

GALECTIN THERAPEUTICS INC
Form DEF 14A
April 20, 2012

United States
Securities and Exchange Commission

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

GALECTIN THERAPEUTICS INC.

(Name of Registrant As Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

April 20, 2012

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Galectin Therapeutics Inc. The meeting will be held on Thursday, May 24, 2012 at 9:00 a.m., local time, at our offices located at 7 Wells Avenue, Suite 34, Newton, MA 02459, for the following purposes:

1. To elect nine nominees for director to hold office for a one-year term, expiring at the 2013 annual meeting of our stockholders.
2. To ratify the selection by the Audit Committee of the Board of Directors of McGladrey & Pullen, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012.
3. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the proxy statement accompanying this Notice.

In addition, the proxy statement contains other important information about Galectin Therapeutics, including information about the role and responsibilities of our board of directors and its committees, information about executive compensation, and information about the beneficial ownership of Galectin Therapeutics securities.

Your vote is very important. Therefore, whether or not you plan to attend the annual meeting in person, please complete and return the enclosed proxy card.

Sincerely yours,

Peter G. Traber, M.D.
Chief Executive Officer and President

GALECTIN THERAPEUTICS INC.

7 WELLS AVENUE

NEWTON, MASSACHUSETTS 02459

NOTICE OF THE 2012 ANNUAL MEETING OF STOCKHOLDERS

Time: 9:00 a.m. on Thursday, May 24, 2012

Place: 7 Wells Avenue, Suite 34

Newton, Massachusetts 02459

- Items of Business:**
- (1) To elect nine (9) directors to serve for one-year terms, expiring at our 2013 annual meeting of stockholders.
 - (2) To ratify the selection of McGladrey & Pullen, LLP as our independent auditors for the fiscal year ending December 31, 2012.
 - (3) To transact such other business as may properly come before the meeting.

Who Can Vote: You can vote if you were a shareholder of record of our common stock, our Series A 12% Convertible Preferred Stock, our Series B-1 Convertible Preferred Stock or our Series B-2 Convertible Preferred Stock, as of the close of business on April 13, 2012.

Annual Report: A copy of our 2011 Annual Report on Form 10-K is included with this proxy statement.

Web site: You may also read our Annual Report and this Notice and proxy statement on our website at www.galectintherapeutics.com or at <http://www.rrdezproxy.com/2012/GalectinTherapeutics/>

Date of Mailing: This Notice, the proxy statement and the form of proxy are first being mailed to shareholders on or about April 20, 2012.

By Order of the Board of Directors

Maureen E. Foley
Chief Operating Officer and
Corporate Secretary

GALECTIN THERAPEUTICS INC.

7 Wells Avenue

Newton, Massachusetts 02459

PROXY STATEMENT

FOR 2012 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 24, 2012

This proxy statement contains information about our 2012 annual meeting of stockholders. The meeting will be held on Thursday, May 24, 2012, beginning at 9:00 a.m. local time, at our offices, 7 Wells Avenue, Suite 34, Newton, Massachusetts 02459.

This proxy statement is furnished in connection with the solicitation of proxies by our board of directors for use at the annual meeting and at any adjournment of that meeting. All proxies will be voted in accordance with the instructions they contain. If you do not specify your voting instructions on your proxy, it will be voted in accordance with the recommendations of our board of directors.

These proxy materials, together with our annual report to stockholders for our 2011 fiscal year, are first being mailed to stockholders on or about April 20, 2012 and may also be found at www.galectintherapeutics.com.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At our annual meeting, stockholders will consider and vote on the following matters:

1. The election of the nine nominees named in this Proxy Statement to our Board of Directors, each for a term of one year, expiring at our 2013 annual meeting of stockholders.
2. The ratification of the selection of McGladrey & Pullen, LLP, as our independent registered public accounting firm for the fiscal year ending December 31, 2012.
3. The transaction of such other business that may properly come before the meeting or any adjournment thereof.

Who can vote?

You may vote if you were a shareholder of Galectin Therapeutics as of the close of business on the record date, April 13, 2012. Shares outstanding on the record date are the following:

15,670,153 shares of common stock,

1,562,500 shares of Series A 12% Convertible Preferred Stock (Series A preferred stock),

900,000 shares of Series B-1 Convertible Preferred Stock (Series B-1 preferred stock), and

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2,100,000 shares of Series B-2 Convertible Preferred Stock (Series B-2 preferred stock), and together with the Series B-1 preferred stock, the Series B preferred stock).

