

ADVENTRX PHARMACEUTICALS INC

Form DEF 14A

July 23, 2009

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)  
SCHEDULE 14A INFORMATION  
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

**ADVENTRX PHARMACEUTICALS, 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)(4) and 0-11.

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:

5) Total fee paid:

Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**Table of Contents**

**ADVENTRX PHARMACEUTICALS, INC.  
6725 Mesa Ridge Road, Suite 100  
San Diego, CA 92121**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
To Be Held August 25, 2009**

The Special Meeting of Stockholders of ADVENTRX Pharmaceuticals, Inc. (the Company) will be held on August 25, 2009 at 9:00 a.m. local time at the offices of DLA Piper LLP (US), 4365 Executive Drive, Suite 1100, San Diego, California 92121. The meeting is being held for the following purposes, as more fully described in the accompanying proxy statement:

1. To approve a proposal to increase the number of authorized shares of common stock from 200,000,000 shares to 500,000,000 shares, with a corresponding increase in the total number of shares which the Company is authorized to issue from 201,000,000 to 501,000,000, by filing a Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation;
2. To approve a proposal to give the Board of Directors the authority, at its discretion, to effect a reverse split of the Company's common stock by filing a Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation; and
3. To transact such other business as may properly come before the meeting.

**The Board of Directors has approved, and recommends that you vote in favor of, Proposal 1 and Proposal 2 described above.**

July 17, 2009 has been fixed as the record date for determining those stockholders entitled to vote at the Special Meeting. Accordingly, only stockholders of record at the close of business on that date will receive this notice of, and be eligible to vote at, the Special Meeting and any adjournment or postponement of the Special Meeting. The proposals are more fully described in the proxy statement that accompanies this notice.

*Your vote is important.* Please read the proxy statement and the instructions on the enclosed proxy card and then, whether or not you plan to attend the Special Meeting in person, and no matter how many shares you own, please submit your proxy promptly by signing, dating and returning your proxy card in the postage paid envelope provided. This will not prevent you from voting in person at the Special Meeting. It will, however, help to assure a quorum and to avoid added proxy solicitation costs.

You may revoke your proxy at any time before the vote is taken by delivering to the Company's Secretary a written revocation or a proxy with a later date or by voting your shares in person at the Special Meeting, in which case your prior proxy would be disregarded.

BY ORDER OF THE BOARD OF DIRECTORS

Brian M. Culley  
Chief Business Officer and Senior Vice President

San Diego, CA  
July 23, 2009

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on August 25, 2009. The proxy statement is available at <https://www.proxydocs.com/anx>.**

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**TABLE OF CONTENTS**

|   | <b>Page</b> |
|---|-------------|
| <u>PROXY STATEMENT</u>  | 1           |
| <u>Date, Time and Place</u>   | 1           |
| <u>Purpose of the Special Meeting</u>   | 1           |
| <u>Record Date: Shares Outstanding and Entitled to Vote</u>   | 1           |
| <u>How to Vote Your Shares</u>  | 1           |
| <u>How to Change Your Vote</u>  | 2           |
| <u>Proxies: Counting Your Vote</u>  | 2           |
| <u>Abstentions</u>  | 3           |
| <u>Quorum and Required Votes</u>  | 3           |
| <u>Solicitation of Proxies</u>  | 3           |
| <u>Recommendation of the Board of Directors</u>   | 4           |
| <u>QUESTIONS AND ANSWERS ABOUT THIS PROXY STATEMENT</u>   | 5           |
| <u>PROPOSAL 1 APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK, WITH A CORRESPONDING INCREASE IN THE TOTAL NUMBER OF SHARES AUTHORIZED</u> | 9           |
| <u>Purpose of the Proposed Amendment</u>  | 9           |
| <u>Effect of the Proposed Amendment</u>   | 10          |
| <u>Anti-Takeover Effects</u>  | 10          |
| <u>Approval Required</u>  | 10          |
| <u>Recommendation of the Board of Directors</u>   | 10          |
| <u>PROPOSAL 2 APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT OF OUR COMMON STOCK</u>   | 11          |
| <u>Purpose of the Reverse Stock Split</u>   | 11          |
| <u>Effects of the Reverse Stock Split</u>   | 12          |
| <u>General</u>  | 12          |
| <u>Effectiveness of Reverse Stock Split</u>   | 13          |
| <u>Effect on the Company's Stock Plans</u>  | 13          |
| <u>Effect on Authorized but Unissued Shares of Common Stock and Preferred Stock</u>   | 14          |
| <u>Effect on Par Value</u>  | 14          |
| <u>Reduction In Stated Capital</u>  | 14          |
| <u>No Going Private Transaction</u>   | 14          |
| <u>Book-Entry Shares</u>  | 14          |
| <u>Exchange of Stock Certificates</u>   | 14          |
| <u>Fractional Shares</u>  | 15          |
| <u>No Appraisal Rights</u>  | 15          |
| <u>Certain Federal Income Tax Consequences of the Reverse Stock Split</u>   | 16          |
| <u>Approval Required</u>  | 17          |
| <u>Recommendation of the Board of Directors</u>   | 17          |
| <u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>   | 18          |
| <u>STOCKHOLDER PROPOSALS FOR 2010 ANNUAL MEETING</u>  | 20          |
| <u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>  | 20          |

