.



Table Of Contents

*Employment Agreements*

*Mr. Stracey.* Under the terms of the employment agreement with Mr. Stracey, Mr. Stracey shall serve as Chief Executive Officer of Company. For his services, Mr. Stracey will receive a base salary and is also eligible to receive a certain percentage of his base salary based on performance against annual objectives at the discretion of the Board of Directors' Compensation Committee. Mr. Stracey's current base salary is \$425,000. The target percentage is 60%, however, the actual percentage as determined by the Compensation Committee may range from 0% to higher than 100% of his base salary. Mr. Stracey receives a \$1,000 per month auto allowance and reimbursement of rental expenses up to \$3,000 per month. In addition, Mr. Stracey was granted restricted stock units representing 1,000,000 shares of restricted common stock vesting in four equal installments based upon a combination of time and milestone based targets and a seven year option to acquire 1,000,000 shares of common stock, 25% of which vest immediately with the balance vesting in equal monthly installments during the following 24 months. In the event that Mr. Stracey's employment is terminated without cause or Mr. Stracey terminates employment for good reason, he shall receive severance equal to 18 months of his then base salary, 18 months of COBRA premiums, one and a half times his most recently established annual STI award and all unvested restricted stock and options will vest. If Mr. Stracey's employment is terminated without cause or Mr. Stracey terminates employment for good reason in connection with a change in control, Mr. Stracey shall receive severance equal to two years of his then base salary, two years of COBRA premiums, two times his most recently established annual short-term incentive target award and all unvested restricted stock and options will vest.

*Mr. Harris.* Under the terms of the employment agreement with Mr. Harris, Mr. Harris shall serve as President of Company. For his services, Mr. Harris will receive a base salary plus a bonus in amount equal to a portion of his then base salary based on performance criteria to be determined by Mr. Harris and Cesca's chief executive officer. Mr. Harris' current base salary is \$338,000. In addition, Mr. Harris was granted shares of Cesca restricted stock and six-year options to purchase shares of common stock at an exercise price equal to the fair market value as of the effective date of the Merger, with such restricted stock and options subject to three year vesting. Mr. Harris was paid a \$40,000 relocation bonus to move to the San Francisco-Bay Area. Mr. Harris also receives a \$1,000 monthly auto allowance and participates in other benefits granted to other employees of Cesca. In the event that Mr. Harris' employment is terminated without cause or Mr. Harris terminates employment for good reason, he shall receive severance equal to 18 months of his then base salary, plus any unpaid, but earned, bonus. In addition to the foregoing, Mr. Harris shall be paid an additional six months of his then base salary if he is not re-nominated or not re-elected for a specified period to the Cesca Board of Directors which shall be deemed good reason for termination of employment. If Mr. Harris is terminated without cause or Mr. Harris terminates employment for good reason in connection with a change in control, Mr. Harris shall receive severance equal to 18 months of his then base salary, a monthly \$2,000 stipend for a specified period, a bonus equal to, in general, 35.0% of his base salary and all unvested restricted stock and options will vest. Finally, if Mr. Harris is no longer an employee of Cesca other than for good reason, termination without cause or change in control, he shall immediately resign as a member of the Cesca Board.

*Mr. Sivilotti.* Under the terms of the employment agreement with Mr. Sivilotti, he will receive a base salary plus a bonus equal to a portion of his then base salary based on performance criteria to be determined by Mr. Sivilotti and Cesca's chief executive officer. Mr. Sivilotti's current base salary is \$215,000. In addition, Mr. Sivilotti was granted

shares of Cesca restricted stock and six-year options to purchase shares of common stock at an exercise price equal to the fair market value as of the Effective Date of the Merger, with such restricted stock and options subject to three year vesting. Mr. Sivilotti was also paid a \$40,000 relocation bonus to move to the San Francisco-Bay Area. Mr. Sivilotti will also receive a \$1,000 monthly auto allowance and be able to participate in other benefits granted to other employees of Cesca. In the event that Mr. Sivilotti's employment is terminated without cause or Mr. Sivilotti terminates employment for good reason, he shall receive severance equal to 18 months of his then base salary, plus any unpaid bonus. If Mr. Sivilotti's employment is terminated without cause or Mr. Sivilotti terminates employment for good reason in connection with a change in control, Mr. Sivilotti shall receive severance equal to 18 months of his then base salary, a monthly \$2,000 stipend for a specified period, a bonus equal to, in general, 35.0% of his base salary and all unvested restricted stock and options will vest.

