
**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 7, 2009

ADHEREX TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of incorporation)

001-32295

(Commission File Number)

20-0442384

(IRS Employer ID Number)

4620 Creekstone Drive, Suite 200, Durham, North Carolina

(Address of principal executive offices)

27703

(Zip Code)

Registrant's telephone number, including area code (919) 484-8484

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:

- 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 of Certain Officers

(b) Effective July 7, 2009, Donald W. Kufe, Michael G. Martin, Fred H. Mermelstein, Robin J. Norris, Peter Morand and William P. Peters, all members of the Board of Directors (the "Board") of Adherex Technologies Inc. (the "Company"), resigned as directors of the Board. Dr. Peters also resigned as Chief Executive Officer of the Company, and entered into a Separation and Mutual Release Agreement with the Company, a copy of which is attached hereto as Exhibit 10.23.

(c) The Board appointed Robert Butts to serve as Chairman of the Board, Rosty Raykov to serve as director and Chief Executive Officer of the Company, Robert Andrade to serve as director and Vice President of the Company and Thomas Spector to serve as Chief Scientific Officer of the Company. Mr. Raykov and Mr. Andrade have agreed temporarily to work without salary.

There were no arrangements or understandings between Mr. Raykov, Mr. Andrade or Dr. Spector and any other person pursuant to which Mr. Raykov, Mr. Andrade or Dr. Spector were appointed as management team members and directors, and there are no related party transactions between Mr. Raykov, Mr. Andrade or Dr. Spector and the Company.

Rosty Raykov, an existing shareholder, currently is a general partner at DCML, a private investment partnership. Prior to joining DCML, Mr. Raykov was a general partner of Alchem Investment Partners (2006-2007), an event driven hedge fund. Prior to founding Alchem, Mr. Raykov was a portfolio manager and securities analyst for John A. Levin & Co. Event Driven Fund (2002-2005). Prior to joining John A. Levin & Co., Mr. Raykov was a security analyst for the Merger Fund at Tiedermann Investment Group (1999-20002) and an investment banking analyst at Bear Stearns (1998-1999). Mr. Raykov earned a B.S. in business administration from the University of North Carolina at Chapel Hill.

Robert Andrade, an existing shareholder, currently is a general partner at DCML, a private investment partnership. Prior to joining DCML, Mr. Andrade was a portfolio manager and securities analyst for Millenium Partners L.P. (2006-2007). Prior to joining Millennium Partners L.P., Mr. Andrade was a securities analyst for the Event Driven Fund at Caxton Associates LLC (2003-2005). Prior to joining Caxton Associates LLC, Mr. Andrade was a private equity associate at Trimaran Capital Partners (2000-2003) and an investment banking analyst at Bear Stearns (1997-1999). Mr. Andrade earned a M.A. and B.A. in economics from the University of Southern California.

Dr. Thomas Spector is the principal inventor of the eniluracil/5-fluorouracil treatment for cancer. He has authored and co-authored many scientific articles on eniluracil/5-fluorouracil. Dr. Spector has over 35 years experience in drug discover and development and was the International Vice President of Cancer Research at GlaxoWellcome (now GlaxoSmithKline). Dr. Spector received his Ph.D. in pharmacology from Yale University.

A copy of the press release dated July 7, 2009 announcing the appointment Mr. Raykov, Mr. Andrade and Dr. Spector to the management team of the Company is attached as Exhibit 99.1.

Finally, the Company terminated the employment of D. Scott Murray, effective July 10, 2009, and does not intend to pay Mr. Murray any material severance amount.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.23	Separation and Mutual Release Agreement by and between Adherex Technologies Inc., Adherex, Inc. and William P. Peters
99.1	Press Release dated July 7, 2009

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.

Adherex Technologies Inc.

By: /s/ James A. Klein, Jr.

James A. Klein, Jr.

Title: Chief Financial Officer

Dated: July 13, 2009

SEPARATION AND MUTUAL RELEASE AGREEMENT

This SEPARATION AND MUTUAL RELEASE AGREEMENT (the "Agreement") is hereby made and entered into as of the last date on the parties' signature page below, by and between Adherex, Inc., a Delaware corporation with its principal place of business in Durham County, North Carolina (along with its affiliate Canadian company, Adherex Technologies Inc., referred to together in this Agreement as the "Company"), and the undersigned employee (referred to in this Agreement as "you"). (The Company and you are sometimes collectively referred to hereinafter as the "Parties.")

