
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): **July 17, 2018**

ARCH THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

000-54986
(Commission
File Number)

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

235 Walnut Street, Suite 6
Framingham, Massachusetts
(Address of principal executive offices)

01702
(Zip Code)

Registrant's telephone number, including area code: **(617) 431-2313**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(a)(e) - Avtar Dhillon Resignation and Advisory Agreement

On July 17, 2018, Dr. Avtar Dhillon, the Chairman of the Board of Directors of the Company (the “**Board**”) advised Dr. Terrence Norchi, President, Chief Executive Officer and Secretary of the Company, in writing of his decision to resign from the Board, which became effective on July 19, 2018. Dr. Dhillon’s decision to resign did not involve any disagreements with the Company on any matter relating to the Company’s operations, policies or practices. Dr. Dhillon had served as the Chairman of the Board since April 2013, and as member of the Board of its predecessor, Arch Biosurgery, Inc., since May 2011.

In connection with Dr. Dhillon’s resignation, the members of the Board other than Dr. Dhillon approved an advisory agreement (the “**Advisory Agreement**”) pursuant to which Dr. Dhillon would continue his service to the Company as an advisor, and receive under the Company’s 2013 Stock Incentive Plan (the “**Plan**”) a (i) stock option exercisable for 220,000 shares of the Company’s common stock, par value \$0.001 per share (“**Common Stock**”) at an exercise price equal to the Fair Market Value of the Company’s Common Stock on the date of grant that will vest in equal increments over the next twelve months, subject to Dr. Dhillon’s continued service as an advisor under his Advisory Agreement through each applicable vesting date; and (ii) restricted stock grant of 220,000 shares of Common Stock that will vest in full upon the second anniversary of the date of grant (the “**Advisory Agreement Grants**”). Dr. Dhillon’s equity grants under the Plan became effective upon his execution of the Advisory Agreement, which occurred on July 19, 2018, and the Fair Market Value of the Company’s Common Stock on that date was \$0.425. The form of stock option award agreement and restricted stock award pursuant to which the Advisory Agreement Grants were made were previously filed as Exhibits 10.13 and 10.15 to the Quarterly Report on Form 10-Q filed by the Company with the Securities and Exchange Commission (“**SEC**”) on August 14, 2013 (File Number 000-54986).

The foregoing description of the Advisory Agreement does not purport to be complete and is qualified in its entirety by reference to the copy of the Advisory Agreement filed herewith as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

(d)(e) - Punit Dhillon Board Appointment

On July 20, 2018, the Company announced that the Board appointed Punit Dhillon (“**Mr. Dhillon**”), the co-founder and former President and CEO of OncoSec Medical Incorporated (“**OncoSec**”), a biotechnology company pioneering new technologies to stimulate the body’s immune system to target and attack cancer, as a director of the Company effective on July 19, 2018. Mr. Dhillon is the nephew of Dr. Dhillon, and is also a member of the board of directors of OncoSec and Emerald Health Sciences, Inc, both of which are companies for which Dr. Dhillon is the chairman of the board.

Under the Company’s current compensation policy for non-employee directors, which was adopted March 23, 2014, Mr. Dhillon will receive an annual cash fee of \$50,000, which will be prorated for the current fiscal year. In addition, pursuant to the offer letter (the “**Offer Letter**”) extended to Mr. Dhillon in connection with his appointment to the Board, Mr. Dhillon was granted a stock option award under the Plan that became effective upon Dr. Dhillon’s resignation, which occurred on July 19, 2018 (the “**Option Grant**”). The Option Grant is exercisable for 200,000 shares of the Company’s common stock, par value \$0.001 (“**Common Stock**”), at an exercise price of \$0.425 per share (the Fair Market Value of the Company’s Common Stock on July 19, 2018), and will vest in equal increments over the next twelve months, subject to his continued service on the Board through each applicable vesting date (the “**Option Grant**”). The form of stock option award agreement pursuant to which the Option Grant was made was previously filed as Exhibit 10.13 to the Quarterly Report on Form 10-Q filed by the Company with the SEC on August 14, 2013 (File Number 000-54986).