Table Of Contents

## Outstanding Equity Awards at Fiscal Year-End

The following table provides information about outstanding option and stock awards held by the named executive officers as of June 30, 2015. The grant date fair value of the awards granted in fiscal 2015, and 2014 is disclosed in the Summary Compensation Table.

Name	Option Awards			Stock Awards		Market Value of Shares or Units of Stock That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	
<b>Robin Stracey</b>	25,000	--	1.98	7/29/15		
	15,000	--	1.39	7/1/17		
	22,917	2,083	(1) 1.38	7/1/21		
	250,000	750,000	(2) 0.83	6/9/22		
<b>Mike Bruch</b>					1,000,000 <sup>(3)</sup>	850,000
					7,194 <sup>(4)</sup>	6,000
					30,000 <sup>(5)</sup>	26,000
<b>Ken Harris</b>	33,333	66,667	(6) 2.17	2/18/20		
	26,667	133,333	(7) 1.31	8/19/21		
<b>Mitch Sivilotti</b>					33,333 <sup>(6)</sup>	28,000
	33,333	66,667	(6) 2.17	2/18/20		
<b>Ray DeGrella<sup>(9)</sup></b>	13,333	66,667	(7) 1.31	8/19/21		
					33,333 <sup>(6)</sup>	28,000
<b>Matthew Plavan<sup>(9)</sup></b>					33,333	28,000
	66,667	333,333	(7) 1.31	8/19/21		
	50,000	--	2.88	2/15/16		
	162,500	--	0.93	7/29/16		
<b>Dan Bessey<sup>(9)</sup></b>	33,333	--	0.91	8/7/15		
	11,195	--	2.18	8/7/15		
	26,667		1.31	8/7/15		
				140,000 <sup>(8)</sup>	119,000	

(1) Vests on July 1, 2015.

(2) Vests in 24 monthly installments until June 9, 2017.

(3) Vests upon a combination of time and milestones.

(4) One-half vests on June 30, 2016 and 2017.

(5) Vests upon filing of the June 30, 2015 Form 10-K.

(6) One-half vests on February 18, 2016 and 2017.

(7) Vests in equal installments on August 19, 2015, February 19, 2016, August 19, 2016, February 19, 2017 and August 19, 2017.

(8) One-half vests on March 3, 2016 and 2017.

(9) Messrs. DeGrella and Plavan were terminated , and Mr. Bessey resigned, on September 11, 2015, October 28, 2014 and May 9, 2015, respectively.

Table Of Contents**Potential Payments upon Termination or Change in Control**

Our named executive officers have certain change of control rights under employment agreements or current company policy. The Compensation Committee considers these policies to provide the named executive officers with the ability to make appropriate, informed decisions on strategy and direction of the Company that may adversely impact their particular positions, but nevertheless are appropriate for the Company and its stockholders. Our Compensation Committee believes that companies should provide reasonable severance benefits to employees, recognizing that it may be difficult for them to find comparable employment within a short period of time and that severance arrangements may be necessary to attract highly qualified officers in a competitive hiring environment.

The following table describes the potential payments upon a hypothetical termination without cause, resignation for good reason or due to a change in control of the Company on June 30, 2015 for the NEO's. The actual amounts that may be paid upon an executive's termination of employment can only be determined at the actual time of such termination.