The shares of Series A preferred stock and Series B preferred stock vote on an as-converted basis with the shares of common stock. Prior to giving effect to the reverse stock split discussed in the next question, on an as-converted basis, each share of Series A preferred stock had one vote, and each share of Series B preferred stock had four votes. The shares of our Series C Super Dividend Convertible Preferred Stock (Series C preferred stock), and together with the Series A preferred stock and Series B preferred stock, the Preferred Stock) do not have voting rights prior to conversion to common stock.

How many votes do I have?

On March 23, 2012, we effected a one-for-six reverse split of the shares of our common stock that were then issued and outstanding as well as the authorized but unissued shares of common stock. The reverse split by a similar ratio impacts the number of shares of common stock issuable upon conversion of shares of each series of Preferred Stock. Each share of our common stock that you own on the record date entitles you to one vote on each matter subject to a vote. Each share of Series A preferred stock that you own on the record date entitles you to one-sixth vote (i.e. six shares of Series A preferred stock equals one vote) on each matter that is submitted to a vote of holders of our common stock. Each share of our Series B preferred stock entitles you to two-thirds of a vote (i.e. three shares of Series B preferred stock equals two votes) on each matter that is submitted to a vote of holders of our common stock.

What is the difference between the Galectin Therapeutics securities that are traded under the NASDAQ trading symbols GALT , GALTU , and GALTW and how is each voted?

Our common stock is now listed and trades on the NASDAQ Capital Markets under the symbol GALT . The units of securities that we sold in our public offering that that was closed on March 28, 2012, are listed and trade on the NASDAQ Capital Markets under the symbol GALTU . Each Unit consists of two shares of our common stock and one warrant to purchase one share of our common stock. A holder of Units has one vote for each of the two shares in the Unit. The warrants we sold in the public offering are listed and now trade on the NASDAQ Capital Markets under the symbol GALTW . The warrants do not have voting rights.

How do I vote?

If you are the record holder of your shares, meaning that you own your shares in your own name and not through a bank or brokerage firm, you may vote as follows:

1. **You may vote by mail.** You may vote by completing and signing the proxy card enclosed with this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it from the United States. The shares you own will be voted according to your instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter described in this proxy statement, the shares you own will be voted in accordance with the recommendations of our board of directors.
2. **You may vote in person.** If you attend the meeting, you may vote by delivering your completed proxy card in person or by completing a ballot. Ballots will be available at the meeting.

How does the Board of Directors recommend that I vote on the proposals?

The Board of Directors recommends that you vote:

FOR the election of each of the nine nominees to serve as directors on the Board of Directors, each for a term of one year, expiring at our 2013 annual meeting of stockholders.

FOR the ratification of the selection of McGladrey & Pullen, LLP, as our independent registered public accounting firm for the 2012 fiscal year.

Is my vote important?

Your vote is important no matter how many shares you own. Please take the time to vote. Take a moment to read the instructions below. Choose the way to vote that is the easiest and most convenient for you and cast your vote as soon as possible.

What if I return a proxy card but do not make specific choices?

Any Proxy Card returned without directions given will be voted (1) **FOR** the election of directors presented in this Proxy Statement to the Board of Directors, (2) **FOR** the ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm to audit the financial statements for our 2012 fiscal year, and (3) as to any other business that may come before the annual meeting, in accordance with the judgment of the person or persons named in the proxy.

Will my shares be voted if I do not provide my proxy?

Your shares may be voted if they are held in the name of a brokerage firm, even if you do not provide the brokerage firm with voting instructions. Brokerage firms have the authority to vote shares for which their customers do not provide voting instructions on certain routine matters.

The proposal to ratify the selection of McGladrey & Pullen, LLP as our independent auditors for fiscal year 2012 is considered a routine matter for which brokerage firms may vote shares for which they have not received voting instructions. The other proposals to be voted on at our annual meeting are not considered routine under applicable rules. When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote.

Can I change my vote after I have mailed my Proxy Card or after I have voted my shares?

