UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED September 30, 2015

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 001-33650

CALADRIUS BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	22-2343568
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
106 ALLEN ROAD, FOURTH FLOOR BASKING RIDGE, NJ	07920
(Address of principal executive offices)	(zip code)

Registrant’s telephone number, including area code: 908-842-0100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

55,373,251 Shares, $.001 Par Value, as of November 4, 2015

(Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report (this "Quarterly Report") contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, as well as historical information. When used in this Quarterly Report, statements that are not statements of current or historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “plan,” “intend,” “may,” “will,” “expect,” “believe,” “could,” “anticipate,” “estimate,” “continue” or similar expressions or other variations or comparable terminology are intended to identify such forward-looking statements, although some forward-looking statements are expressed differently. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity or our achievements or industry results, to be materially different from any future results, performance, levels of activity or our achievements or industry results expressed or implied by such forward-looking statements. Factors that could cause our actual results to differ materially from anticipated results expressed or implied by forward-looking statements include, among others:

- our ability to obtain sufficient capital or strategic business arrangements to fund our operations and expansion plans, including meeting our financial obligations under various licensing and other strategic arrangements, the funding of our clinical trials for product candidates in our development programs for our Immuno-oncology Program, our Immune Modulation Program and our Ischemic Repair Program, and the commercialization of the relevant technology;
- our ability to build and maintain the management and human resources infrastructure necessary to support the growth of our business;
- our ability to integrate our acquired businesses successfully and grow such acquired businesses as anticipated, including expanding our PCT business;
- whether a market is established for our cell-based products and services and our ability to capture a meaningful share of this market;
- scientific and medical developments beyond our control;
- our ability to obtain and maintain, as applicable, appropriate governmental licenses, accreditations or certifications or comply with healthcare laws and regulations or any other adverse effect or limitations caused by government regulation of our business;
- whether any of our current or future patent applications result in issued patents, the scope of those patents and our ability to obtain and maintain other rights to technology required or desirable for the conduct of our business; and our ability to commercialize products without infringing the claims of third party patents;
- whether any potential strategic or financial benefits of various licensing agreements will be realized;
- the results of our development activities, including the results of our Intus Phase 3 clinical trial of CLBS20, being developed to treat metastatic melanoma;
- our ability to complete our other planned clinical trials (or initiate other trials) in accordance with our estimated timelines due to delays associated with enrolling patients due to the novelty of the treatment, the size of the patient population and the need of patients to meet the inclusion criteria of the trial or otherwise;
- our ability to satisfy our obligations under our loan agreement;
- other factors discussed in "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 2, 2015 (our "2014 Form 10-K").

The factors discussed herein, including those risks described in "Item 1A. Risk Factors" and elsewhere in our 2014 Form 10-K and in the Company's other periodic filings with the SEC, which are available for review at *www.sec.gov* under “Search for Company Filings,” could cause actual results and developments to be materially different from those expressed or implied by such statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. Except as required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Item 1. Consolidated Financial Statements

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2015	December 31, 2014
ASSETS	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	$ 24,042,699	$ 19,174,061
Marketable securities	5,349,396	7,080,053
Accounts receivable, net of allowance for doubtful accounts of $381,588 and $385,362 at September 30, 2015 and December 31, 2014, respectively	2,299,817	3,111,274
Deferred costs	3,348,619	2,566,989
Prepaid expenses and other current assets	3,441,156	4,349,167
Total current assets	38,481,687	36,281,544
Property, plant and equipment, net	17,095,395	15,960,731
Goodwill	25,209,336	25,209,336
Intangible assets, net	37,706,498	47,560,406
Other assets	1,209,632	1,263,375
Total assets	$ 119,702,548	$ 126,275,392
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 2,467,049	$ 5,661,173
Accrued liabilities	8,011,205	4,322,901
Long-term debt, current	2,751,425	1,109,612
Notes payable, current	1,012,189	816,776
Unearned revenues	5,498,074	4,334,120
Total current liabilities	19,739,942	16,244,582
Long-term Liabilities		
Deferred income taxes	14,566,093	18,176,190
Notes payable	814,062	825,897
Long-term debt	12,248,575	13,890,388
Acquisition-related contingent consideration	13,880,000	18,260,000
Other long-term liabilities	3,457,457	804,546
Total liabilities	$ 64,706,129	$ 68,201,603
Commitments and Contingencies		
EQUITY		
Stockholders' Equity		
Preferred stock, authorized, 20,000,000 shares; Series B convertible redeemable preferred stock liquidation value, 0.01 share of common stock, $.01 par value; 825,000 shares designated; issued and outstanding, 10,000 shares at September 30, 2015 and December 31, 2014	100	100
Common stock, $.001 par value, authorized 500,000,000 shares; issued and outstanding, 55,497,240 and 36,783,857 shares, at September 30, 2015 and December 31, 2014, respectively	55,497	36,784
Additional paid-in capital	395,014,267	350,428,903
Treasury stock, at cost	(705,742)	(705,742)
Accumulated deficit	(338,935,644)	(291,246,538)
Accumulated other comprehensive income	878	1,329
Total Caladrius Biosciences, Inc. stockholders' equity	55,429,356	58,514,836
Noncontrolling interests	(432,937)	(441,047)
Total equity	54,996,419	58,073,789
Total liabilities and equity	$ 119,702,548	$ 126,275,392