Name	Termination Without Cause or Resignation for Good Reason				Termination following a Change of Control <sup>(1)</sup> (2)			
	Salary (\$)	Estimated Value of Accelerated Stock Options and Restricted Stock Awards <sup>(4)</sup> (\$)	Health Benefits (\$)	Total (\$)	Salary (\$)	Estimated Value of Accelerated Stock Options and Restricted Stock Awards <sup>(4)</sup> (\$)	Health Benefits/ Office Stipend (\$)	Total (\$)
R. Stracey <sup>(3)</sup>	638,000 <sup>(5)</sup>	1,111,000	36,000	1,785,000	850,000	1,111,000	48,000	2,009,000
M. Bruch	--	--	--	--	157,000	--	--	157,000
K. Harris	507,000 <sup>(6)(7)</sup>	30,000	--	537,000	507,000 <sup>(7)</sup>	60,000	87,000	626,000
M. Sivilotti	368,000 <sup>(7)</sup>	30,000	--	398,000	323,000 <sup>(7)</sup>	60,000	87,000	529,000

(1) If we terminate Mr. Stracy's employment without cause, or if the executive resigned for good reason as defined in his executive employment agreement, in either case within three (3) months prior to a Change of Control or within one (1) year following a Change of Control, then he would have been entitled to receive the amounts listed as

shown in the table. The salary and incentive compensation components are payable in a lump-sum payment.

If we terminate Mr. Harris or Mr. Sivilotti's employment without cause, or if the executive resigned for good reason (2) as defined in his executive employment agreement, in either case with one (1) year following a Change of Control, then he would have been entitled to receive the amounts listed as shown in the table.

If we terminate Mr. Stracy's employment without cause, or if the executive resigned for good reason as defined in his executive employment agreement, in addition to the amounts as shown in the table, he is entitled to a lump sum cash payment equal to one and a half (1.5) times the Executive's most recently established annual short term incentive target. If we terminate Mr. Stracy's employment without cause, or if the executive resigned for good (3) reason as defined in his executive employment agreement, in either case within three (3) months prior to a Change of Control or within one (1) year following a Change of Control, in addition to the amounts as shown in the table, he is entitled to a lump sum cash payment equal to two (2) times the Executive's most recently established annual short-term incentive target

For purposes of this calculation, we used the closing price of our Common Stock on June 30, 2015 which was (4) \$0.85. The estimated value of accelerated vesting for outstanding stock options is zero for all options in which the exercise price exceeded the closing price of our Common Stock as of June 30, 2014.

(5) Payable in a lump-sum payment.

If Mr. Harris' resigns for either (i) the Board fails to nominate Executive for re-election as a director of Employer at any shareholder meeting held to elect directors that occurs within three years after February 18, 2014, or (ii) Mr. (6) Harris is removed as a director of Employer by the Board of Directors before February 18, 2017, he will receive an additional \$140,000.

(7) Payable in biweekly installments over 18 months.

The Company has adopted an Executive Change of Control Policy, applicable to executive officers and vice presidents who do not have employment agreements. Under such policy, a "change of control" means an event involving one transaction or a related series of transactions in which one of the following occurs:

- a) the Company issues securities equal to 50% or more of the Company's issued and outstanding voting securities, determined as a single class;
- b) the Company issues securities equal to 50% or more of the issued and outstanding common stock of the Company in connection with a merger, consolidation or other business combination;
- c) the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving company; or
- d) all or substantially all of the Company's assets are sold or transferred.

Table Of Contents

Under Mr. Harris’ and Mr. Sivilotti’s employment agreements a “change of control” is defined as: an event involving one transaction or a related series of transactions in which one of the following occurs:

- a) the Company issues securities equal to forty percent (40%) or more of the Company’s issued and outstanding voting securities, determined as a single class, to any individual, firm, partnership or other entity, including a “group” within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934;
- b) the Company issues securities equal to forty percent (40%) or more of the issued and outstanding common stock of the Company in connection with a merger, consolidation or other business combination;
- c) the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving company; or
- d) all or substantially all of the Company’s assets are sold or transferred to a third party.