The Company currently employs you as Chief Executive Officer. The Parties desire to conclude the employment relationship, effective as of July 2, 2009 (the "Termination Date"), on mutually agreeable terms and to avoid all litigation relating to the employment relationship and its termination. Accordingly, the Parties have agreed upon the terms described herein.

In consideration of the above and the mutual promises and good and valuable consideration set forth below, the sufficiency of which is acknowledged by the Parties, you and the Company agree as follows:

1. **Separation.** Except as set out in this Agreement, as provided by the specific terms of a benefit plan or as required by law, upon the termination of your employment with the Company, effective as of the Termination Date, all of your employee benefits with the Company will be terminated. You also are resigning as a member and chairman of the board of directors of the Company effective as of the Termination Date. You also hereby represent that you will promptly return to the Company all Company-owned equipment, keys or passes, software, files, materials, programs and documents, including any copies (other than any non-material or non-substantive items), in the same condition as when provided to you (reasonable wear and tear excepted), and that you have no right, title or interest in any intellectual property of the Company. You hereby agree not to seek reemployment by the Company. In addition, upon receipt of your final paycheck from the Company, you agree and acknowledge that you will have been paid by the Company for all of the time that you worked for the Company through the Termination Date.

2. **Separation Benefits.** The benefits provided to you by the Company as described in this Section 2 are collectively referred to in this Agreement as the "Separation Benefits."

(a) **Separation Pay.** If you execute and do not revoke this Agreement, the Company agrees that it will pay you an amount equal to one (1) month of your current regular base salary, less applicable federal, state and local payroll taxes, and other withholdings required by law or authorized by you (the "Separation Pay"). You will receive the Separation Pay on the Company's next regular payday following the expiration of the "Revocation Period" as defined in Section 8 below.

(b) **Benefits Pay.** In addition, if you execute and do not revoke this Agreement, the Company agrees that it will pay you \$5,640, being an amount equal to the estimated cost of securing equivalent health coverage to that in effect during your employment

for a period of four (4) months, less applicable federal, state and local payroll taxes, and other withholdings required by law or authorized by you (the "Benefits Pay"). You will receive the Benefits Pay on the Company's next regular payday following the expiration of the "Revocation Period" as defined in Section 8 below.

(c) **Stock Options.** If you execute and do not revoke this Agreement, pursuant to the Company's Stock Option Plan and prior resolutions of the Board of Directors to this effect, you will have three (3) years following the Termination Date to exercise any vested but unexpired and unexercised stock options. The terms of any stock option agreement and the Stock Option Plan will remain in full force and effect. You should consult with your own financial advisor regarding any tax or other financial implications with respect to the above.

If you do not sign this Agreement and return it to the Company within twenty one (21) days, or if you sign this Agreement and revoke it, you will not be entitled to receive the Separation Benefits described above.

3. **Release of Claims.** In exchange for the Company's providing you with the Separation Benefits described in Section 2, above, by signing this Agreement, you release and forever discharge the Company, as well as its parent companies, affiliates, subsidiaries, divisions, officers, directors, stockholders, employees, agents, representatives, attorneys, lessors, lessees, licensors and licensees, and their respective successors, assigns, heirs, executors and administrators (collectively, the "the Company Parties"), from any and all claims, demands, and causes of action of every kind and nature, whether known or unknown, direct or indirect, accrued, contingent or potential, which you ever had or now have, including but not limited to any claims arising out of or related to your employment with the Company and the termination thereof (except and to the extent that such a release is expressly prohibited or made void by law). The release includes, without limitation, your release of the Company Parties from any claims by you for lost wages or benefits, stock options, compensatory damages, punitive damages, attorneys' fees and costs, equitable relief or any other form of damages or relief. In addition, this release is meant to release the Company Parties from all common law claims, including claims in contract or tort, including, without limitation, claims for breach of contract, wrongful or constructive discharge, intentional or negligent infliction of emotional distress, misrepresentation, tortious interference with contract or prospective economic advantage, invasion of privacy, defamation, negligence or breach of any covenant of good faith and fair dealing. You also specifically and forever release the Company Parties (except and to the extent that such a release is expressly prohibited or made void by law) from any claims based on unlawful employment discrimination or harassment, **including the Federal Age Discrimination in Employment Act (29 U.S.C. § 621 et seq.).**