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	$ 5,888,450	$ 4,117,783	$ 14,927,691	$ 12,662,290
Costs and expenses:				
Cost of revenues	4,808,679	4,012,369	13,976,087	11,515,168
Research and development	6,315,613	8,469,623	20,719,989	19,024,728
Impairment of intangible assets	—	—	9,400,000	—
Selling, general, and administrative	5,147,166	7,894,291	24,971,438	24,310,324
Total operating costs and expenses	16,271,458	20,376,283	69,067,514	54,850,220
Operating loss	(10,383,008)	(16,258,500)	(54,139,823)	(42,187,930)
Other (expense) income:				
Other (expense) income, net	(410,233)	(687,280)	4,398,585	(1,062,568)
Interest expense	(552,983)	(183,477)	(1,651,222)	(383,539)
	(963,216)	(870,757)	2,747,363	(1,446,107)
Loss before provision (benefit) for income taxes and noncontrolling interests	(11,346,224)	(17,129,257)	(51,392,460)	(43,634,037)
Provision (benefit) for income taxes	46,633	47,387	(3,610,097)	142,183
Net loss	(11,392,857)	(17,176,644)	(47,782,363)	(43,776,220)
Less - loss attributable to noncontrolling interests	(16,907)	(202,375)	(93,257)	(514,877)
Net loss attributable to Caladrius Biosciences, Inc. common stockholders	$ (11,375,950)	$ (16,974,269)	$ (47,689,106)	$ (43,261,343)
Basic and diluted loss per share attributable to Caladrius Biosciences, Inc. common stockholders	$ (0.21)	$ (0.48)	$ (1.04)	$ (1.37)
Weighted average common shares outstanding	55,239,119	35,053,218	45,867,567	31,663,221

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net loss	$ (11,392,857)	$ (17,176,644)	$ (47,782,363)	$ (43,776,220)
Other comprehensive loss:				
Available for sale securities - net unrealized loss	(988)	(886)	(451)	112
Total other comprehensive loss	(988)	(886)	(451)	112
Comprehensive loss	(11,393,845)	(17,177,530)	(47,782,814)	(43,776,108)
Comprehensive loss attributable to noncontrolling interests	(16,908)	(202,375)	(93,257)	(514,877)
Comprehensive loss attributable to Caladrius Biosciences, Inc. common stockholders	$ (11,376,937)	$ (16,975,155)	$ (47,689,557)	$ (43,261,231)

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Series B Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Treasury Stock	Total Caladrius Biosciences, Inc. Stockholders' Equity	Non-Controlling Interest in Subsidiary	Total Equity
	Shares	Amount	Shares	Amount							
Balance at December 31, 2013	10,000	$ 100	27,196,537	$27,197	$299,594,525	$ —	$(236,373,605)	$(705,742)	$62,542,475	$(516,040)	$62,026,435
Net loss	—	—	—	—	—	—	(43,261,343)	—	(43,261,343)	(514,877)	(43,776,220)
Unrealized gain on marketable securities	—	—	—	—	—	112	—	—	112	—	112
Equity-based compensation	—	—	727,158	727	8,940,725	—	—	—	8,941,452	—	8,941,452
Net proceeds from issuance of common stock	—	—	1,850,081	1,850	11,273,259	—	—	—	11,275,109	—	11,275,109
Proceeds from option exercises	—	—	48,987	49	270,959	—	—	—	271,008	—	271,008
Proceeds from warrant exercises	—	—	333,250	333	1,720,392	—	—	—	1,720,725	—	1,720,725
Shares issued in CSC acquisition	—	—	5,329,510	5,330	21,595,021	—	—	—	21,600,351	—	21,600,351
Change in ownership in subsidiary	—	—	—	—	(86,617)	—	—	—	(86,617)	86,617	—
Balance at September 30, 2014	10,000	$ 100	35,485,523	$35,486	$343,308,264	$ 112	$(279,634,948)	$(705,742)	$63,003,272	$(944,300)	$62,058,972

	Series B Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Treasury Stock	Total Caladrius Biosciences, Inc. Stockholders' Equity	Non-Controlling Interest in Subsidiary	Total Equity
	Shares	Amount	Shares	Amount							
Balance at December 31, 2014	10,000	$ 100	36,783,857	$36,784	$350,428,903	$ 1,329	$(291,246,538)	$(705,742)	$58,514,836	$(441,047)	$58,073,789
Net loss	—	—	—	—	—	—	(47,689,106)	—	(47,689,106)	(93,257)	(47,782,363)
Unrealized loss on marketable securities	—	—	—	—	—	(451)	—	—	(451)	—	(451)
Equity-based compensation	—	—	811,835	812	8,567,793	—	—	—	8,568,605	—	8,568,605
Net proceeds from issuance of common stock	—	—	17,901,548	17,901	36,118,938	—	—	—	36,136,839	—	36,136,839
Change in ownership in subsidiary	—	—	—	—	(101,367)	—	—	—	(101,367)	101,367	—
Balance at September 30, 2015	10,000	$ 100	55,497,240	$55,497	$395,014,267	$ 878	$(338,935,644)	$(705,742)	$55,429,356	$(432,937)	$54,996,419