Under Mr. Stracey’s employment agreement a “change of control” is defined as: an event involving one transaction or a related series of transactions in which one of the following occurs:

- a) the Company issues securities equal to fifty percent (50%) or more of the Company’s issued and outstanding voting securities, determined as a single class, to any individual, firm, partnership or other entity, including a “group” within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934;
- b) the Company issues securities equal to fifty percent (50%) or more of the issued and outstanding common stock of the Company in connection with a merger, consolidation or other business combination;
- c) the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving company; or
- d) all or substantially all of the Company’s assets are sold or transferred to a third party.

**Actual Payments upon Termination**

The following table describes the actual payments upon termination of the employment of Matthew Plavan, Dan Bessey and Ray DeGrella. Mr. Plavan’s employment terminated October 28, 2014. Mr. Bessey resigned effective May 9, 2015 and did not receive any termination payments. Mr. DeGrella’s employment terminated September 11, 2015.

Name	Severance	Value of Accelerated Stock Options and Restricted Stock Awards	Total

Matthew Plavan	\$ 449,000	(1)	\$ 158,000	\$ 607,000
Ray DeGrella	\$ 5,000	(2)	--	\$ 5,000

(1) Payable biweekly through October 28, 2015.

(2) Lump sum payment.



Table Of Contents**COMPENSATION OF DIRECTORS****Director Compensation Table**

The following table sets forth the compensation received by each of the Company's non-employee Directors.

Name	Fees Earned or Paid in Cash <sup>(1)</sup>	Option Awards <sup>(2)</sup>	Total
	(\$)	(\$)	(\$)
Mr. Craig W. Moore	78,000	19,000	(3) 97,000
Dr. Mahendra S. Rao	62,000	19,000	(3) 81,000
Mr. Michael Rhein	21,000	14,000	(4) 35,000
Mr. Patrick J. McEnany resigned effective June 19, 2015	55,000	19,000	(3) 74,000
Mr. Robin C. Stracey <sup>(5)</sup>	21,000	19,000	(3) 40,000

Prior to the beginning of the fiscal year Mr. Moore and Mr. Stracey elected to receive common stock in lieu of cash for a portion of their Board of Directors fees, which fees are paid in quarterly installments. As Chairman of the

(1) Clinical program Review Committee, Dr. Rao received common stock in lieu of cash for 50% of the committee fees, which fees are paid in quarterly installments. The grant date fair value of the stock received computed in accordance with ASC718 was \$26,000, \$13,000 and \$7,000 for Mr. Moore, Dr. Rao and Mr. Stracey, respectively.

The amounts reported are the aggregate grant date fair value of the awards computed in accordance with Financial Accounting Standards Board's Codification topic 718. See Note 1 of notes to Financial Statements set forth in our

(2) Annual Report on Form 10-K for fiscal 2015 for the assumptions used in determining such amounts for option awards. The following table sets forth the aggregate number of option awards held by each non-employee director as of June 30, 2015.

(3) \$19,000 reflects the grant date fair value of the annual option awarded to existing directors on the first business day of the fiscal year.

(4) \$14,000 reflects the grant date fair value of the stock option grant of 25,000 shares due to Mr. Rhein upon joining the Board.

(5) Mr. Stracey ceased to receive compensation as a non-employee director when he was appointed the Company's interim CEO on October 29, 2014.

