

CZIRR JAMES C
Form 4
February 25, 2009

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 *
CZIRR JAMES C

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)
01/21/2009

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

425 JANISH DR
(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

SANDPOINT, ID 83864

(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	01/21/2009		S		250,000 (1)	D	\$ 0.08 3,597,268
Common Stock	02/13/2009		A		500,000 (2)	A	\$ 0 4,097,268

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

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stock on the date of the exchange was \$0.10 per share.

- Restricted stock grant, which is subject to forfeiture if Reporting Person no longer serves as a director of the Issuer as follows: (i) 100%, if he is no longer serving as a director before February 13, 2010; (ii) 50%, if he is serving as a director on or after February 13, 2010 but no longer serving before May 13, 2010; (iii) 37.5%, if he is serving as a director on or after May 13, 2010 but no longer serving before August 13, 2010; (iv) 25%, if he is serving as a director on or after August 13, 2010 but no longer serving before November 13, 2010; and (v) 12.5%, if he is serving as a director on or after November 13, 2010 but no longer serving before February 13, 2011.

- Each share of Series B-1 Convertible Preferred Stock is convertible into four shares of Issuer's common stock at a conversion price of \$0.50 per share (subject to customary anti-dilution protection adjustments) at the option of (a) the holder, at any time and (b) Issuer, at any time after February 12, 2010 (and upon 10 days notice) if the Issuer's common stock is quoted at or above \$1.50 per share for 15 consecutive trading days and an effective registration statement regarding the underlying shares of Issuer's common stock is in effect (subject to certain monthly volume limits). The shares of Series B-1 Convertible Preferred Stock do not expire.

- Reporting Person is a managing member of 10X Capital Management, LLC, a Florida limited liability company acting as the general partner of 10X Fund, L.P., a Delaware limited partnership, and as such, may be deemed to have indirect beneficial ownership of all or a portion of the securities owned directly by 10X Fund, L.P. Mr. Czirr disclaims beneficial ownership of the foregoing securities except to the extent of his pecuniary interest therein.

- Excludes (i) up to 2,100,000 shares of Series B-2 Preferred Stock convertible into 8,400,000 shares of Common Stock; (ii) Class A-1 Warrants exercisable to purchase up to 4,200,000 shares of Common Stock; (iii) Class A-2 Warrants exercisable to purchase up to 4,200,000 shares of Common Stock; and (iv) Class B Warrants exercisable to purchase up to 16,800,000 shares of Common Stock that 10X Fund, L.P. may purchase from Issuer within 60 days of the date hereof pursuant to a Securities Purchase Agreement dated February 12, 2009 between Issuer and 10X Fund, L.P.

- On February 12, 2009, 10X Fund, L.P. purchased (a) 900,000 shares of Series B-1 Preferred Stock, (b) one Class A-1 Warrant to purchase 1,800,000 shares for Common Stock for \$0.50 per share, (c) one Class A-2 Warrant to purchase 1,800,000 shares for Common Stock for \$0.50 per share, and (d) one Class B Warrant to purchase 7,200,000 shares for Common Stock for \$0.50 per share, for aggregate consideration of \$1,800,000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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