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2015	**2014**
Cash flows from operating activities:		
Net loss	$ (47,782,363)	$ (43,776,220)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity-based compensation expense	8,568,605	8,941,452
Depreciation and amortization	1,893,028	1,578,334
Changes in fair value of derivative liability	—	(23,175)
Change in acquisition-related contingent consideration	(4,380,000)	1,090,000
Impairment of intangible assets	9,400,000	—
Bad debt recovery	(3,774)	(5,763)
Deferred income taxes	(3,610,097)	142,183
Accretion on marketable securities	77,577	7,329
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	908,011	(2,795,249)
Accounts receivable	815,231	(177,162)
Deferred costs	(781,629)	(872,079)
Unearned revenues	1,163,954	1,823,379
Other assets	53,743	559,470
Accounts payable, accrued liabilities and other liabilities	3,147,091	(2,483,740)
Net cash used in operating activities	(30,530,623)	(35,991,241)
Cash flows from investing activities:		
Net cash received in acquisitions	—	50,894
Purchase of marketable securities	(6,081,900)	(920,329)
Sale of marketable securities	7,734,528	248,000
Acquisition of property, plant and equipment	(2,573,784)	(2,925,918)
Net cash used in investing activities	(921,156)	(3,547,353)
Cash flows from financing activities:		
Proceeds from exercise of options	—	271,008
Proceeds from exercise of warrants	—	1,720,725
Net proceeds from issuance of common stock	36,136,839	11,275,109
Net proceeds from long-term debt	—	14,476,170
Repayment of mortgage loan	—	(3,236,721)
Proceeds from notes payable	1,087,361	1,777,163
Repayment of notes payable	(903,783)	(737,333)
Net cash provided by financing activities	36,320,417	25,546,121
Net increase (decrease) in cash and cash equivalents	4,868,638	(13,992,473)
Cash and cash equivalents at beginning of period	19,174,061	46,133,759
Cash and cash equivalents at end of period	$ 24,042,699	$ 32,141,286
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 1,122,479	$ 359,300
Supplemental schedule of non-cash financing activities:		
Common stock and contingent consideration issued with the acquisition of CSC	$ —	$ 33,490,351

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – The Business

Overview

Caladrius Biosciences, Inc. (“we,” “us”, "our", “Caladrius” or the “Company”) is among the first of a new breed of immunotherapy companies with proven expertise and unique experience in cell process optimization, development, and manufacturing. Caladrius is a company combining a leading cell therapy service provider with a development pipeline including a late-stage clinical program based on a proprietary platform technology for immuno-oncology, as well as additional platform technologies for immunomodulation and ischemic repair. This integrated approach supports the industry in bringing significant life-improving medical treatments to market.

Through our wholly owned subsidiary, PCT, LLC, a Caladrius Company ("PCT"), we are an industry leader in providing high-quality innovative and reliable manufacturing capabilities and engineering solutions (*e.g.*, process and assay development, optimization and automation) in the development of cell-based therapies. In addition to leveraging this core expertise in the development of our own products, we partner with other industry leaders who recognize our unique ability to significantly improve their manufacturing processes and supply clinical and commercial product. PCT has worked with over 120 clients and produced over 20,000 cell therapy products since it was founded over sixteen years ago. We currently operate facilities qualified under current Good Manufacturing Practices ("cGMPs") in each of Allendale, NJ, Mountain View, CA and Irvine, CA, and are positioned to expand our capacity both in the United States and internationally, as needed. As the industry continues to mature and a growing number of cell therapy companies approach commercialization, PCT is well positioned to serve as an external manufacturing partner of choice for commercial cGMP manufacturing of cell therapies.

Our most advanced clinical program is based on our tumor cell/dendritic cell technology. It is focused on the development of an innovative cancer immunotherapy treatment (*i.e.*, vaccine) that is designed to target the cells responsible for tumor growth and metastasis, known as cancer- or tumor-initiating cells ("CICs"), using purified CICs from a patient’s own tumor as an antigen source to induce or enhance an anti-tumor immune response in the patient. CLBS20, our lead product candidate based on this platform technology, targets malignant melanoma. CLBS20 is being studied in patients with recurrent Stage III or Stage IV metastatic melanoma. The program has been granted Fast Track and Orphan designation by the Food and Drug Administration (the "FDA") as well as Advanced Therapeutic Medicinal Product classification by the European Medicines Agency (the "EMA"). The protocol for the Phase 3 study, known as the Intus study, is the subject of a Special Protocol Assessment ("SPA") by the FDA. Our SPA letter states that our Phase 3 clinical trial is adequately designed to provide the necessary data that, depending on outcome, could support a Biologics License Application ("BLA") seeking marketing approval of CLBS20. The Intus Study is the subject of a $17.7 million grant from the California Institute for Regenerative Medicine, announced in May 2015. We have also been awarded a contract from the National Cancer Institute of the National Institutes of Health for up to $2.3 million for further process optimization of the underlying platform technology. The study protocol calls for randomizing 250 patients, and patient screening began in the first quarter of 2015 with randomization of the first patient announced in April 2015. An interim analysis is planned after 99 trial events (*i.e.*, deaths) and is expected to occur around the end of 2017. The treatment paradigm for metastatic melanoma continues to evolve with the recent approval of several immuno therapies, and combination therapy is already an industry focus. We believe that CLBS20 has a place in the ultimate treatment paradigm, and we will remain flexible in our clinical efforts to maximize the role of CLBS20 in this evolving landscape. We are also evaluating other clinical indications for which we may advance this program, including liver cancer, for which we have completed a successful Phase 1 trial in China, as well as ovarian, colon, kidney, brain and lung cancers.

Another of our pipeline programs is based on the use of Regulatory T Cells ("Tregs") to treat diseases caused by imbalances in an individual's immune system. This novel approach seeks to restore immune balance by enhancing Treg cell number and function. Tregs are a natural part of the human immune system and regulate the activity of T effector cells, the cells that are responsible for protecting the body from viruses and other foreign antigens. When Tregs function properly, only harmful foreign materials are attacked by T effector cells. In autoimmune disease, it is thought that deficient Treg activity permits the T effector cells to attack the body's own beneficial cells. We have entered into a strategic collaboration with Sanford Research with the goal of developing this therapy for the treatment of type 1 diabetes mellitus (“T1D”). Sanford Research is a non-profit research organization that is part of Sanford Health and supports an emerging translational research center focused on finding a cure for T1D. The initial focus of the collaboration will be the execution of a prospective, randomized, placebo-controlled, double-blind clinical trial (The Sanford Project: Trex Study) to evaluate the safety and efficacy of the Company’s Tregs product candidate, CLBS03, in adolescents with recent onset T1D. The Phase 2 study has an open and active investigational new drug application ("IND") in place and subject enrollment is expected to commence as early as the first quarter of 2016. An interim safety analysis

of the data will occur after the treatment of the first 18 patients is completed, and an interim efficacy analysis is expected after the first 52 patients reach the 6 month follow-up milestone.