By signing this Agreement, you agree and acknowledge that you have no cause to believe there has been any violation of any local, state, or federal law that has occurred with respect to your employment or separation of employment from the Company. You acknowledge that this release applies both to known and unknown claims that may exist between you and the Company and the Company Parties. You expressly waive and relinquish all rights and benefits which you may have under any state or federal statute or common law principle that would otherwise limit the effect of this Agreement to claims known or suspected prior to the date you execute this

Agreement, and do so understanding and acknowledging the significance and consequences of such specific waiver. Provided, however, that nothing in this Agreement extinguishes (i) any claims you may have against the Company for breach of this Agreement; or (ii) any claim for indemnity arising under law or under any agreement between you and the Company; or (iii) any claim against any policy of insurance maintained by the Company that would provide coverage to you in the absence of this Agreement (including without limitation any "D&O policy").

The Company hereby releases and forever discharges you, as well as your agents, representatives, attorneys, successors, assigns, heirs, executors and administrators (collectively, the "Peters Parties"), from any and all claims, demands, and causes of action of every kind and nature, whether known or unknown, direct or indirect, accrued, contingent or potential, which the Company ever had or now has against you, including but not limited to any claims arising out of or related to your employment with the Company (except where and to the extent that such a release is expressly prohibited or made void by law). The release includes, without limitation, the Company's release of any claims for compensatory damages, punitive damages, attorneys' fees and costs, equitable relief, or any other form of damages or relief. In addition, this release is meant to release you from all statutory, regulatory, administrative and common law claims, including claims in contract or tort, and including, without limitation, claims for alleged breach of contract, misfeasance, malfeasance, fraud, misrepresentation, tortious interference with contract or prospective economic advantage, invasion of privacy, defamation, negligence or breach of any covenant of good faith and fair dealing. The Parties agree and acknowledge that nothing in this Agreement by way of the mutual release extinguishes any claims the Company may have against you for breach of this Agreement.

4. No Admissions. The Parties hereby acknowledge and agree that the releases set out above in Section 3 of this Agreement constitute final compromises of any potential claims by one Party against the other in connection with your employment by the Company and otherwise, and are not an admission by any Party that any such claims exist or that either Party is liable for any such claims. Unless prohibited by applicable law or regulation, the Parties further agree not to hereafter, directly or indirectly, sue, assist in or be a voluntary party to any litigation against the other for any claims relating to events occurring prior to or simultaneously with the execution of this Agreement, including but not limited to the termination of your employment with the Company.

Notwithstanding the foregoing, nothing in this Agreement prohibits you from filing a charge with, or participating in any investigation or proceeding conducted by, the U.S. Equal Employment Opportunity Commission or a comparable state or federal fair employment practices agency; provided, however, that this Agreement fully and finally resolves all monetary matters between you and the Company and the Company Parties, and by signing this Agreement, you are waiving any right to monetary damages, attorneys' fees and/or costs related to or arising from any such charge, complaint or lawsuit filed by you or on your behalf, individually or collectively.

5. No Disparagement; Cooperation.

(a) No Disparagement. Both Parties agree that they will not denigrate, defame, disparage or cast aspersions upon the other Party, their respective products, services, business and manner of doing business, except if testifying truthfully under oath pursuant to a lawful court order or subpoena or as otherwise required by law. The Company also will use its reasonable best efforts to prevent any of its officers and directors from engaging in such activity. Upon inquiry from any third party, the Company will release only your dates of employment and positions held with the Company.

(b) Cooperation. For a period of six (6) months following the Termination Date, you hereby agree that you will cooperate with and assist the Company in any dispute, grievance, litigation, or administrative claim involving any matters relating to the period of time you were employed by the Company.

6. Relief and Enforcement. You understand and agree that any breach of this Agreement by you will relieve the Company of its obligation to provide any unpaid Separation Benefits as set out in Section 2 above. Both Parties understand and agree that if one Party violates the terms of Section 5 of this Agreement, such Party will cause injury to the other Party that will be difficult to quantify or repair, so that the injured Party will have no adequate remedy at law. Accordingly, each Party agrees that if it violates Section 5 of this Agreement, the other Party will be entitled as a matter of right to obtain an injunction from a court of law, restraining the breaching Party from any further violation of this Agreement. The right to an injunction is in addition to and not in lieu of any other remedies either Party has at law or in equity.