OTHER MATTERS

20

ANNEX A

A-1

ANNEX B

B-1

---

**Table of Contents**

**ADVENTRX Pharmaceuticals, Inc.  
6725 Mesa Ridge Road, Suite 100  
San Diego, CA 92121  
(858) 552-0866**

**PROXY STATEMENT**

**SPECIAL MEETING OF STOCKHOLDERS  
To Be Held On August 25, 2009**

**Date, Time and Place**

ADVENTRX Pharmaceuticals, Inc. (the Company) is furnishing this proxy statement and the enclosed proxy card in connection with the solicitation of proxies by the Board of Directors of the Company (the Board) for use at the Special Meeting of Stockholders to be held on August 25, 2009, at 9:00 a.m. local time, at the offices of DLA Piper LLP (US), 4365 Executive Drive, Suite 1100, San Diego, California 92121, and at any adjournments or postponements thereof (the Special Meeting). These materials are being mailed to stockholders on or about July 23, 2009.

**Purpose of the Special Meeting**

The Special Meeting has been called for the following purposes:

1. To approve a proposal to increase the number of authorized shares of common stock from 200,000,000 shares to 500,000,000 shares, with a corresponding increase in the total number of shares which the Company is authorized to issue from 201,000,000 to 501,000,000, by filing a Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation (the Proposal 1 Certificate of Amendment);
2. To approve a proposal to give our Board the authority, at its discretion, to effect a reverse split of the Company's common stock by filing a Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation (the Proposal 2 Certificate of Amendment); and
3. To transact such other business as may properly come before the meeting.

**Record Date; Shares Outstanding and Entitled to Vote**

The Company has fixed July 17, 2009 as the record date for the determination of holders of Company common stock entitled to notice of and to vote at the Special Meeting and any adjournment or postponement of the Special Meeting. At the close of business on the record date, the Company had 113,044,357 shares of common stock issued and outstanding. No other shares of Company capital stock are entitled to notice of or to vote at the Special Meeting.

**How to Vote Your Shares**



**If you hold your shares in your own name**, you may submit a proxy by mail, or you may vote by attending the Special Meeting and voting in person.

*Submitting a Proxy by Mail:* If you choose to submit a proxy by mail, simply mark the enclosed proxy card, date and sign it, and return it in the postage paid envelope provided.

By casting your vote by proxy, you are authorizing the individuals listed on the proxy to vote your shares in accordance with your instructions. You may also attend the Special Meeting and vote in person.

**If your shares are held in the name of a bank, broker or other nominee**, you will receive instructions from the holder of record that you must follow for your shares to be voted. The availability of telephonic or Internet voting will depend on the bank's or broker's voting process. Please check with your bank or broker and follow the voting procedure your bank or broker provides to vote your shares. Also, please note that if the holder of record of your shares is a broker, bank or other nominee and you wish to vote in person at the Special Meeting, you must

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## **Table of Contents**

request a legal proxy from your bank, broker or other nominee that holds your shares and present that proxy and proof of identification at the Special Meeting.

## **How to Change Your Vote**

You may revoke your proxy at any time before it is exercised by:

Delivering to the Company's Secretary a written notice of revocation, dated later than the proxy, before the vote is taken at the Special Meeting;

Delivering to the Company's Secretary a duly executed proxy bearing a later date, before the vote is taken at the Special Meeting; or

Attending the Special Meeting and voting in person (your attendance at the Special Meeting, in and of itself, will not revoke the proxy).

Any written notice of revocation, or later dated proxy, should be delivered to:

Adventrx Pharmaceuticals, Inc.  
6725 Mesa Ridge Road, Suite 100  
San Diego, CA 92121  
Attention: Corporate Secretary

Alternatively, you may hand deliver a written revocation notice, or a later dated proxy, to the Secretary at the Special Meeting before we begin voting.

If your shares of Company common stock are held by a bank, broker or other nominee, you must follow the instructions provided by the bank, broker or other nominee if you wish to change your vote.

## **Proxies; Counting Your Vote**

If you provide specific voting instructions, your shares will be voted at the Special Meeting in accordance with your instructions. If you hold shares in your name and sign and return a proxy card without giving specific voting instructions, your shares will be voted as follows:

*FOR* approval of Proposal 1, which, when the Proposal 1 Certificate of Amendment is filed with the Delaware Secretary of State, will increase the number of authorized shares of common stock from 200,000,000 shares to 500,000,000 shares, with a corresponding increase in the total number of shares which the Company is authorized to issue from 201,000,000 to 501,000,000.

*FOR* approval of Proposal 2, which, when the Proposal 2 Certificate of Amendment is filed with the Delaware Secretary of State, will effect a reverse stock split of our issued and outstanding common stock at a ratio that is not less than 2:1 nor greater than 50:1, with the final ratio to be selected by our Board in its discretion.

At this time, we are unaware of any matters, other than those set forth above, that may properly come before the Special Meeting. If any other matters properly come before the Special Meeting, the persons named in the enclosed proxy, or their duly constituted substitutes acting at the Special Meeting or any adjournment or postponement of the Special Meeting, will be deemed authorized to vote or otherwise act on such matters in accordance with their

judgment.