The third of our program platforms is designed to utilize CD34 cells to regenerate tissue damaged by ischemic conditions. Ischemia occurs when the supply of oxygenated blood in the body is restricted, causing local tissue distress and death. Ischemia can lead to conditions such as chronic heart failure ("CHF") and critical limb ischemia ("CLI"). We seek to improve oxygen delivery to affected tissues through the development and formation of new blood vessels initiated or enhanced by CD34 cells. We believe that the positive suggestion of safety and therapeutic activity seen to date in the PreSERVE-AMI Phase 2 study of CLBS10 for ST segment elevation myocardial infarction ("STEMI") supports the underlying platform technology and enables the Company's exploration of what we believe to be more commercially viable indications of chronic heart failure (CLBS14) and/or critical limb ischemia (CLBS12) as targets for further development. In the case of CLI, we are actively exploring a program to develop CLBS12 under Japan's regenerative medicine law in collaboration with Japanese development and/or manufacturing partners. Japan's regenerative medicine law enables an expedited path to conditional approval for regenerative medicine products that show sufficient safety evidence and signals of efficacy in a Phase 2 study. This program is supported by three previous studies of autologous CD34 cells in no-option CLI patients. These other indications are early stage opportunities and require external funding and/or partnerships to proceed to the next step in clinical development.

We look forward to further advancement of our cell-based therapies to the market and to helping patients suffering from life-threatening medical conditions. Coupling our development expertise with our strong process development and manufacturing capability, we believe the stage is set for us to realize meaningful clinical development of our own proprietary platform technologies and manufacturing advancements, further positioning Caladrius as a leader in the immuno-oncology field and the cell therapy industry.

We anticipate requiring additional capital in order to fund the development of cell therapy product candidates and to grow the PCT business. To meet our short and long term liquidity needs, we currently expect to use existing cash and cash equivalents balances, our revenue generating activities, and a variety of other means, including our common stock purchase agreements with Aspire Capital. Other sources of liquidity could include additional potential issuances of debt or equity securities in public or private financings, option exercises, partnerships and/or collaborations, and/or sale of assets. In addition, we will continue to seek as appropriate grants for scientific and clinical studies from various governmental agencies and foundations. We believe that our current cash, cash equivalents and marketable securities balances and revenue generating activities, along with access to funds under our agreement with Aspire Capital, will be sufficient to fund the business through the next 12 months. While we continue to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all. If we are unable to access capital necessary to meet our long-term liquidity needs, we may have to delay or discontinue the acquisition and development of cell therapies, and/or the expansion of our business or raise funds on terms that we currently consider unfavorable.

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying Consolidated Financial Statements of the Company and its subsidiaries, which are unaudited, include all normal and recurring adjustments considered necessary to present fairly the Company's financial position as of September 30, 2015 and the results of its operations and its cash flows for the periods presented. The unaudited consolidated financial statements herein should be read together with the historical consolidated financial statements of the Company for the years ended December 31, 2014, 2013 and 2012 included in our 2014 Form 10-K. Operating results for the nine months ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and other assumptions believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The Company makes critical estimates and assumptions in determining the fair values of goodwill for potential goodwill impairments for our reporting units, fair values of In-Process R&D assets, fair values of acquisition-related contingent considerations, useful lives of our tangible and

intangible assets, allowances for doubtful accounts, and stock-based awards values. Accordingly, actual results could differ from those estimates and assumptions.

An accounting policy is considered to be critical if it is important to the Company's financial condition and results of operations and if it requires management's most difficult, subjective and complex judgments in its application.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Caladrius Biosciences, Inc. and its wholly-owned and partially-owned subsidiaries and affiliates as listed below.

Entity	Percentage of Ownership	Location
Caladrius Biosciences, Inc.	100%	United States of America
NeoStem Therapies, Inc.	100%	United States of America
Stem Cell Technologies, Inc.	100%	United States of America
Amorcyte, LLC	100%	United States of America
PCT, LLC, a Caladrius Company	100%	United States of America
NeoStem Family Storage, LLC	100%	United States of America
Athelos Corporation (1)	97.0%	United States of America
PCT Allendale, LLC	100%	United States of America
NeoStem Oncology, LLC	100%	United States of America

(1) As of September 30, 2015, Becton Dickinson's ownership interest in Athelos Corporation was 3.0%.

Note 2 – Summary of Significant Accounting Policies

In addition to the policies below, our significant accounting policies are described in Note 2 of the Notes to Consolidated Financial Statements included in our 2014 Form 10-K. There were no changes to these policies during the nine months ended September 30, 2015.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid, investments with maturities of 90 days or less when purchased.