7. No Modifications; Governing Law; Entire Agreement. This Agreement cannot be changed or terminated orally, and no modification or waiver of any of the provisions of this Agreement is effective unless in writing and signed by all of the Parties hereto. The Parties agree that this Agreement is to be governed by and construed in accordance with the laws of the State of North Carolina, and that any suit, action or charge arising out of or relating to this Agreement will be adjudicated in the state or federal courts in Wake County, North Carolina. This Agreement sets forth the entire and fully integrated understanding between the Parties, and there are no representations, warranties, covenants or understandings, oral or otherwise, that are not expressly set out herein.

8. Right to Revoke. ONCE SIGNED BY YOU, THIS AGREEMENT IS REVOCABLE IN WRITING FOR A PERIOD OF SEVEN (7) DAYS (THE "REVOCATION PERIOD"). IN ORDER TO REVOKE YOUR ACCEPTANCE OF THIS AGREEMENT, YOU MUST DELIVER WRITTEN NOTICE TO L. DIANE TINDALL AT WYRICK ROBBINS YATES & PONTON LLP, AND SUCH WRITTEN NOTICE MUST ACTUALLY BE RECEIVED WITH THE SEVEN (7) DAY REVOCATION PERIOD.

9. Voluntary Execution. By signing below, you acknowledge that you have read this Agreement, that you understand its contents and that you have relied upon or had the opportunity to seek the legal advice of your attorney, who is the attorney of your own choosing. You further acknowledge and agree that the Company advised you in writing to consult with any attorney before executing this Agreement.

10. Miscellaneous.

(a) Should any portion, term or provision of this Agreement be declared or determined by any court to be illegal, invalid or unenforceable, the validity or the remaining portions, terms and provisions shall not be affected thereby, and the illegal, invalid or unenforceable portion, term or provision shall be deemed not to be part of this Agreement.

(b) The Parties agree that the failure of a Party at any time to require performance of any provision of this Agreement shall not affect, diminish, obviate or void in any way the Party's full right or ability to require performance of the same or any other provision of this Agreement at any time thereafter.

(c) This Agreement shall inure to the benefit of and shall be binding upon you, your heirs, administrators, representatives, executors, successors and assigns and upon the successors and assigns of the Company.

(d) The headings of the paragraphs of this Agreement are for convenience only and are not binding on any interpretation of this Agreement. This Agreement may be executed in counterparts.

YOU HEREBY ACKNOWLEDGE THAT YOU HAVE BEEN GIVEN A PERIOD OF AT LEAST TWENTY-ONE (21) DAYS TO CONSIDER WHETHER TO EXECUTE THIS AGREEMENT. YOU ALSO ACKNOWLEDGE THAT YOU WERE ADVISED BY THE COMPANY IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT.

[Signature page follows.]

EMPLOYEE:

/s/ William P. Peters (SEAL)
(Signature)

William P. Peters

Date: 7/7/09

ADHEREX TECHNOLOGIES INC.

By: /s/ Robert W. Butts

Name: Robert W. Butts

Title: Chairman

Date: 7/6/09

ADHEREX, INC.

By: /s/ Robert W. Butts

Name: Robert W. Butts

Title: Chairman

Date: 7/6/09



ADHEREX ANNOUNCES A NEW CORPORATE DIRECTION FOR THE COMPANY

Research Triangle Park, NC, July 7, 2009 - - Adherex Technologies Inc. (TSX:AHX) announced today, the Company has decided to focus its remaining resources on the development of eniluracil. This decision was reached after careful evaluation of the existing portfolio. The new clinical plan will be led by Dr. Thomas Spector, the principal inventor of the eniluracil / 5-fluorouracil cancer treatment while working at Burroughs Wellcome Laboratories 20 years ago. Consistent with this new direction the company is announcing the following management and Board of Directors changes:

Mr. Robert Butts, a principal of Southpoint Capital, LP, which is the company largest shareholder, was appointed as the new Chairman of the Board. Mr. Butts commented, "The Board and management are enthusiastic about the new focus of the company and the potential market opportunity for eniluracil."