There is no arrangement or understanding under which Mr. Dhillon was appointed to the Board, and except as set forth above, there are no relationships between Mr. Dhillon and the Company or any of its subsidiaries that would require disclosure pursuant to Item 404(a) of Regulation S-K.

The foregoing description of the Offer Letter does not purport to be complete and is qualified in its entirety by reference to the copy of the Offer Letter filed herewith as [Exhibit 10.4](#) to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 8.01 Other Events.

On July 20, 2018, the Company issued a press release announcing Dr. Dhillon's resignation from and Mr. Dhillon appointment to the Board. The text of the press release is attached hereto as [Exhibit 99.1](#) and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are being filed herewith:

Exhibit No.	Exhibit Title	Filed Herewith	Incorporated By Reference			
			Form	Exhibit No.	File No.	Filing Date
10.1#	Advisory Agreement, effective July 19, 2018, by and between Arch Therapeutics, Inc. and Dr. Avtar Dhillon	X				
10.2#	Form of Stock Option Award Agreement under Arch Therapeutics, Inc. 2013 Stock Incentive Plan		10-Q	10.13	000-54986	8/14/2013
10.3#	Form of Restricted Stock Bonus Award Agreement under Arch Therapeutics, Inc. 2013 Stock Incentive Plan		10-Q	10.15	000-54986	8/14/2013
10.4#	Offer Letter to Join the Board of Directors of Arch Therapeutics, Inc. dated July 19, 2018, by and between Arch Therapeutics, Inc. and Punit Dhillon	X				
99.1	Press Release issued by Arch Therapeutics, Inc. on July 20, 2018	X				

Management contract or compensatory plan or arrangement.

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: July 20, 2018

By: /s/ Terrence W. Norchi, M.D.
Name: Terrence W. Norchi, M.D.
Title: President, Chief Executive Officer and
Secretary



July 19, 2018

Dear Dr. Dhillon,

We are pleased to offer you a role as Advisor (“Advisor”) to Arch Therapeutics beginning as soon as July 19, 2018, which will allow you to continue your many years of service to the company after your impending resignation from the board of directors. The term shall end upon notice by either you or the Company.

In conjunction with your acceptance of this offer, we are pleased to provide you a grant of options and restricted stock described below for your services as an Advisor.

Subject to the approval by the Company’s Board of Directors, you will be granted 220,000 shares of Company restricted stock, which shall vest fully on the second anniversary of the date of grant. Further, subject to the approval by the Company’s Board of Directors, you will be granted an option to purchase 220,000 shares of Company common stock under the Company’s Arch Therapeutics, Inc. 2013 Stock Incentive Plan (the “Plan”) at an exercise price equal to the fair market value of our common stock on date of grant of such option. Your option will vest in equal installments over the next twelve (12) monthly anniversaries of the Vesting Commencement Date, and it shall be subject to the terms and conditions of the Plan and the standard form of stock option agreement for option grants made under the Plan.

Customary expenses related to travel that you are asked to do on behalf of the company shall be reimbursed.

The terms of this offer letter do not and are not intended to create either an express and/or implied contract of employment with the Company or any obligation to provide you additional compensation.

Upon accepting the terms of this offer, please sign and date below, and return this offer letter to me. This offer will remain valid for two weeks, but please contact us if you need more time to make a decision. We hope you will join us.

Very truly yours,

/s/ Terrence W. Norchi, MD
Terrence W. Norchi, MD
President and CEO
Arch Therapeutics, Inc.