Marketable Securities

The Company determines the appropriate classification of our marketable securities at the time of purchase and reevaluates such designation at each balance sheet date. All of our marketable securities are considered as available-for-sale and carried at estimated fair values and reported in either cash equivalents or marketable securities. Unrealized gains and losses on available-for-sale securities are excluded from net income and reported in accumulated other comprehensive income (loss) as a separate component of stockholders' equity. Other income (expense), net, includes interest, dividends, amortization of purchase premiums and discounts, realized gains and losses on sales of securities and other-than-temporary declines in the fair value of securities, if any. The cost of securities sold is based on the specific identification method. We regularly review all of our investments for other-than-temporary declines in fair value. Our review includes the consideration of the cause of the impairment, including the creditworthiness of the security issuers, the number of securities in an unrealized loss position, the severity and duration of the unrealized losses, whether we have the intent to sell the securities and whether it is more likely than not that we will be required to sell the securities before the recovery of their amortized cost basis. When we determine that the decline in fair value of an investment is below our accounting basis and this decline is other-than-temporary, we reduce the carrying value of the security we hold and record a loss for the amount of such decline.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts. The Company applies judgment in connection with establishing the allowance for doubtful accounts. Specifically, the Company analyzes the aging of accounts receivable balances, historical bad debts, customer concentration and credit-worthiness, current economic trends and changes in the Company's customer payment terms. Significant changes in customer concentrations or payment terms, deterioration

of customer credit-worthiness or weakening economic trends could have a significant impact on the collectability of the receivables and the Company's operating results. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Management regularly reviews the aging of receivables and changes in payment trends by its customers, and records a reserve when it believes collection of amounts due are at risk.

Deferred Costs

Deferred costs primarily represents costs incurred on in process projects at PCT that have not been completed. The Company reviews these projects periodically to determine that the value of each project is stated at the lower of cost or market.

Share-Based Compensation

The Company expenses all share-based payment awards to employees, directors, advisors and consultants, including grants of stock options, warrants, and restricted stock, over the requisite service period based on the grant date fair value of the awards. Advisor and consultant awards are remeasured each reporting period through vesting. For awards with performance-based vesting criteria, the Company estimates the probability of achievement of the performance criteria and recognizes compensation expense related to those awards expected to vest. The Company determines the fair value of option awards using the Black-Scholes option-pricing model which uses both historical and current market data to estimate the fair value. This method incorporates various assumptions such as the risk-free interest rate, expected volatility, expected dividend yield and expected life of the options or warrants. The fair value of the Company's restricted stock and restricted stock units is based on the closing market price of the Company's common stock on the date of grant.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill is the excess of purchase price over the fair value of identified net assets of businesses acquired. Intangible assets with indefinite useful lives are measured at their respective fair values as of the acquisition date. The Company does not amortize goodwill and intangible assets with indefinite useful lives. Intangible assets related to in process research and development ("IPR&D") projects are considered to be indefinite-lived until the completion or abandonment of the associated R&D efforts. If and when development is complete, which generally occurs if and when regulatory approval to market a product is obtained, the associated assets would be deemed finite-lived and would then be amortized based on their respective estimated useful lives at that point in time.

The Company reviews goodwill and indefinite-lived intangible assets at least annually, or at the time a triggering event is identified for possible impairment. Goodwill and indefinite-lived intangible assets are reviewed for possible impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit or the IPR&D below its carrying value. The Company tests its goodwill and indefinite-lived intangible assets each year as of December 31. The Company reviews the carrying value of goodwill and indefinite-lived intangible assets utilizing an income approach model, and, where appropriate, a market value approach is also utilized to supplement the discounted cash flow model. The Company makes assumptions regarding estimated future cash flows, discount rates, long-term growth rates and market values to determine each reporting unit's and IPR&D's estimated fair value. If these estimates or related assumptions change in the future, the Company may be required to record impairment charges. In accordance with its accounting policy, the Company tested goodwill for impairment as of December 31, 2014, 2013, and 2012 for its two reporting units as well as its IPR&D, and concluded there was no goodwill and IPR&D impairment. As of June 30, 2015, the Company determined that IPR&D valued at $9.4 million was fully impaired (see Note 8). The Company also tested goodwill for impairment as of June 30, 2015, since the IPR&D impairment was deemed a triggering event for goodwill impairment testing purposes, and concluded there was no goodwill impairment.

Definite-Lived Intangible Assets

Definite-lived intangible assets consist of customer lists, manufacturing technology, tradenames, patents and rights. These intangible assets are amortized on a straight line basis over their respective useful lives. The Company reviews definite-lived intangibles assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds the fair value of the asset. If other events or changes in circumstances indicate that the carrying amount of an asset that the Company expects to hold and use may not be recoverable, the Company will estimate the undiscounted future cash flows expected to result from the use of the asset and/or its eventual disposition, and recognize an impairment loss, if any. The impairment loss, if determined to be necessary, would be measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. No triggering events were noted in the quarter ended September 30, 2015 that would require interim impairment assessment.

Recognizing and Measuring Assets Acquired and Liabilities Assumed in Business Combinations at Fair Value

The Company accounts for acquired businesses using the purchase method of accounting, which requires that assets acquired and liabilities assumed be recorded at date of acquisition at their respective fair values. The consolidated financial statements and results of operations reflect an acquired business after the completion of the acquisition. The fair value of the consideration paid, including contingent consideration, is assigned to the underlying net assets of the acquired business based on their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Amounts allocated to IPR&D are included on the balance sheet. Intangible assets, including IPR&D assets upon successful completion of the project and approval of the product, are amortized on a straight-line basis to amortization expense over the expected life of the asset. Significant judgments are used in determining the estimated fair values assigned to the assets acquired and liabilities assumed and in determining estimates of useful lives of long-lived assets. Fair value determinations and useful life estimates are based on, among other factors, estimates of expected future net cash flows, estimates of appropriate discount rates used to present value expected from future net cash flow streams, the timing of approvals for IPR&D projects and the timing of related product launch dates, the assessment of each asset's life cycle, the impact of competitive trends on each asset's life cycle and other factors. These judgments can materially impact the estimates used to allocate acquisition date fair values to assets acquired and liabilities assumed and the resulting timing and amount charged to, or recognized in current and future operating results. For these and other reasons, actual results may vary significantly from estimated results.

