
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **March 23, 2014**

ARCH THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

333-178883
(Commission
File Number)

46-0524102
(I.R.S. Employer
Identification No.)

20 William Street, Suite 270
Wellesley, Massachusetts
(Address of principal executive offices)

02481
(Zip Code)

Registrant's telephone number, including area code: **(617) 475-5254**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements or Certain Officers.

(e)

Adjustments to Annual Base Salary and Cash Bonus Eligibility for the Company's Chief Executive Officer and Chief Operating Officer

On March 23, 2014, the Board of Directors (the "Board") of Arch Therapeutics, Inc. (the "Company") approved certain adjustments to the annual base salary and cash bonus eligibility for the Company's Chief Executive Officer, Terrence W. Norchi, and the Company's Chief Operating Officer, William Cotter, as follows: (i) Dr. Norchi's annual base salary was increased by \$50,000 to \$325,000, retroactively effective as of February 1, 2014, and his cash bonus eligibility was increased from 30% to 35% of his annual base salary, and (ii) Mr. Cotter's annual base salary was increased by \$65,000 to \$240,000, retroactively effective as of February 1, 2014, and his cash bonus eligibility was increased from 20% to 25% of his annual base salary.

The annual base salary adjustments described above are consistent with the terms of the Company's executive employment agreements with Dr. Norchi and with Mr. Cotter, dated June 25, 2013 and July 2, 2013, respectively, which generally provide for the review of each such officer's annual base salary from time to time in accordance with the Company's procedures for adjusting salaries for similarly situated employees. The cash bonus eligibility adjustments described above are set forth in amendments, effective March 23, 2014, to the Company's executive employment agreement with each such officer.

Discretionary Bonus to the Company's Chief Financial Officer

On March 23, 2014, the Board approved a cash bonus for the Company's Chief Financial Officer, Mr. Alan Barber, in the amount of \$28,000. Such cash bonus was granted at the Board's discretion outside of the terms of the Company's executive employment agreement with Mr. Barber, dated June 26, 2013, which does not provide for eligibility for such a cash bonus.

Item 9.01 Financial Statements and Exhibits

(d)

Exhibit	Description
10.1	First Amendment to Executive Employment Agreement, dated March 23, 2014, by and between Arch Therapeutics, Inc. and Terrence W. Norchi
10.2	First Amendment to Executive Employment Agreement, dated March 23, 2014, by and between Arch Therapeutics, Inc. and William M. Cotter

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARCH THERAPEUTICS, INC.

Dated: March 26, 2014

By: /s/ Terrence W. Norchi

Name: Terrence W. Norchi, M.D.

Title: President, Chief Executive Officer



ARCH THERAPEUTICS, INC.
FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT (the "Amendment") is made by and between Arch Therapeutics, Incorporated (the "Company") and Terrence W. Norchi, MD (the "Employee"), effective as of March 13, 2014, upon approval by the Company's Board of Directors, with reference to the following facts:

WHEREAS, (i) the Company and the Employee entered into the Employment Agreement dated as of June 25, 2013 (the "Agreement") and (ii) the parties desire to amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and the provisions contained herein, the adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Amendment.** The Agreement is hereby amended as follows:

1.1 Section 2 (a) of the Agreement is hereby deleted and replaced in its entirety with the following:

Annual Base Salary. As compensation for Executive's performance of his duties hereunder, the Company shall pay to Executive an initial base annual salary of three-hundred twenty-five thousand dollars (\$325,000), starting on February 1, 2014, (the "Annual Base Salary"), payable in accordance with the normal payroll practices of Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. If, due to the Company's capital constraints, the Company is unable to pay to Executive any portion of the Annual Base Salary when due, such unpaid portion of the Annual Base Salary shall be deferred, without bearing interest, and shall remain payable until such time as the Company's capital constraints are resolved and the outstanding Annual Base Salary is fully paid.

1.2 Section 2 (b) of the Agreement is hereby deleted and replaced in its entirety with the following:

Annual Bonus. Executive shall be eligible at the sole discretion of the Board of Directors to receive an annual cash bonus in an amount up to thirty-five percent (35%) of his then-current Annual Base Salary (the "Annual Bonus"). The actual amount of the Annual Bonus will be determined by the Board of Directors based on Executive's achieving Company and personal goals established and mutually agreed upon between the Executive and the Company. If awarded, the Annual Bonus will be paid on or before March 15 of the year following the year in which the Annual Bonus was earned. If, due to the Company's capital constraints, the Company is unable to pay to Executive any portion of the Annual Bonus when due, such unpaid portion of the Annual Bonus shall be deferred, without bearing interest, and shall remain payable until such time as the Company's capital constraints are resolved and the outstanding Annual Bonus is fully paid.



2. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the United States and the State of New York, without giving effect to its conflict of law rules. Except for actions for injunctive or other equitable relief, which may be brought in any court of competent jurisdiction, any legal suit, action or proceeding arising out of or relating to this Agreement shall be commenced in a federal court in the Commonwealth of Massachusetts or in state court in the Commonwealth of Massachusetts, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding
3. **Counterparts.** This Amendment may be executed in separate counterparts, each of which so executed and delivered shall constitute an original but all such counterparts shall together constitute one and the same instrument and any one of which may be used to evidence this Amendment.
4. **Severability.** All provisions of this Amendment are severable and any provision which may be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Amendment and the parties hereto agree to cooperate to provide a legal substitute for any provision which is prohibited by law.
5. **Entire Agreement; Modifications and Amendments.** This Amendment, together with the Agreement, constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings both oral and written, between the parties with respect to the subject matter hereof. No provision of this Amendment may be amended or waived unless such amendment or waiver is agreed to in writing, signed by the parties to this Amendment.

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IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the date first written above.

TERRENCE W. NORCHI

/s/ Terrence W. Norchi, MD

Name: Terrence W. Norchi, MD

Title: President and CEO

ARCH THERAPEUTICSS, INC.

By: /s/ Avtar Dhillon

Name: Avtar Dhillon, MD

Title: Chairman of the Board of Directors

[Signature Page to Employment Agreement Amendment]



ARCH THERAPEUTICS, INC.
FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT (the "Amendment") is made by and between Arch Therapeutics, Incorporated (the "Company") and William Cotter (the "Employee"), effective as of March 13, 2014 upon approval by the Company's Board of Directors, with reference to the following facts:

WHEREAS, (i) the Company and the Employee entered into the Employment Agreement dated as of July 2, 2013 (the "Agreement") and (ii) the parties desire to amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and the provisions contained herein, the adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Amendment.** The Agreement is hereby amended as follows:

1.1 Section 2 (a) of the Agreement is hereby deleted and replaced in its entirety with the following:

Annual Base Salary. As compensation for Executive's performance of his duties hereunder, the Company shall pay to Executive an initial base annual salary of two-hundred forty thousand dollars (\$240,000), starting on February 1, 2014, (the "Annual Base Salary"), payable in accordance with the normal payroll practices of Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. If, due to the Company's capital constraints, the Company is unable to pay to Executive any portion of the Annual Base Salary when due, such unpaid portion of the Annual Base Salary shall be deferred, without bearing interest, and shall remain payable until such time as the Company's capital constraints are resolved and the outstanding Annual Base Salary is fully paid.

1.2 Section 2 (b) of the Agreement is hereby deleted and replaced in its entirety with the following:

Annual Bonus. Executive shall be eligible at the sole discretion of the Board of Directors to receive an annual cash bonus in an amount up to twenty-five percent (25%) of his then-current Annual Base Salary (the "Annual Bonus"). The actual amount of the Annual Bonus will be determined by the Board of Directors based on Executive's achieving Company and personal goals established and mutually agreed upon between the Executive and the Company. If awarded, the Annual Bonus will be paid on or before March 15 of the year following the year in which the Annual Bonus was earned. If, due to the Company's capital constraints, the Company is unable to pay to Executive any portion of the Annual Bonus when due, such unpaid portion of the Annual Bonus shall be deferred, without bearing interest, and shall remain payable until such time as the Company's capital constraints are resolved and the outstanding Annual Bonus is fully paid.



2. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the United States and the State of New York, without giving effect to its conflict of law rules. Except for actions for injunctive or other equitable relief, which may be brought in any court of competent jurisdiction, any legal suit, action or proceeding arising out of or relating to this Agreement shall be commenced in a federal court in the Commonwealth of Massachusetts or in state court in the Commonwealth of Massachusetts, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding
3. **Counterparts.** This Amendment may be executed in separate counterparts, each of which so executed and delivered shall constitute an original but all such counterparts shall together constitute one and the same instrument and any one of which may be used to evidence this Amendment.
4. **Severability.** All provisions of this Amendment are severable and any provision which may be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Amendment and the parties hereto agree to cooperate to provide a legal substitute for any provision which is prohibited by law.
5. **Entire Agreement; Modifications and Amendments.** This Amendment, together with the Agreement, constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings both oral and written, between the parties with respect to the subject matter hereof. No provision of this Amendment may be amended or waived unless such amendment or waiver is agreed to in writing, signed by the parties to this Amendment.

[Remainder of Page Intentionally Left Blank]



IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the date first written above.

WILLIAM COTTER

/s/ William Cotter

Name: William Cotter

ARCH THERAPEUTICSS, INC.

By: /s/ Terrence W. Norchi, MD

Name: Terrence W. Norchi, MD

Title: President and CEO

[Signature Page to Employment Agreement Amendment]