Yes. You can change your vote and revoke your proxy at any time before the polls close at the meeting by doing any one of the following things:

signing another proxy with a later date;

giving our corporate secretary, Maureen Foley, written notice to that effect. She may be contacted at 7 Wells Avenue, Suite 34, Newton, MA 02459; telephone: 617-559-0033; e-mail: foley@galectintherapeutics.com; or

voting in person at the meeting.

How can I access the proxy materials over the internet?

You may view and also download our proxy materials, including the 2011 Annual Report, our Form 10-K for the year ended December 12, 2011, and the Notice on our website at www.galectintherapeutics.com as well as <http://www.rdezproxy.com/2012/GalectinTherapeutics/>

Who pays for the solicitation of Proxies?

The solicitation of proxies in the enclosed form is made on behalf of the Board of Directors. We pay all costs to solicit these proxies. Our officers, directors and employees may solicit proxies but will not be additionally compensated for such activities. We are also working with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of shares held of record by such institutions and persons. We will reimburse their reasonable expenses.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least one-third of the outstanding shares entitled to vote are represented by stockholders present at the meeting or by proxy. On the record date, there were 17,930,570 shares of common stock outstanding or deemed outstanding based on voting rights of Series A preferred stock or Series B preferred stock on an as-converted basis. Thus, 5,976,857 shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What vote is required for each item to pass?

Election of Directors. Under our bylaws, a nominee will be elected to the Board of Directors if the votes cast for the nominee's election exceed the votes cast against the nominee's election, with abstentions and broker non-votes not counting as votes for or against. If the shares you own held in street name by a brokerage firm, your brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. Two directors, whom we refer to as Series B directors, are nominated and elected by the holder(s) of the Series B preferred stock voting as a separate class.

Ratification of independent registered public accounting firm. Under our bylaws, the affirmative vote of a majority of the total number of votes cast at the meeting is needed to ratify the selection of McGladrey & Pullen, LLP, as our independent registered public accounting firm.

If you do not instruct your broker how to vote with respect to the election of directors, your broker may not vote with respect to this proposal.

Your Board of Directors has eleven members. Why are only nine elected at the annual meeting?

The holder(s) of our Series B preferred stock have the right, as long as any shares of Series B preferred stock are outstanding, to vote as a separate class to nominate and elect two of our directors, referred to as the Series B directors, and to nominate three directors, referred to as the Series B nominees, who must be recommended for election by holders of all of our securities entitled to vote on election of directors. The holder(s) of the Series B preferred stock declined to exercise their right to designate the three Series B nominees for purposes of the 2012 annual meeting. Messrs. Czirr and Greenberg are the Series B directors who, if elected by the holder(s) of the Series B preferred stock at the 2012 annual meeting, will serve on our Board as the Series B directors. As of March 31, 2012, 10X Fund L.P. is the owner of all of the issued and outstanding shares of the Series B preferred stock. For additional information, please see Security Ownership of Certain Beneficial Owners and Management below.

Who will count the votes?

The votes will be counted, tabulated and certified by the Inspector of Elections, which for the 2012 annual meeting will be Continental Stock Transfer & Trust Company, our stock transfer agent.

Will my vote be kept confidential?

Yes, your vote will be kept confidential and we will not disclose your vote, unless (1) we are required to do so by law (including in connection with the pursuit or defense of a legal or administrative action or proceeding), or (2) there is a contested election for the Board of Directors. The Inspector of Elections will forward any written comments that you make on the Proxy Card to management without providing your name, unless you expressly request disclosure on your Proxy Card.

How and when may I submit a stockholder proposal for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 14, 2012 to our Corporate Secretary at 7 Wells Avenue, Suite 34, Newton, MA 02459. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Where can I find the voting results?

We will report the voting results on Form 8-K within four business days after the end of our annual meeting of stockholders. If final voting results are not available to us in time to file a current report on Form 8-K within four business days after the annual meeting, we intend to file a current report on Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional current report on Form 8-K to publish the final results.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 31, 2012, certain information concerning the beneficial ownership of our common stock, our Series A preferred stock and Series B preferred stock by (i) each person known by us to own beneficially five per cent (5%) or more of the outstanding shares of each class, (ii) each of our directors and named executive officers, and (iii) all of our executive officers and directors as a group. The table also sets forth, in its final column, the combined voting power of the voting securities on all matters presented to the stockholders for their approval at the annual meeting, except for such separate class votes as are required by law.