The Company determines the acquisition date fair value of contingent consideration obligations based on a probability-weighted income approach derived from revenue estimates, post-tax gross profit levels and a probability assessment with respect to the likelihood of achieving contingent obligations including contingent payments such as milestone obligations, royalty obligations and contract earn-out criteria, where applicable. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in fair value measurement accounting. The resulting probability-weighted cash flows are discounted using an appropriate effective annual interest rate. At each reporting date, the contingent consideration obligation will be revalued to estimated fair value at that time and changes in fair value will be reflected as income or expense in our consolidated statement of operations. Changes in the fair value of the contingent consideration obligations may result from changes in discount periods and rates, changes in the timing and amount of revenue estimates and changes in probability assumptions with respect to the likelihood of achieving the various contingent payment obligations. Changes in assumptions utilized in our contingent consideration fair value estimates could result in an increase or decrease in our contingent consideration obligation and a corresponding charge to operating loss or income.

Revenue Recognition

Clinical Services: The Company recognizes revenue for its (i) process development and (ii) clinical manufacturing services based on the terms of individual contracts.

We recognize revenues when all of the following conditions are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred or the services have been rendered;
- the fee is fixed or determinable; and
- collection is probable.

The Company considers signed contracts as evidence of an arrangement. The Company assesses whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the payment terms are subject to refund or adjustment. The Company assesses cash collectability based on a number of factors, including past collection history with the client and the client's creditworthiness. If the Company determines that collectability is not reasonably assured, it defers revenue recognition until collectability becomes reasonably assured, which is generally upon receipt of the cash. The Company's arrangements are generally non-cancellable, though clients typically have the right to terminate their agreement for cause if the Company materially fails to perform.

Revenues associated with process development services generally contain multiple stages that do not have stand-alone values and are dependent upon one another, and are recognized as revenue on a completed contract basis. Progress billings collected prior to contract completion are recorded as unearned revenue until such time the contract is completed, which usually requires formal client acceptance.

Clinical manufacturing services are generally distinct arrangements whereby the Company is paid for time and materials or for fixed monthly amounts. Revenue is recognized when contractual terms have been met.

Some client agreements include multiple elements, comprised of process development and clinical manufacturing services. The Company believes that process development and clinical manufacturing services each have stand-alone value because these services can be provided separately by other companies. The Company (1) separates deliverables into separate units of accounting when deliverables are sold in a bundled arrangement and (2) allocates the arrangement's consideration to each unit in the arrangement based on its relative selling price.

Clinical Services Reimbursements: The Company separately charges the customers for the expenses associated with certain consumable resources (reimbursable expenses) that are specified in each clinical services contract. On a monthly basis, the Company bills customers for reimbursable expenses and immediately recognizes these billings as revenue, as the revenue is deemed earned as reimbursable expenses are incurred. For the three months ended September 30, 2015 and 2014, clinical services reimbursements were $0.9 million and $1.0 million, respectively. For the nine months ended September 30, 2015 and 2014, clinical services reimbursements were $2.3 million and $2.8 million, respectively.

Processing and Storage Services: The Company recognizes revenue related to the collection and cryopreservation of autologous adult stem cells when the cryopreservation process is completed which is approximately 24 hours after cells have been collected. Revenue related to advance payments of storage fees is recognized ratably over the period covered by the advance payments.

Research and Development Costs

Research and development ("R&D") expenses include salaries, benefits, and other headcount related costs, clinical trial and related clinical manufacturing costs, contract and other outside service fees including sponsored research agreements, and facilities and overhead costs. The Company expenses the costs associated with research and development activities when incurred.

To further drive the Company’s cell therapy initiatives, the Company will continue targeting key governmental agencies, congressional committees and not-for-profit organizations to contribute funds for the Company’s research and development programs. The Company accounts for such grants as a deduction to the related expense in research and development operating expenses when earned.

Recently Issued Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2014-09, "*Revenue from Contracts with Customers (Topic 606).*" The new revenue recognition standard provides a five-step analysis to determine when and how revenue is recognized. The standard requires that a company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2017 and will be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is currently evaluating the impact of the pending adoption of ASU 2014-09 on its consolidated financial statements.

In August 2014, FASB issued ASU No. 2014-15 *Preparation of Financial Statements - Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. Under GAAP, continuation of a reporting entity as a going concern is presumed as the basis for preparing financial statements unless and until the entity's liquidation becomes imminent. Preparation of financial statements under this presumption is commonly referred to as the going concern basis of accounting. If and when an entity's liquidation becomes imminent, financial statements should be prepared under the liquidation basis of accounting in accordance with Subtopic 205-30, *Presentation of Financial Statements - Liquidation Basis of Accounting*. Even when an entity's liquidation is not imminent, there may be conditions or events that raise substantial doubt about the entity's ability to continue as a going concern. In those situations, financial statements should continue to be prepared under the going concern basis of accounting, but the provisions in this ASU should be followed to determine whether to disclose information about the relevant conditions and events. The ASU is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the adoption of this ASU and its impact on the consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU requires retrospective adoption and will be effective for us beginning in our first quarter of 2017. Early adoption is permitted. We do not expect this adoption to have a material impact on our financial statements.

Note 3 – Acquisition

On May 8, 2014, the Company closed (the “Closing”) its acquisition (the “CSC Acquisition”) of California Stem Cell, Inc. ("CSC"), pursuant to the terms of the Agreement and Plan of Merger, dated as of April 11, 2014 (the “Merger Agreement”), by and among the Company and its acquisition subsidiaries (collectively, "Subco"), CSC and Jason Livingston, solely in his capacity as CSC stockholder representative (together with his permitted successors, the “CSC Representative”). At Closing, Fortis Advisors LLC succeeded to the duties of the CSC Representative pursuant to the Merger Agreement. Pursuant to the Merger Agreement, on the Closing date, Subco was merged with CSC (the “Merger”), with Subco surviving the Merger as a wholly-owned subsidiary of the Company. At Closing, Subco changed its legal name to NeoStem Oncology, LLC.