Mr. Rosty Raykov, an existing shareholder, was appointed as the new Chief Executive Officer and member of the Board. Mr. Raykov is also a General Partner at DCML, a private investment partnership. Prior to joining DCML, Mr. Raykov was a General Partner of Alchem Investment Partners (2006-2007), an event driven hedge fund. Prior to founding Alchem, Mr. Raykov was a portfolio manager and securities analyst for John A. Levin & Co. Event Driven Fund (2002-2005). Prior to joining John A. Levin & Co., Mr. Raykov was a securities analyst for the Merger Fund at Tiedemann Investment Group (1999-2002) and an investment banking analyst at Bear Stearns (1998-1999). Mr. Raykov earned a B.S. in Business Administration from the University of North Carolina at Chapel Hill.

Mr. Raykov commented, "I am elated that after 15 years, the future development of eniluracil will once again be overseen by Dr. Spector."

Mr. Robert Andrade, an existing shareholder, was appointed as a Vice President and member of the Board. Mr. Andrade is a General Partner at DCML, a private investment partnership. Prior to joining DCML, Mr. Andrade was a portfolio manager and securities analyst for Millennium Partners L.P. (2006-2007). Prior to joining Millennium Partners L.P., Mr. Andrade was a securities analyst for the Event Driven Fund at Caxton Associates LLC (2003-2005). Prior to Caxton Associates LLC, Mr. Andrade was a private equity associate at Trimaran Capital Partners (2000-2003) and an investment banking analyst at Bear Stearns (1997-1999). Mr. Andrade earned a M.A. and B.A. in Economics from the University of Southern California.

Dr. Thomas Spector was appointed as the new Chief Scientific Officer. He is President of Spector Consulting Services. Dr. Spector is the principal inventor of the eniluracil / 5-fluorouracil treatment. In 2004, Dr. Spector discovered why the dosing regimen in Glaxo's Phase III clinical trial was not optimal. Dr. Spector has authored and co-authored many scientific articles on eniluracil / 5-fluorouracil. He has over 35 years experience in drug discovery and development and was The International Vice President

of Cancer Research at GlaxoWellcome (now GSK). Dr. Spector received a Ph.D. in Pharmacology from Yale University.

Dr. Spector commented, "I am excited to be working with the new team to advance the development of eniluracil / 5-fluorouracil. When administered correctly, this therapy has potential to bring significant benefit to cancer patients."

Dr. William Peters has resigned as Chairman of the Board and as Chief Executive Officer. In addition to Dr. Peters, the following Board members' resignations have been accepted by the company: Dr. Robin Norris, Dr. Fred Mermelstein, Dr. Donald Kufe, Mr. Michael Martin, and Dr. Peter Morand. The company would like to thank these individuals for their years of contribution and service.

The new Board of Directors will consist of the following members: continuing directors, Mr. Robert Butts, Dr. Arthur Porter, Mr. Claudio Bussandri, and Mr. William Breen, new directors, Mr. Robert Andrade and Mr. Rosty Raykov.

With the exception of Dr. Peters' resignation and the additions of Messrs. Raykov and Andrade, and Dr. Spector, the management team remains unchanged at this time.

About Adherex Technologies

Adherex Technologies Inc. is a biopharmaceutical company focused on the development of eniluracil and 5-fluorouracil. For more information, please call Rosty Raykov at 919-536-3105.

This press release contains forward-looking statements that involve significant risks and uncertainties. Actual results might differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, those regarding our development plans and the expected funding or other transactions, timing and results of our development as well as our efforts to pursue strategic alternatives. We can provide no assurance that development will proceed as currently anticipated, that previous results will be predictive of future outcomes, that the expected funding, timing or results of our development will be realized, or that we will be able to form strategic collaborations or partnerships with other companies. We are subject to various risks, including our near term need for additional capital to fund our operations, risks associated with transition of management, current and anticipated conditions in the economy and financial markets, our history of losses, our ability to continue to meet the listing requirements of the TSX, the uncertainties of clinical trials, drug development and regulatory review, the early stage of our product candidates, our reliance on collaborative partners, and other risks inherent to the biopharmaceutical industry. For a more detailed discussion of related risk factors, please refer to our public filings available at www.sedar.com and www.sec.gov.