The persons named in the enclosed proxy, or their duly constituted substitutes acting at the Special Meeting or any adjournment or postponement of the Special Meeting, may propose and vote for one or more adjournments or postponements of the Special Meeting, including adjournments or postponements to permit further solicitations of proxies. Proxies solicited may be voted only at the Special Meeting and any adjournment or postponement of the Special Meeting and will not be used for any other meeting of the Company's stockholders.

Officers of the Company will serve as proxy tabulator and count the votes. The results will be certified by the inspector(s) of elections.

## **Table of Contents**

### **Abstentions**

An abstention occurs when a stockholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. Abstentions are counted as present for purposes of determining a quorum. However, an abstention with respect to a matter submitted to a vote of stockholders will not be counted as having been voted for or against the matter. Because approval of the proposals to be voted on at the Special Meeting requires the affirmative vote of the holders of a majority of the Company's outstanding shares of common stock, an abstention with respect to any of the matters scheduled for a vote at the Special Meeting will have the same effect as a vote against the proposal.

### **Quorum and Required Votes**

A quorum, consisting of the holders of 56,522,179 shares (a majority of the aggregate number of shares of Company common stock issued and outstanding and entitled to vote as of the record date for the Special Meeting), must be present in person or by proxy before any action may be taken at the Special Meeting. Proxies marked "abstain" will be treated as shares that are present for purposes of determining the presence of a quorum.

*Proposal 1:* Proposal 1 to approve an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock, with a corresponding increase in the total number of shares authorized, requires the affirmative vote of the holders of a majority of the Company's outstanding shares of common stock. Any shares not voted (whether by abstention or otherwise) will have the same effect as a vote Against the proposal.

*Proposal 2:* Proposal 2 to approve an amendment to our Amended and Restated Certificate of Incorporation to effect a reverse stock split requires the affirmative vote of the holders of a majority of the Company's outstanding shares of common stock. Any shares not voted (whether by abstention or otherwise) will have the same effect as a vote Against the proposal.

The directors and executive officers of the Company and their respective affiliates collectively owned on a beneficial basis approximately 10.4 million shares as of June 30, 2009. Assuming the exercise of all options and warrants held by the Company's directors and executive officers and their respective affiliates that were exercisable as of June 30, 2009 or within 60 days of such date, such shares represented approximately 9.2% of the total Company voting power as of such date. See the section entitled "Security Ownership of Certain Beneficial Owners and Management" beginning on page 18.

All share numbers in this proxy statement do not take into account the effect of the proposed amendments to our Amended and Restated Certificate of Incorporation, unless otherwise expressly indicated.

### **Solicitation of Proxies**

We are soliciting proxies from stockholders on behalf of our Board and will pay for all costs incurred in connection with the solicitation. In addition to solicitation by mail, the directors, officers and employees of the Company and its subsidiaries may solicit proxies from our stockholders in person or by telephone, facsimile, e-mail or other electronic methods without additional compensation other than reimbursement for their actual expenses.

We may retain a proxy solicitation firm to assist us in the solicitation of proxies for the Special Meeting. We would pay such firm, if any, customary fees expected to be no more than \$15,000 and would reimburse the firm for its reasonable out-of-pocket expenses. We may also engage individuals (including our former employees) to assist us in

the solicitation of proxies for the Special Meeting. We would pay such individuals an hourly rate for their services and would reimburse them for their reasonable out-of-pocket expenses.

Arrangements also will be made with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and we will reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in connection therewith.

**Table of Contents**

**Recommendation of the Board of Directors**

Our Board has approved Proposal 1 an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock, with a corresponding increase in the total number of shares authorized and has approved Proposal 2 an amendment to our Amended and Restated Certificate of Incorporation to effect a reverse stock split of the issued and outstanding common stock at a ratio that is not less than 2:1 nor greater than 50:1, with the final ratio selected by our Board in its discretion. **Our Board recommends that you vote FOR Proposal 1 and Proposal 2.**

If you have any questions about voting your shares, please call Investor Relations at (858) 552-0866, ext 235.

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THIS PROXY STATEMENT**

**What am I voting on?**

You are voting on an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock, with a corresponding increase in the total number of shares authorized, and an amendment to our Amended and Restated Certificate of Incorporation to effect a reverse stock split of the issued and outstanding common stock at a ratio that is not less than 2:1 nor greater than 50:1, with the final ratio to be selected by our Board in its discretion.

**Who is soliciting my proxy to vote on the proposals described in this proxy statement?**

Our Board is requesting your proxy to vote on each of the proposals described in this proxy statement.

**How does the Board of Directors recommend that I vote?**

Our Board recommends that you vote **FOR** each of the proposals described in this proxy statement.