Aggregate Merger Consideration

Pursuant to the terms of the Merger Agreement, all shares of CSC common stock (“CSC Common Stock”) and CSC preferred stock (“CSC Preferred Stock”, and collectively with the CSC Common Stock, the “CSC Capital Stock”) outstanding immediately prior to the Closing, and all outstanding unexercised options to purchase CSC Common Stock (“CSC Options”) (treated as if a net exercise had occurred), were canceled and converted into the right to receive, in the aggregate (and giving effect to the liquidation preferences accorded to the CSC Preferred Stock):

(1) An aggregate of 5,329,593 shares of the Company's common stock (subject to payment of nominal cash in lieu of fractional shares) (the “Closing Merger Consideration”).

(2) if payable after the Closing, certain payments in an amount of up to $90.0 million in the aggregate, payable in shares of the Company's common stock or cash, in the Company’s sole discretion, in the event of the successful completion of certain milestone events in connection with the CSC Acquisition (the “Milestone Payments”, and together with the Closing Merger Consideration, the “Merger Consideration”).

The fair value of the net assets acquired in the CSC Acquisition was $19.4 million. The fair value of the consideration paid by the Company was valued at $33.5 million, resulting in the recognition of goodwill in the amount of $14.1 million. The consideration paid was comprised of equity issued and milestone payments. The fair value of the equity issued by the Company was valued at $21.6 million. The fair value of the milestone payments was valued at $11.9 million, and is contingent on the achievement of certain milestones associated with the future development of the acquired programs. Such contingent consideration has been classified as a liability and will be subject to remeasurement at the end of each reporting period.

The fair value of assets acquired and liabilities assumed on May 8, 2014 is as follows (in thousands):

Cash and cash equivalents	$ 51
Accounts receivable trade, net	45
Prepaids and other current assets	19
Property, plant and equipment, net	1,041
Other assets	201
Goodwill	14,092
In-Process R&D	34,290
Accounts payable	(333)
Accrued liabilities	(2,014)
Deferred tax liability	(13,901)
Total	$ 33,491

The total cost of the acquisition has been allocated to the assets acquired and the liabilities assumed based upon their estimated fair values at the date of the acquisition. The final allocation was completed during the measurement period which was one year from the date of acquisition.

Pro Forma Financial Information

The following supplemental table presents unaudited consolidated pro forma financial information as if the Closing of

the CSC Acquisition had occurred on January 1, 2014 (in thousands, except per share amounts):

	Nine Months Ended September 30, 2014	
	(As Reported)	(Pro forma)
Revenues	$ 12,662	$ 13,373
Net loss	$ (43,776)	$ (46,273)
Net loss attributable to Caladrius Biosciences, Inc.	$ (43,261)	$ (45,758)
Net loss per share attributable to Caladrius Biosciences, Inc.	$ (1.37)	$ (1.24)

The unaudited supplemental pro forma financial information should not be considered indicative of the results that would have occurred if the CSC Acquisition had been consummated on January 1, 2014, nor are they indicative of future results.

Note 4 – Available-for-Sale-Securities

The following table is a summary of available-for-sale securities recorded in cash and cash equivalents or marketable securities in our Consolidated Balance Sheets (in thousands):

	September 30, 2015				December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Certificate of deposits	$ —	$ —	$ —	$ —	$ 249.0	$ —	$ —	$ 249.0
Corporate debt securities	1,729.4	—	(0.6)	1,728.8	—	—	—	—
Money market funds	12,408.6	—	—	12,408.6	12,791.9	—	—	12,791.9
Municipal debt securities	4,285.3	1.5	—	4,286.8	9,317.3	1.3	—	9,318.6
Total	$ 18,423.3	$ 1.5	$ (0.6)	$ 18,424.2	$ 22,358.2	$ 1.3	$ —	$ 22,359.5

Estimated fair values of available-for-sale securities are generally based on prices obtained from commercial pricing services. The following table summarizes the classification of the available-for-sale debt securities on our Consolidated Balance Sheets (in thousands):

	September 30, 2015	December 31, 2014
Cash and cash equivalents	$ 13,074.8	$ 15,279.4
Marketable securities	5,349.4	7,080.1
Total	$ 18,424.2	$ 22,359.5

The following table summarizes our portfolio of available-for-sale debt securities by contractual maturity (in thousands):

	September 30, 2015	
	Amortized Cost	Estimated Fair Value
Less than one year	$ 18,423.3	$ 18,424.2
Greater than one year	—	—
Total	$ 18,423.3	$ 18,424.2

Note 5 – Deferred Costs

Deferred costs, representing work in process for costs incurred on process development contracts that have not been completed, were $3.3 million and $2.6 million as of September 30, 2015 and December 31, 2014, respectively. The Company

also has deferred revenue of approximately $4.9 million and $3.9 million of advance billings received as of September 30, 2015 and December 31, 2014, respectively, related to these contracts.

Note 6 – Loss Per Share

For the three and nine months ended September 30, 2015 and 2014, the Company incurred net losses and therefore no common stock equivalents were utilized in the calculation of loss per share as they are anti-dilutive. At September 30, 2015 and 2014, the Company excluded the following potentially dilutive securities:

	September 30	
	2015	2014
Stock Options	6,611,480	4,459,923
Warrants	3,516,452	3,555,956
Restricted Shares	113,579	233,982

Note 7 – Fair Value Measurements

The fair value of financial assets and liabilities that are being measured and reported are defined as the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (exit price). The Company is required to classify fair value measurements in one of the following categories:

Level 1 inputs are defined as quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are defined as inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 inputs are defined as unobservable inputs for the assets or liabilities. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

The Company classifies the fair value of the warrant derivative liabilities as Level 3 inputs. These inputs require material subjectivity because value is derived through the use of a lattice model that values the derivatives based on probability weighted discounted cash flows. In May 2014, the warrants expired and the value of the warrant derivative liabilities were written off and recorded in other expenses in our consolidated statement of operations.