AGREED AND ACCEPTED BY
 (“You”):

/s/ Avtar Dhillon, MD
You: Avtar Dhillon, MD
Date: July 19, 2018



EXHIBIT A

Ownership Of Intellectual Property

1. You shall, and hereby do, assign to Company as its sole and exclusive property all discoveries, designs, developments, improvements, inventions, works of authorship, trade secrets, know-how, ideas, trademarks, service marks, trade names, plans, reports, specifications, algorithms, drawings, schematics, prototypes, models, and all other information and items, if any, conceived, developed or reduced to practice during and arising from your role as Advisor ("**New Developments**"). To the extent any of the rights, title and interest in and to New Developments cannot be assigned by you to Company, you hereby grant to Company an exclusive, royalty-free, transferable, irrevocable, worldwide license (with rights to sublicense through multiple tiers of sublicensees) to practice such non-assignable rights, title and interest. To the extent any of the rights, title and interest in and to New Developments can neither be assigned nor licensed by you to Company, you hereby irrevocably waive and agree never to assert such non-assignable and non-licensable rights, title and interest against Company or any of Company's assigns or successors in interest.
 2. New Developments shall not include and the assignment obligations shall not apply to (i) discoveries, designs, developments, improvements, inventions, works of authorship, trade secrets, know-how, ideas, trademarks, service marks, trade names, plans, reports, specifications, algorithms, drawings, schematics, prototypes, models, and other information and items that were conceived, developed or reduced to practice by or for you (alone or with others) prior to commencement of the Services ("**Background Technology**"), or (ii) any software, materials or other technology that is owned or controlled by a third party and licensed to you ("**Third Party Technology**").
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July 19, 2018

Punit Dhillon
11220 Corte Belleza
San Diego, CA 92130

Re: Board of Directors of Arch Therapeutics, Inc.

Dear Punit:

I am pleased to confirm our offer to you to serve as an independent member of the Board of Directors (the "Board") of Arch Therapeutics, Inc. (the "**Company**"), effective on the later of (i) the date upon which the Company receives your written acceptance of this offer; and (ii) 4:00 PM July 19, 2018 (the "**Effective Date**").

As compensation for serving on the Board, you shall be granted an option to purchase 200,000 shares of the Company's common stock (the "**Option**") pursuant to the Arch Therapeutics, Inc. 2013 Stock Incentive Plan. The Option shall vest in twelve equal monthly installments. The grant and the vesting commencement dates each shall be the Effective Date. The exercise price per share shall equal the closing fair market value of the Company's common stock on the Effective Date. Furthermore, you shall be paid a Board fee of \$50,000 per year, paid in quarterly installments and prorated from the Effective Date.

It is understood that your directorship may terminate at any time and for any reason without prior notice and without additional compensation to you. In addition, all of your granted Options shall immediately become fully vested in the event of a change in control transaction.

Please indicate your acceptance of this offer to serve as a director of the Company by signing, dating and returning this letter to the Company. Furthermore, by signing and dating this letter, you are providing your consent to act as a director of the Company and you are acknowledging that you not disqualified to act as a director under the Laws of the Commonwealth of Nevada.

We look forward to your joining the Board.

Very truly yours,

ARCH THERAPEUTICS, INC.

By: /s/ Terrence W. Norchi, MD
Name: Terrence W. Norchi, M.D.
Title: President and CEO

Accepted and Agreed:

By: /s/ Punit Dhillon
Name: Punit Dhillon
Date: July 19, 2018

Arch Therapeutics Appoints Healthcare Industry Executive Punit Dhillon to Board of Directors

Medical device and biopharma drug development, M&A experience enhance Arch

FRAMINGHAM, MA – July 20, 2018 – Arch Therapeutics, Inc. (OTCQB: ARTH) (“Arch” or the “Company”), developer of the AC5 Surgical Hemostatic Device™ (“AC5™”), today announced the appointment of Punit Dhillon, former President & CEO of OncoSec Medical, Inc. (NASDAQ: ONCS), to its Board of Directors (the “Board”) as an independent member effective as of July 19, 2018. Mr. Dhillon brings over 15 years of global industry experience to Arch’s Board with a wealth of knowledge and experience operationally in medical devices, advancing programs from scientific research through clinical development, regulatory approval, and into healthcare systems globally. Mr. Dhillon is experienced and skilled in capital markets and in establishing strategic partnerships, including early and late stage deals with Merck and Pfizer.