**Why does the Company need to hold this meeting?**

We intend to file a registration statement on Form S-1 and, once the registration statement is declared effective, we intend to offer securities to certain investors pursuant to that registration statement (the **Offering** ). We are in the process of determining the number of shares we anticipate issuing in the Offering. The determination will be based, in part, on market conditions at the time the registration statement is filed, as well as when it is declared effective, the status of regulatory submissions to the U.S. Food and Drug Administration and the outcome of discussions with the U.S. Food and Drug Administration regarding the bioequivalence data from our recently complete study of ANX-514. Currently, we intend to use the net proceeds from the anticipated Offering to fund activities relating to seeking approval by the U.S. Food and Drug Administration to market our product candidates ANX 530 and ANX-514 in the United States, pre-launch activities related to commercialization of ANX-530, and for general corporate purposes, including working capital. We have retained Rodman & Renshaw LLC to assist us with the Offering. Other than with respect to the Offering, we have no plans, arrangements or understandings relating to the issuance of any of the newly authorized shares that would be available as a result of the proposed increase in authorized shares or the proposed reverse stock split. The Company is currently authorized to issue 200,000,000 shares of common stock, of which 108,288,771 shares were issued and outstanding as of June 30, 2009. In addition, as of June 30, 2009, but assuming the issuance of 1,361 shares of our 5% Series B Convertible Preferred Stock in connection with the financing transaction that we announced on June 29, 2009 and that such shares are issued and outstanding as of June 30, 2009, 22,941,377 shares of our common stock are reserved for issuance upon exercise of outstanding options and warrants, 9,504,189 shares of our common stock are reserved for issuance upon conversion of outstanding preferred stock, 3,150,000 shares of our common stock are reserved for issuance upon vesting of outstanding restricted stock units, 475,209 shares of our common stock are reserved in connection with the issuance of warrants to the placement agent for the registered direct financing we announced on June 29, 2009 and 13,430,188 shares of our common stock are reserved for issuance under our Stock Plans (as defined below). As result, the Company currently has limited shares of common stock available for issuance. We are holding this meeting to increase the total number of authorized shares available for issuance to conduct the Offering and for other corporate purposes.

On June 1, 2009, we received notice from the staff of the NYSE Amex LLC (the **Exchange** ) that, based on their review of our Form 10-Q for the period ended March 31, 2009, we are not in compliance with certain of the

Exchange's continued listing standards as set forth in Part 10 of the Exchange's Company Guide (the Company Guide). Specifically, the Exchange noted that the Company is not in compliance with Section 1003(a)(ii) of the Company Guide because it reported stockholders' equity of less than \$4,000,000 and losses from continuing operations and net losses in three of its four most recent fiscal years, or with Section 1003(a)(iii) of the Company Guide because it reported stockholders' equity of less than \$6,000,000 and losses from continuing operations and net losses in its five most recent fiscal years.



## **Table of Contents**

In addition, the Exchange staff notified us, in accordance with Section 1003(f)(v) of the Company Guide, that it deems it appropriate for us to effect a reverse stock split of our common stock to address its low selling price per share, and that if a reverse stock split is not completed within a reasonable amount of time after June 1, 2009, the Exchange may consider suspending dealings in, or removing from the list, our common stock. While the Exchange does not provide bright line minimum share price standards for continued listing, we believe that a price less than \$1.00 per share for a substantial period of time will be investigated. From October 1, 2007 through July 23, 2009, the closing price of a share of our common stock has been less than \$1.00.

If we are unable to comply with the Exchange's continued listing standards, our common stock may be suspended from trading on and/or delisted from the Exchange. The delisting of our common stock from the Exchange is likely to reduce the trading volume and liquidity in our common stock and may lead to further decreases in the trading price of our common stock. The delisting of our common stock may also materially impair our stockholders' ability to buy and sell shares of our common stock. In addition, the delisting of our common stock could significantly impair our ability to raise capital, which is critical to the continuation of our business.

Our Board has determined that an amendment to our Amended and Restated Certificate of Incorporation to increase the authorized number of our shares of common stock and an amendment to our to Amended and Restated Certificate of Incorporation to effect a reverse stock split are necessary for, among other things, the continued listing of our common stock on the Exchange. The increase the increase in the number of authorized shares of common stock, along with the corresponding increase in the total number of shares authorized, increases the likelihood that the Company will have enough shares to conduct the Offering, which is expected to increase our stockholders' equity. The reverse stock split is intended to increase the price per share of the Company's common stock to levels acceptable to the Exchange. Pursuant to the law of our state of incorporation, Delaware, our Board must adopt any amendment to our Amended and Restated Certificate of Incorporation, declare its advisability and submit the amendment to stockholders for approval. Accordingly, our Board is requesting your proxy to vote FOR each of the proposals described in this proxy statement.

### **What vote is required to approve the proposed amendments to the Company's Amended and Restated Certificate of Incorporation?**

The proposed amendments require the affirmative vote of the holders of a majority of the Company's outstanding shares of common stock.

### **What effect will the reverse stock split have on the Company's issued and outstanding shares of common stock?**

If the reverse stock split is approved by our stockholders, we will exchange one new share for a number of outstanding shares to be determined when our Board, in its discretion, selects the final reverse split ratio within the range of not less than 2:1 nor greater than 50:1. When the reverse stock split becomes effective, the number of the Company's outstanding shares will be reduced proportionately to the selected reverse split ratio, but the value of each share should be proportionately increased by that same ratio. We will not issue any fractional shares. Stockholders who would otherwise hold fractional shares as a result of the reverse stock split will be entitled to receive cash (without interest or deduction) in lieu of such fractional shares from our transfer agent, upon receipt by our transfer agent of a properly completed and duly executed transmittal letter and, where shares are held in certificated form, the surrender of all old stock certificate(s) ( Old Certificate(s) ), in an amount equal to the proceeds attributable to the sale of such fractional shares following the aggregation and sale by our transfer agent of all fractional shares otherwise issuable. The reverse stock split will not directly and by itself impact the market value of our company as a whole, although the market value of our common stock may move up or down once the reverse stock split is effective.