The following table sets forth the aggregate number of option awards held by each non-employee director as of June 30, 2015:

Name	<b>Aggregate Number of Option Awards</b>
Mr. Craig W. Moore	70,000
Dr. Mahendra S. Rao	50,000
Mr. Michael Rhein	25,000
Mr. Patrick J. McEnany	67,917

Each non-employee director receives an annual fee of \$35,000. In addition, the Chairman of the Board of Directors receives an annual fee of \$25,000. The chairperson of each standing committee receives an additional annual fee of \$15,000 for the Audit Committee, \$10,000 for the Compensation Committee and \$7,000 for the Governance Committee. Each non-chair committee member receives an annual fee of \$7,500 for the Audit Committee, \$5,000 for the Compensation Committee and \$3,500 for the Governance Committee. All fees are paid quarterly. In addition, we reimburse our directors for their reasonable expenses incurred in attending meetings of the Board and its committees.

On the first business day of the fiscal year, each of our non-employee directors receives a nonqualified stock option grant of 25,000 shares. Upon the initial appointment or election of any new non-employee director, the director receives a nonqualified stock option grant of 25,000 shares. The options have a seven year life and vest monthly over one year. In both instances, the exercise price is equal to the closing price of the common stock on the date of grant.

Table Of Contents**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.****EQUITY COMPENSATION PLANS**

The following table provides information for all of the Company's equity compensation plans and individual compensation arrangements in effect as of June 30, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options and restricted stock (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) <sup>(1)</sup> ) (c)
Equity compensation plans approved by security holders	4,403,846	\$ 1.28	290,630
Equity compensation plans not approved by security holders	--		--
Total	4,403,846		290,630

(1) Under the Company's 2006 Equity Incentive Plan, the number of shares of common stock equal to six percent (6%) of the number of outstanding shares of the Company are authorized to be issued. Under this provision, the number of shares available to grant for awards will increase at the beginning of each fiscal year if options were granted or additional shares of common stock were issued in the preceding fiscal year.

Table Of Contents**STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF CESCA THERAPEUTICS INC.**

The Company has only one class of stock outstanding, common stock. The following table sets forth certain information as of September 1, 2015 with respect to the beneficial ownership of Company's common stock for (i) each director, (ii) each Named Executive Officer (NEO), (iii) all of Company's directors and officers as a group, and (iv) each person known to us to own beneficially five percent (5%) or more of the outstanding shares of Company's common stock. As of September 1, 2015 there were 40,501,730 shares of common stock outstanding.

Unless otherwise indicated, the address for each listed stockholder is: Cesca Therapeutics, 2711 Citrus Road, Rancho Cordova, California 95742. To Company's knowledge, except as indicated in the footnotes to this table or pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to the shares of common stock indicated.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership<sup>(1)</sup></b>		<b>Percent of Class</b>	
Craig Moore	148,098	(2)	*	%
Mahendra Rao MD, PhD.	70,384	(3)	*	%
Michael Rhein	553,247	(4)	1.4	%
Robin Stracey	465,405	(5)	1.1	%
Michael Bruch	63,951		*	%
Ken Harris	4,643,743	(6)	11.4	%
Mitch Sivilotti	4,687,206	(7)	11.6	%
Ray DeGrella	26,667	(8)	*	%
Matthew Plavan	501,503	(9)	1.2	%
Dan Bessey	55,833		*	%
Officers & Directors as a Group (10 persons)	11,216,037		26.7	%

5% Common Stockholders

Sabby Healthcare Master Fund, Ltd	2,159,885	(10)	9.1	%
Sabby Volatility Warrant Master Fund, Ltd	1,541,810	(11)	(12)	)

\* Less than 1%.

“Beneficial Ownership” is defined pursuant to Rule 13d-3 of the Exchange Act, and generally means any person who directly or indirectly has or shares voting or investment power with respect to a security. A person shall be deemed to be the beneficial owner of a security if that person has the right to acquire beneficial ownership of the security within 60 days, including, but not limited to, any right to acquire the security through the exercise of any (1) option or warrant or through the conversion of a security. Any securities not outstanding that are subject to options or warrants shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by that person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person. Some of the information with respect to beneficial ownership has been furnished to us by each director or officer, as the case may be.

(2) Includes 86,848 common shares and 61,250 shares issuable upon the exercise of options.

