

Edgar Filing: Cyclacel Pharmaceuticals, Inc. - Form SC 13D

2. Check the Appropriate Box if a Member of a Group (See Instructions):
(a) Not Applicable
(b)
3. SEC Use Only
4. Source of Funds (See Instructions): 00
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):
Not Applicable
6. Citizenship or Place of Organization: United States
- | | | |
|---|--|------------------------------------|
| Number of Shares Beneficially Owned by Each Reporting Person With | 7. Sole Voting Power: 0* | 8. Shared Voting Power: 6,597,093* |
| 9. Sole Dispositive Power: 0* | 10. Shared Dispositive Power: 6,597,093* | |
11. Aggregate Amount Beneficially Owned by Each Reporting Person: 6,597,093*
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions): Not Applicable
13. Percent of Class Represented by Amount in Row (11): 24.1% *
14. Type of Reporting Person (See Instructions): IA, IN

* This is a joint filing by Austin W. Marxe (?Marxe?) and David M. Greenhouse (?Greenhouse?). Marxe and Greenhouse share sole voting and investment power over 2,352,942 shares of Common Stock and 1,903,249 Warrants to purchase Common Stock owned by Special Situations Fund III QP, L.P., 588,235 shares of Common Stock and 475,812 Warrants to purchase Common Stock owned by Special Situations Private Equity Fund, L.P. and 705,881 shares of Common Stock and 570,974 Warrants to purchase Common Stock owned by Special Situations Life Sciences Fund, L.P. See Items 2 and 5 of this Schedule 13D for additional information.

Item 1. Security and Issuer.

This schedule related to the common stock and warrants of Cyclacel Pharmaceuticals, Inc. (the ?Issuer?). The Issuer's principal executive officers are located at 200 Connell Drive, Suite 1500, Berkeley Heights, NJ 07922

Item 2. Identity and Background.

The persons filing this report are Austin W. Marxe (?Marxe?) and David M. Greenhouse (?Greenhouse?), who are the controlling principals of AWM Investment Company, Inc. (?AWM?), the general partner of MGP Advisers Limited Partnership (?MGP?), the general partner of Special Situations Fund III QP, L.P. (?SSFQP?). Marxe and Greenhouse are members of MG Advisers L.L.C. (?MG?), the general partner of Special Situations Private Equity Fund (?SSPE?). Marxe and Greenhouse are also members of LS Advisers L.L.C. (?LS?), the general partner of Special Situations Life Sciences Fund, L.P. (?LIFE?). AWM serves as the Investment Adviser to SSFQP, SSPE and LIFE. (SSFQP, SSPE, and LIFE will hereafter be referred to as, the ?Funds?).

The principal office and business address of the Reporting Persons, is 527 Madison Avenue, Suite 2600, New York NY 10022.

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The principal business of each Fund is to invest in equity and equity-related securities and other securities of any kind or nature.

Mr. Marxe and Mr. Greenhouse have never been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors), nor have either of them been a party to any civil proceeding commenced before a judicial or administrative body of competent jurisdiction as a result of which he was or is now subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Mr. Marxe and Mr. Greenhouse are citizens of the United States.

Item 3. Source and Amount of Funds or Other Consideration.

Each Fund utilized its own available net assets to purchase the securities referred to in this Schedule.

Item 4. Purpose of Transaction.

The securities referred to in this Schedule have been acquired by each of the Funds for investment purposes and not with the purpose or effect of changing or influencing control of the Issuer. Each Fund acquired the securities in the ordinary course of business and is holding the securities for the benefit of its investors.

Item 5. Interest in Securities of the Issuer.

SSFQP owns 2,352,942 shares of Common Stock and 1,903,249 Warrants to purchase Common Stock, or 16.2% of the shares outstanding, SSPE owns 588,235 shares of Common Stock and 475,812 Warrants to purchase Common Stock or 4.3% of the shares outstanding and LIFE owns 705,881 shares of Common Stock and 570,974 Warrants to purchase Common Stock, or 5.1% of the shares outstanding. Messrs. Marxe and Greenhouse share the power to vote and to direct the vote and to dispose and direct the disposition of all shares of Common Stock owned by each of the Funds. Messrs. Marxe and Greenhouse are deemed to beneficially own a total of 3,647,058 shares of Common Stock and 2,950,035 Warrants to purchase Common Stock or 24.1% of the outstanding shares.

On July 23, 2009, Cyclacel Pharmaceuticals, Inc. entered into a Placement Agent Agreement with Lazard Capital Markets LLC relating to the sale by the Company to select institutional investors of 4,000,000 units in a "registered direct" offering (the "Offering") at a purchase price of \$0.85 per unit (each, a "Unit"). Each Unit consists of (i) one share of the Company's common stock, par value \$0.001 per share (the "Common Stock"), (ii) one warrant to purchase 0.625 of one share of Common Stock, no earlier than 180 days from the purchase date or 1/20/10 (a "Series I Warrant") and (iii) one warrant to purchase 0.1838805 of one share of Common Stock, no earlier than 180 days from the purchase date or 1/20/10 (a "Series II Warrant" and, together with the Series I Warrant, the "Warrants"). The following table reflects the purchase of Common Stock and Warrants, which is equivalent to the Units. There were no other transactions during the sixty days preceding the date of the event that requires the filing of this statement:

A. Special Situations Fund III QP, L.P.

Date
Quantity
Average Price

(Purchases)

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7/24/2009 Common Stock
2,352,942
\$.85
7/24/2009 Warrants ?I?
1,470,589

7/24/2009 Warrants ?II?
432,660

Date
Quantity
Average Price

(Sales)

B. Special Situations Life Sciences Fund, L.P.

Date
Quantity
Average Price

(Purchases)

7/24/2009 Common Stock
705,881
\$.85
7/24/2009 Warrants ?I?
441,176

7/24/2009 Warrants ?II?
129,798

Date
Quantity
Average Price

(Sales)

C. Special Situations Private Equity Fund, L.P.

Date
Quantity
Average Price

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(Purchases)

7/24/2009 Common Stock

588,235

\$.85

7/24/2009 Warrants ?I?

367,647

7/24/2009 Warrants ?II?

108,165

Date

Quantity

Average Price

(Sales)

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

No contracts, arrangements, understandings or similar relationships exist with respect to the securities of the Company between Messrs. Marxe and Greenhouse and any other individual or entity.

Item 7. Material to be Filed as Exhibits.

Joint Filing Agreement.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 3, 2009

/s/_Austin W. Marxe
Austin W. Marxe

/s/_David M. Greenhouse
David M. Greenhouse

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Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001).

JOINT FILING AGREEMENT

Austin W. Marxe and David M. Greenhouse hereby agree that the Schedule 13D to which this agreement is attached is filed on behalf of each of them.

/s/_Austin W. Marxe
Austin W. Marxe

/s/_David M. Greenhouse
David M. Greenhouse

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