### **What effect will the proposals have on the Company's authorized shares of common stock?**

Currently, we have authorized 200,000,000 shares of common stock. If Proposal 1 is approved by our stockholders, upon filing the Proposal 1 Certificate of Amendment with the Delaware Secretary of State, the authorized number of shares of our common stock will increase from 200,000,000 shares to 500,000,000 shares. If

## **Table of Contents**

the reverse stock split is implemented, we will not proportionately reduce the number of our authorized shares, regardless of whether Proposal 1 is approved. As a result, the number of our authorized shares of common stock will remain at either 200,000,000 shares or 500,000,000 shares, regardless of our whether we implement the reverse stock split or the ratio at which we implement the reverse stock split.

### **If the reverse stock split is approved, when will the Board take action?**

If the reverse stock split is approved, the Board can take action at any during the twelve months following stockholder approval of the reverse stock split. The Board must use one of the approved ratios or it can choose not to do a reverse stock split at all.

### **How will the reverse stock split impact the Company's Stock Plans?**

Our Board has approved proportionate adjustments to the number of shares outstanding and available for issuance under the Stock Plans and to the exercise price, grant price or purchase price relating to any award under the Stock Plans, using the same split ratio, if the reverse stock split is effected. Adjustments made by our Board may include any correlative modification of terms as are necessary or appropriate to ensure awards are not substantially diminished or enlarged as a result of the reverse stock split, if the reverse stock split is effected.

### **What are the mechanics of the reverse stock split?**

Assuming the reverse stock split is approved by our stockholders, this is how it will work:

If your shares are held in street name—that is, through an account at a brokerage firm, bank, dealer, or other similar organization—the number of shares you hold will automatically be adjusted to reflect the reverse stock split.

If your shares are registered directly in your name with our transfer agent and your shares are held in book-entry form (i.e. your shares are not represented by a physical stock certificate), the number of shares you hold will automatically be adjusted to reflect the reverse stock split. You will be sent a transmittal letter by our transfer agent. You will need to return to our transfer agent a properly completed and duly executed transmittal letter in order to receive any cash payment in lieu of fractional shares or any other distributions, if any, that may be declared and payable to holders of record.

If your shares are registered directly in your name with our transfer agent and your shares are held in certificated form (i.e. your shares are represented by one or more physical stock certificates), you will receive a transmittal letter asking you to surrender your Old Certificate(s) representing pre-split shares in exchange for a new certificate ( New Certificate ) representing post-split shares. You will need to return to our transfer agent a properly completed and duly executed transmittal letter, together with your Old Certificate(s), in order to receive a New Certificate and any cash payment in lieu of fractional shares or any other distributions, if any, that may be declared and payable to holders of record following the reverse stock split.

Whether your shares are held in street name or directly, we will not issue fractional shares of common stock to you. Stockholders who would otherwise hold fractional shares as a result of the reverse stock split will be entitled to receive cash (without interest or deduction) in lieu of such fractional shares from our transfer agent, upon receipt by our transfer agent of a properly completed and duly executed transmittal letter and, where shares are held in certificated form, the surrender of all Old Certificate(s), in an amount equal to the proceeds attributable to the sale of such fractional shares following the aggregation and sale by our transfer agent of all fractional shares otherwise issuable.

Any cash due to you in exchange for fractional shares will be paid to you as follows:

If your shares are held in street name, payment for the fractional shares will be deposited directly into your account with the organization holding your shares.

If your shares are registered directly in your name with our transfer agent, whether you hold your shares in certificated or uncertificated form, payment for the fractional shares will be made by check, sent to you directly from our transfer agent upon receipt of your properly completed and duly executed transmittal letter and, where your shares are held in certificated form, the surrender of your Old Certificate(s).

**Table of Contents**

**After the reverse stock split, I will have an odd lot of fewer than 100 shares. Will I be able to sell the odd lot ?**

The reverse stock split may result in some stockholders owning odd lots of fewer than 100 shares on a post-split basis. You will be able to sell the odd lots, but odd lot sales may result in higher transaction costs per share than round lot sales, which are sales of even multiples of 100 shares.

**Are there any dissenter s rights or appraisal rights?**

Pursuant to applicable Delaware law, there are no dissenter s or appraisal rights relating to Proposal 1 or Proposal 2.

**If my shares are held in street name by my broker, will my broker vote my shares for me?**

If your shares are held in the name of a bank or broker or other nominee, you will receive separate instructions from your bank, broker or other nominee describing how to vote your shares. The availability of telephonic or Internet voting will depend on the bank s or broker s voting process. Please check with your bank or broker and follow the voting procedures your bank or broker provides.

You should instruct your bank, broker or other nominee how to vote your shares. If they do not receive voting instructions from you regarding these proposals, applicable rules grant them discretionary authority to vote your shares.

**May I change my vote after I have mailed my signed proxy card?**

Yes. You may change your vote at any time before your proxy is voted at the Special Meeting. You can do this in several ways. You can send a written notice stating that you want to revoke your proxy, or you can complete and submit a new proxy card bearing a later date. If you choose either of these methods, you must submit your notice of revocation or your new proxy card to the Company s Secretary at Adventrx Pharmaceuticals, Inc., Attention: Secretary, 6725 Mesa Ridge Road, Suite 100, San Diego, CA 92121.