(3) Includes 14,134 common shares and 56,250 shares issuable upon the exercise of options.

(4) Includes 526,163 common shares and 27,084 shares issuable upon the exercise of options.

(5) Includes 50,405 common shares and 415,000 shares issuable upon the exercise of options.

(6) Includes 4,557,077 common shares and 86,666 shares issuable upon the exercise of options.

(7) Includes 4,627,206 common shares and 60,000 common shares issuable upon the exercise of options.

(8) Includes 26,667 common shares issuable upon the exercise of options.

(9) Includes 122,337 common shares and 379,166 common shares issuable upon the exercise of options.

The business address of Sabby Healthcare Master Fund Ltd. (“Sabby HMF”) is c/o Sabby Management LLC, 10 (10) Mountainview Road, Suite 205, Upper Saddle River, NJ 07458. This information is based on a Schedule 13G filed with the SEC.

Table Of Contents

The business address of Sabby Volatility Warrant Master Fund Ltd. (“Sabby VWMF”) is c/o Sabby Management (11)LLC, 10 Mountview Road, Suite 205, Upper Saddle River, NJ 07458. This information is based on a Schedule 13G filed with the SEC.

(12) Sabby VWMF is an affiliate of Sabby HMF. As such, their percent of class has been included in the Sabby HMF percent of class.

Table Of Contents**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

As of February 18, 2014, TotipotentRX owed \$337,000 to two of its officers who have since joined the Company. In the Merger Agreement, Cesca agreed to pay off the notes payable at closing as follows: \$75,000 cash to each officer for a total of \$150,000 and the remainder in shares of common stock. Approximately 82,000 shares of common stock were issued to satisfy the remainder of the debt. There were no other related party transactions reportable under Item 404 of Regulation S-K for the fiscal years ended June 30, 2015 and 2014.

As disclosed in the “Directors” section under Item 10 above, Mr. Moore, Dr. Rao and Mr. Rhein are deemed independent under the NASDAQ rules.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The following table summarizes the fees billed to us by Marcum LLP and Ernst & Young LLP for each of the last two fiscal years.

Fee Category	Marcum Fiscal 2015	E&Y Fiscal 2015	E&Y Fiscal 2014
Audit Fees <sup>(1)</sup>	\$199,000	\$213,000	\$888,000
Audit-Related Fees	--	383,000 <sup>(2)</sup>	532,000 <sup>(3)</sup>
Tax Fees <sup>(4)</sup>	--	40,000	22,000
All Other Fees <sup>(5)</sup>	--	--	--
Total Fees	\$199,000	\$636,000	\$1,442,000

The audit fees for fiscal 2015 and fiscal 2014 consisted of fees for the audit of our financial statements, the review (1) of the interim financial statements included in our quarterly reports on Form 10-Q, and other professional services provided in connection with statutory and regulatory filings or engagements and capital market financings.

(2) Includes fees billed for consultation services performed regarding a deficiency in the Company’s governance practices.

(3) Includes fees billed for due diligence services regarding the proposed merger with TotipotentRX.

(4) Tax fees consist of fees for tax compliance and tax advice which relate to the preparation of federal and state tax returns and other services.

(5) All other fees consist of fees for other permissible work performed that does not meet with the above category (5) descriptions. There were no fees for other services by Marcum LLP or Ernst & Young LLP for the fiscal years ended June 30, 2015 and 2014.

The Audit Committee pre-approves all audit and non-audit services to be, and has approved all of the foregoing audit and non-audit services, performed by the independent registered public accounting firm in accordance with the Audit Committee Charter.



Table Of Contents

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

(b) Exhibits

**Exhibit No. Document Description**

31.1	Certification by the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

19

---

Table Of Contents

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amendment number 1 to report to be signed on its behalf by the undersigned thereunto duly authorized.

Cesca Therapeutics Inc.

Dated: September 24, 2015 By: /s/ Michael Bruch  
Interim Chief Financial Officer