Mr. Dhillon co-founded OncoSec, a biotechnology company pioneering new technologies to stimulate the body’s immune system to target and attack cancer. Prior to that, Mr. Dhillon served as Vice President of Finance and Operations at Inovio Pharmaceuticals, Inc. (formerly Inovio Biomedical Corporation), a DNA vaccine development company, from September 2003 until March 2011. Mr. Dhillon is also currently a director for Emerald Health Sciences, Inc. and Audit Committee Chair of Emerald Health Therapeutics, Inc. (TSXV: EMH) and Nemus Bioscience, Inc. (OTCQB: NMUS).

Mr. Dhillon said, “Having led or supported numerous companies in the healthcare industry in North America and Europe, I understand the importance of technological innovation to advancing the state of care across a range of therapeutic areas. I am convinced that the technology being developed by Arch holds the potential to improve an impressive array of surgical procedures and fulfill many poorly met needs. I look forward to working with the Board as Arch continues its development path through clinical studies with the goal of commercializing its products.”

Dr. Terrence Norchi, added, “Punit Dhillon brings a tremendous amount of industry experience to Arch, and we intend to draw heavily on his insights and professional talents. His executive leadership with public companies contributes to his exceptional qualifications. Punit will provide valuable advice and support as we contemplate potential commercial partnership opportunities.”

Mr. Dhillon will be filling the position formerly held by Avtar Dhillon, MD (“Dr. Dhillon”), the Chairman of Arch’s Board. Dr. Dhillon submitted his resignation from the Board on July 17, 2018, which became effective on July 19, 2018, but will continue to serve as an advisor to the Company. Dr. Norchi will succeed Dr. Dhillon as the Chairman of the Board in addition to his role as President & CEO. “Dr. Dhillon has been and continues to be a committed resource and advisor to me and to the Company,” said Terrence W. Norchi, MD, President, CEO and Chairman of Arch Therapeutics, Inc. “I am thankful and appreciative of the leadership and counsel of Avtar and look forward to his continuing support as we move our technology and products forward. I know that he will remain as accessible and helpful as always. We look forward to continuing work with the Board, our advisors and the rest of our team in the drive to building value.”

Mr. Dhillon is the nephew of Dr. Dhillon, and is also a member of the board of directors of OncoSec Medical Inc. and Emerald Health Sciences, Inc, both of which are companies for which Dr. Dhillon is the chairman of the board.

About Arch Therapeutics, Inc.

Arch Therapeutics, Inc. is a biotechnology company developing a novel approach to stop bleeding (hemostasis), control leaking (sealant) and manage wounds during surgery, trauma and interventional care. Arch is developing products based on an innovative self-assembling barrier technology platform with the goal of making care faster and safer for patients. Arch's development stage product candidates include the AC5™ Topical Gel and the AC5™ Surgical Hemostatic Device.

Notice Regarding Forward-Looking Statements

This news release contains "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this press release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things, references to novel technologies and methods, our business and product development plans and projections, or market information. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with developing new products or technologies and operating as a development stage company, our ability to retain important members of our management team and attract other qualified personnel, our ability to raise the additional funding we will need to continue to pursue our business and product development plans, our ability to obtain required regulatory approvals, our ability to produce commercial quantities of our products within projected timeframes, our ability to develop and commercialize products based on our technology platform, and market conditions. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in the reports and other documents we file with the SEC, available at www.sec.gov.

Source: Arch Therapeutics, Inc.

Contact

ARTH Investor Relations

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or

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