You can also attend the Special Meeting and vote in person. Simply attending the Special Meeting, however, will not revoke your proxy. To revoke your earlier proxy, you must vote at the Special Meeting.

If you have instructed a broker to vote your shares, the preceding instructions do not apply, and you must follow the voting procedures received from your broker to change your vote.

**If I want to attend the Special Meeting, what do I do?**

You should come to the offices of DLA Piper LLP (US), 4365 Executive Drive, Suite 1100, San Diego, California 92121, at 9:00 a.m. local time, on August 25, 2009. Stockholders of record as of the record date for the Special Meeting (July 17, 2009) can vote in person at the Special Meeting. If your shares are held in street name, then you are not the stockholder of record and you must ask your bank, broker or other nominee holder how you can vote in person at the Special Meeting.

**Who can help answer my questions?**

If you have any questions or need assistance in voting your shares or have other questions regarding the Special Meeting, you may contact:

Adventrx Pharmaceuticals, Inc.  
6725 Mesa Ridge Road, Suite 100  
San Diego, CA 92121  
Attention: Investor Relations  
Telephone: (858) 552-0866, ext 235

**Table of Contents**

**PROPOSAL 1**

**APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK, WITH A CORRESPONDING INCREASE IN THE TOTAL NUMBER OF SHARES AUTHORIZED**

Our Board has adopted and is submitting for stockholder approval a proposal to amend our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 200,000,000 shares to 500,000,000 shares, with a corresponding increase in the total number of shares which the Company is authorized to issue from 201,000,000 to 501,000,000. Pursuant to the law of our state of incorporation, Delaware, our Board must adopt any amendment to our Amended and Restated Certificate of Incorporation, declare its advisability and submit the amendment to stockholders for their approval. The affirmative vote of the holders of a majority of the Company's outstanding shares of common stock is required to approve the amendment.

This proposed increase in the number of authorized shares of common stock, and the corresponding increase in the total number of shares authorized, will become effective upon the Company's filing the Proposal 1 Certificate of Amendment with the Delaware Secretary of State. The Company currently plans to file the Proposal 1 Certificate of Amendment as soon as reasonably practicable after receiving approval from its stockholders at the Special Meeting. A copy of the form of the Proposal 1 Certificate of Amendment is attached to this Proxy Statement as *Annex A*, and the following discussion is qualified in its entirety by the full text of the Proposal 1 Certificate of Amendment.

If this Proposal 1 is approved, Section A of Article IV of the Amended and Restated Certificate of Incorporation will be amended to reflect an increase of 300,000,000 in the number of authorized shares of common stock and a corresponding increase of 300,000,000 in the total number of shares authorized. The proposed amendment will not change the total number of authorized shares of the Company's preferred stock. The proposed amendment is set forth in its entirety below:

*(A) Classes of Stock.* The Corporation is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares which the Corporation is authorized to issue is Five Hundred One Million shares, each with a par value of \$0.001 per share. Five Hundred Million (500,000,000) shares shall be Common Stock, and One Million (1,000,000) shares shall be Preferred Stock.

Our Board reserves the right pursuant to Section 242(c) of the Delaware General Corporation Law, notwithstanding stockholder approval and without further action by the stockholders, to determine not to proceed with the proposed increase in the number of authorized shares of common stock, or the corresponding proposed increase in the total number of shares authorized, if, at any time before the filing of the Proposal 1 Certificate of Amendment with the Delaware Secretary of State, our Board determines that the increases are no longer in the best interests of the Company and its stockholders.

**Purpose of the Proposed Amendment**

The Company is currently authorized to issue a total of 200,000,000 shares of common stock. As of June 30, 2009, 108,288,771 shares of common stock were issued and outstanding. In addition, as of June 30, 2009, but assuming the issuance of 1,361 shares of our 5% Series B Convertible Preferred Stock in connection with the financing transaction that we announced on June 29, 2009 and that such shares are issued and outstanding as of June 30, 2009, 22,941,377 shares of our common stock are reserved for issuance upon exercise of outstanding options and warrants, 9,504,189 shares of our common stock are reserved for issuance upon conversion of outstanding preferred stock,

3,150,000 shares of our common stock are reserved for issuance upon vesting of outstanding restricted stock units, 475,209 shares of our common stock are reserved in connection with the issuance of warrants to the placement agent for the registered direct financing we announced on June 29, 2009 and 13,430,188 shares of our common stock are reserved for issuance under our Stock Plans. As a result, the Company does not believe it has sufficient shares of common stock available for the Offering or for other corporate purposes.



## **Table of Contents**

On June 1, 2009, we received notice from the staff of the Exchange that, based on their review of our Form 10-Q for the period ended March 31, 2009, we are not in compliance with certain of the Exchange's continued listing standards as set forth in Part 10 of the Company Guide. Specifically, the Exchange noted that the Company is not in compliance with Section 1003(a)(ii) of the Company Guide because it reported stockholders' equity of less than \$4,000,000 and losses from continuing operations and net losses in three of its four most recent fiscal years, or with Section 1003(a)(iii) of the Company Guide because it reported stockholders' equity of less than \$6,000,000 and losses from continuing operations and net losses in its five most recent fiscal years.