The number of shares beneficially owned by each 5% stockholder, director or executive officer is determined under the rules of the Securities and Exchange Commission, or SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under those rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares that the individual or entity has the right to acquire within 60 days after March 31, 2012 through the exercise of any stock option, warrant or other right, or the conversion of any security. Unless otherwise indicated, each person or entity has sole voting and investment power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

On March 23, 2012, we effected a one-for-six reverse split of our outstanding shares of common stock as well as the authorized but unissued shares of common stock. The reverse split by the same ratio affects the number of shares of our common stock issuable upon conversion of the shares of each series of Preferred Stock. All common share, common equivalent share ratios and per share amounts have been adjusted to reflect this reverse split.

Name and Address(1)	Shares of Common Stock Beneficially Owned(2)	Percent of Common Stock(3)	Shares of Series A Preferred Stock Beneficially Owned	Percent of Series A Preferred Stock(4)	Shares of Series B Preferred Stock Beneficially Owned(5)	Percent of Series B Preferred Stock	Combined Percent of Voting Securities(6)
5% Stockholders							
James C. Czirr	9,679,137(7)	42.2%			3,000,000	100%	4.6%(8)
10X Fund, L.P.(15)	8,587,353(9)	37.9%			3,000,000	100%	20.0%
Rod D. Martin, J.D.	8,766,044(10)	38.5%			3,000,000	100%	*(8)
James C. Czirr Trust(16)	28,451(14)	*	100,000	6.4%			*
David Smith(17)			175,000	11.2%			*
Fivex LLC(17)			100,000(13)	6.4%			*

Name and Address(1)	Shares of Common Stock Beneficially Owned(2)	Percent of Common Stock(3)	Shares of Series A Preferred Stock Beneficially Owned	Percent of Series A Preferred Stock(4)	Shares of Series B Preferred Stock Beneficially Owned(5)	Percent of Series B Preferred Stock	Combined Percent of Voting Securities(6)
Directors and Other Named Executive Officers							
James C. Czirr	9,679,137(7)	42.2%	100,000	6.4%	3,000,000	100%	4.6%(8)
Rod D. Martin, J.D.	8,766,044(10)	38.5%			3,000,000	100%	*(8)
Gilbert F. Amelio, Ph.D.	93,453	*					*
Kevin Freeman	5,556	*					*
Arthur R. Greenberg	97,754	*					*
John Mauldin	5,556	*					*
Steven Prelack	98,131	*					*
Paul Pressler	10,056	*					*
Jerald K. Rome	118,977	*					*
Marc Rubin	7,458	*					*
Peter G. Traber, M.D.	495,835(11)	3.1%					*
Anthony D. Squeglia	115,838	*					*
Maureen Foley	209,170	1.3%					*
All executive officers and directors as a group (13 persons)	11,115,612(12)	46.3%	100,000	6.4%	3,000,000	100%	26.8%

* Less than 1%.

- (1) Except as otherwise indicated, the address for each named person is c/o Galectin Therapeutics Inc., 7 Wells Avenue, Suite 34, Newton, Massachusetts 02459.
- (2) Includes the following number of shares of our common stock issuable upon exercise of outstanding stock options granted to our named executive officers and directors that are exercisable within 60 days after March 31, 2012,

Directors and Named Executive Officers	Options Exercisable Within 60 Days
Mr. Czirr	241,667
Mr. Martin	92,203
Mr. Amelio	8,869
Mr. Freeman	5,556
Mr. Greenburg	11,087
Mr. Mauldin	5,556
Mr. Prelack	98,131
Mr. Pressler	5,556
Mr. Rome	92,419
Mr. Rubin	4,124
Dr. Traber	312,501
Mr. Squeglia	115,838
Ms. Foley	208,336
All executive officers and directors as a group	1,201,843

- (3) For each named person and group included in this table, percentage ownership of our common stock is calculated by dividing the number of shares of our common stock beneficially owned by such person or group by the sum of (i) 15,670,153 shares of our common stock outstanding as of March 31, 2012 and (ii) the number of shares of our common stock that such person has the right to acquire within 60 days after March 31, 2012, which does not include any shares of common stock that may be issued in payment of dividends to holders of our preferred stock during that period.