The purpose of this proposal is to provide us with a sufficient number of shares of common stock which are authorized for (i) future issuances pursuant to the Offering; and (ii) other corporate purposes recommended and authorized by our Board.

We are seeking to complete the Offering in order to raise capital for development and expansion of the Company's business. The Company has determined that it must raise additional capital to adequately fund its business and to regain compliance with the continued listing standards of the Exchange by increasing its stockholders' equity.

## **Effect of the Proposed Amendment**

The increase in the number of authorized shares of common stock, and the corresponding increase in the total number of shares authorized, will not have an immediate effect on the rights of existing stockholders. However, if this proposal is not approved, the Company likely will not have the ability to issue sufficient shares to support the corporate purposes described above; primarily, to have enough shares to complete the Offering.

The shares of common stock authorized by this Proposal 1 will have the same rights, preferences and privileges of our previously authorized shares of common stock. Current holders of our common stock do not have preemptive rights, which means that they do not have a right to purchase a proportionate share of any new issuances of common stock in order to maintain their proportionate ownership of the Company. Therefore, the issuance of any additional shares of common stock will have a dilutive effect on the equity and voting power of existing holders of common stock. It may also adversely affect the market price of common stock.

## **Anti-Takeover Effects**

Our Board is not recommending this Proposal 1 with an intent to use the ability to issue additional common stock to discourage tender offers or takeover attempts. However, the availability of authorized common stock for issuance could render more difficult or discourage a merger, tender offer, proxy contest or other attempt to obtain control of the Company. The proposed amendment is not in response to any effort on the part of any party to accumulate common stock or to acquire control of the Company by means of merger, tender offer, proxy contest or otherwise, or to change management.

## **Approval Required**

The affirmative vote of the holders of a majority of the Company's outstanding shares of common stock is required to approve Proposal 1.

## **Recommendation of the Board of Directors**

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSAL 1.**



**Table of Contents**

**PROPOSAL 2**

**APPROVAL OF AN AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT OF OUR COMMON STOCK**

Our Board has adopted and is submitting for stockholder approval an amendment to our Amended and Restated Certificate of Incorporation to effect a reverse stock split at a ratio that is not less than 2:1 nor greater than 50:1, with the final ratio to be selected by our Board in its discretion following stockholder approval. Pursuant to the law of our state of incorporation, Delaware, our Board must adopt any amendment to our Amended and Restated Certificate of Incorporation, declare its advisability and submit the amendment to stockholders for their approval. The affirmative vote of the holders of a majority of the Company's outstanding shares of common stock is required to approve the reverse stock split.

The form of the proposed amendment to our Amended and Restated Certificate of Incorporation to effect the reverse stock split is attached to this Proxy Statement as *Annex B*. The amendment will effect a reverse stock split of our common stock at a ratio that is not less than 2:1 nor greater than 50:1, with the final ratio to be selected by our Board in its discretion following stockholder approval. Our Board, in its discretion, may elect to effect any one (but not more than one) of the reverse split ratios in that range upon receipt of stockholder approval, or none of them if our Board determines in its discretion not to proceed with the reverse stock split. We believe that the availability of alternative reverse split ratios will provide the Company with the flexibility to implement the reverse stock split in a manner designed to maximize the anticipated benefits for us and our stockholders. In determining which reverse stock split ratio to implement, if any, following the receipt of stockholder approval, our Board may consider, among other things, factors such as:

the historical trading price and trading volume of our common stock;

the then prevailing trading price and trading volume of our common stock and the anticipated impact of the reverse stock split on the trading market for our common stock;

our ability to continue our listing on the Exchange;

which of the alternative reverse split ratios would result in the greatest overall reduction in our administrative costs; and

prevailing general market and economic conditions.

To avoid the existence of fractional shares of our common stock, stockholders who would otherwise hold fractional shares as a result of the reverse stock split will be entitled to receive cash (without interest or deduction) in lieu of such fractional shares from our transfer agent, upon receipt by our transfer agent of a properly completed and duly executed transmittal letter and, where shares are held in certificated form, the surrender of all Old Certificate(s), in an amount equal to the proceeds attributable to the sale of such fractional shares following the aggregation and sale by our transfer agent of all fractional shares otherwise issuable.

As of June 30, 2009, we had 108,288,771 shares of common stock issued and outstanding. Based on the number of shares of common stock currently issued and outstanding, immediately following the completion of the reverse stock split, and, for illustrative purposes only, assuming a 10:1 reverse stock split, we would have approximately 10,828,877 shares of common stock issued and outstanding (without giving effect to the treatment of fractional

shares). The actual number of shares outstanding after giving effect to the reverse stock split will depend on the reverse split ratio that is ultimately selected by our Board. We do not expect the reverse stock split itself to have any economic effect on our stockholders, debt holders or holders of options or restricted stock, except to the extent the reverse stock split will result in fractional shares as discussed below.

### **Purpose of the Reverse Stock Split**

Our Board authorized the reverse split of our common stock with the primary intent of increasing the price of our common stock in order to continue to meet the Exchange's price criteria for continued listing on that exchange. Our common stock is publicly traded and listed on the Exchange under the symbol ANX. Our Board believes that, in addition to increasing the price of our common stock, the reverse stock split would also reduce certain of our

## **Table of Contents**

costs, such as Exchange listing fees, and make our common stock more attractive to a broader range of institutional and other investors. Accordingly, for these and other reasons discussed below, we believe that effecting the reverse stock split is in the Company's and our stockholders' best interests.

On June 1, 2009, the Exchange staff notified us, in accordance with Section 1003(f)(v) of the Company Guide, that it deems it appropriate for us to effect a reverse stock split of our common stock to address its low selling price per share, and that if a reverse stock split is not completed within a reasonable amount of time after June 1, 2009, the Exchange may consider suspending dealings in, or removing from the list, our common stock. While the Exchange does not provide bright line minimum share price standards for continued listing, we believe that a price less than \$1.00 per share for a substantial period of time will be investigated. From October 1, 2007 through July 23, 2009, the closing price of a share of our common stock has been less than \$1.00.

If we are unable to comply with the Exchange's continued listing standards, including its minimum trading price requirements, our common stock may be suspended from trading on and/or delisted from the Exchange. The delisting of our common stock from the Exchange is likely to reduce the trading volume and liquidity in our common stock and may lead to further decreases in the trading price of our common stock. The delisting of our common stock may also materially impair our stockholders' ability to buy and sell shares of our common stock. In addition, the delisting of our common stock could significantly impair our ability to raise capital, which is critical to the continuation of our business. Our Board has determined that an amendment to our Amended and Restated Certificate of Incorporation to effect a reverse stock split with the intent of raising the price per share of the Company's common stock is necessary in connection with the continued listing of our common stock on the Exchange, and is in the best interests of our stockholders.

In addition to initially creating a higher price per share, we also believe that the reverse stock split will make our common stock more attractive to a broader range of institutional investors, professional investors and other members of the investing public, many of whom have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced stocks to their customers. In addition, some of those policies and practices may function to make the processing of trades in low-priced stocks economically unattractive to brokers. Moreover, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher-priced stocks, the current average price per share of common stock can result in individual stockholders paying transaction costs representing a higher percentage of their total share value than would be the case if the share price were substantially higher.

Reducing the number of outstanding shares of our common stock through the reverse stock split is intended, absent other factors, to increase the per share market price of our common stock. However, other factors, such as our financial results, market conditions and the market perception of our business (including the market's perception of and reaction to a proposal for or the implementation of a reverse stock split) may adversely affect the market price of our common stock. As a result, there can be no assurance that the reverse stock split, if completed, will result in the intended benefits described above, that the market price of our common stock will increase following the reverse stock split or that the market price of our common stock will not decrease in the future.

## **Effects of the Reverse Stock Split**

### ***General***

If the reverse stock split is approved and implemented, the principal effect will be to proportionately decrease the number of outstanding shares of our common stock based on the reverse stock split ratio selected by our Board. Our common stock is currently registered under Section 12(b) of the Securities Exchange Act of 1934, or the Exchange Act, and we are subject to the periodic reporting and other requirements of the Exchange Act. The reverse stock split

will not affect the registration of our common stock under the Exchange Act or the listing of our common stock on the Exchange. Following the reverse stock split, our common stock will continue to be listed on the Exchange under the symbol ANX, although it will be considered a new listing with a new CUSIP number.

Proportionate voting rights and other rights of the holders of our common stock will not be affected by the reverse stock split, other than as a result of the treatment of fractional shares as described below. For example, a

**Table of Contents**

holder of 2% of the voting power of the outstanding shares of our common stock immediately prior to the effectiveness of the reverse stock split will generally continue to hold 2% of the voting power of the outstanding shares of our common stock after the reverse stock split. The number of stockholders of record will not be affected by the reverse stock split (except to the extent any are cashed out as a result of holding fractional shares). If approved and implemented, the reverse stock split may result in some stockholders owning odd lots of less than 100 shares of our common stock. Odd lot shares may be more difficult to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in round lots of even multiples of 100 shares. Our Board believes, however, that these potential adverse effects are outweighed by the potential benefits of the reverse stock split.

***Effectiveness of Reverse Stock Split***

The reverse stock split, if approved by our stockholders, would become effective upon the filing and effectiveness (the Effective Time ) of the Proposal 2 Certificate of Amendment with the Delaware Secretary of State. Our Board must use one of the approved ratios or it can choose not to do a reverse stock split at all. However, the exact timing of the filing of the Proposal 2 Certificate of Amendment will be determined by our Board based on its evaluation as to when such action will be the most advantageous to our Company and our stockholders, and our Board will have discretion, for up to twelve months following stockholder approval, as to when to file the Proposal 2 Certificate of Amendment with the Delaware Secretary of State. In addition, our Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with the reverse stock split if, at any time prior to filing the Proposal 2 Certificate of Amendment, our Board, in its sole discretion, determines that it is no longer in our Company s best interests and the best interests of our stockholders to proceed with the reverse stock split.

***Effect on the Company s Stock Plans***

As of June 30, 2009, we had approximately 6,262,468 shares subject to outstanding awards under our 2008 Omnibus Incentive Plan, our 2005 Employee Stock Purchase Plan and our 2005 Equity Incentive Plan (collectively, the Stock Plans ). We have adopted but not implemented the 2005 Equity Incentive Plan and no shares have been sold or issue