The Company classifies the fair value of contingent consideration obligations as Level 3 inputs. The Company has recognized contingent consideration obligations related to the following:

- In October 2011, in connection with the acquisition (the "Amorcyte Acquisition") of Amorcyte, LLC ("Amorcyte"), contingent consideration obligations were recognized relating to earn out payments equal to 10% of the net sales of the lead product candidate CLBS10 (in the event of and following the date of first commercial sale of CLBS10, a CD34 therapy), provided that in the event the Company sublicenses CLBS10, the applicable earn out payment will be equal to 30% of any sublicensing fees, and provided further that the Company will be entitled to recover direct out-of-pocket clinical development costs not previously paid or reimbursed and any costs, expenses, liabilities and settlement amounts arising out of claims of patent infringement or otherwise challenging Amorcyte’s right to use intellectual property, by reducing any earn out payments due by 50% until such costs have been recouped in full (the “Earn Out Payments”). As of June 30, 2015, based on a thorough analysis of the available data from the PreSERVE-AMI Phase 2 clinical study for CLBS10, an updated commercial assessment, and consultation with the Company’s scientific advisory board and the Science and Technology Committee of the Board of Directors, the Company determined that it will not pursue further development of CLBS10. As a result, the Amorcyte Acquisition contingent consideration fair value decreased to $0 as of June 30, 2015, since the contingent consideration is based solely on future revenues of CLBS10. The change in estimated fair value has been recorded in other expense (income), net in our consolidated statement of operations.

- In May 2014, in connection with the CSC Acquisition, contingent consideration obligations were recognized relating to milestone payments of up to $90.0 million, based on the achievement of certain milestones associated with the future

development of the acquired programs. The contingent consideration fair value increased from $12.8 million as of December 31, 2014 to $13.9 million as of September 30, 2015. The change in estimated fair value is based on the impact of the time progression to reach those milestones as of September 30, 2015, and has been recorded in other expenses (income), net in our consolidated statement of operations.

The fair value of contingent consideration obligations is based on discounted cash flow models using a probability-weighted income approach. The measurements are based upon unobservable inputs supported by little or no market activity based on our own assumptions and experience. The Company bases the timing to complete the development and approval programs on the current development stage of the product and the inherent difficulties and uncertainties in developing a product candidate, such as obtaining FDA and other regulatory approvals. In determining the probability of regulatory approval and commercial success, we utilize data regarding similar milestone events from several sources, including industry studies and our own experience. These fair value measurements represent Level 3 measurements as they are based on significant inputs not observable in the market. Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, changes in assumptions could have a material impact on the amount of contingent consideration expense we record in any given period.

The following table sets forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2015, and December 31, 2014 (in thousands):

	September 30, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Marketable securities - available for sale	$ —	$ 5,349.4	$ —	$ 5,349.4	$ —	$ 7,080.0	$ —	$ 7,080.0
	$ —	$ 5,349.4	$ —	$ 5,349.4	$ —	$ 7,080.0	$ —	$ 7,080.0
Liabilities:								
Contingent consideration	$ —	$ —	$ 13,880.0	$ 13,880.0	$ —	$ —	$ 18,260.0	$ 18,260.0
	$ —	$ —	$ 13,880.0	$ 13,880.0	$ —	$ —	$ 18,260.0	$ 18,260.0

There were no transfers of financial instruments to or from Levels 1, 2 or 3 during the periods presented. For those financial instruments with significant Level 3 inputs, the following table summarizes the activity for the nine months ended September 30, 2015 by type of instrument (in thousands):

	Nine Months Ended September 30, 2015	
	Contingent Consideration	Total
Beginning liability balance	$ 18,260.0	$ 18,260.0
Change in fair value recorded in operations	(4,380.0)	(4,380.0)
Ending liability balance	$ 13,880.0	$ 13,880.0

Some of the Company's financial instruments are not measured at fair value on a recurring basis, but are recorded at amounts that approximate fair value due to their liquid or short-term nature, such as cash and cash equivalents, accounts receivable, and accounts payable. Our long-term debt and notes payable are carried at cost and approximate fair value due to their variable or fixed interest rates, which are consistent with the interest rates in the market.

Note 8 – Goodwill and Other Intangible Assets

The Company's goodwill was $25.2 million as of September 30, 2015 and December 31, 2014.

The Company's intangible assets and related accumulated amortization as of September 30, 2015 and December 31, 2014 consisted of the following (in thousands):

		September 30, 2015			December 31, 2014		
	Useful Life	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer list	10 years	$ 1,000.0	$ (470.1)	$ 529.9	$ 1,000.0	$ (395.1)	$ 604.9
Manufacturing technology	10 years	3,900.0	(1,833.4)	2,066.6	3,900.0	(1,540.9)	2,359.1
Tradename	10 years	800.0	(376.1)	423.9	800.0	(316.1)	483.9
In process R&D	Indefinite	34,290.0	—	34,290.0	43,690.0	—	43,690.0
Patent rights	19 years	669.0	(272.9)	396.1	669.0	(246.5)	422.5
Total Intangible Assets		$ 40,659.0	$ (2,952.5)	$ 37,706.5	$ 50,059.0	$ (2,498.6)	$ 47,560.4

The Company’s IPR&D programs were acquired in the Amorcyte Acquisition (CD34 technology) and CSC Acquisition (tumor cell/dendritic cell technology). With regards to the CD34 technology, the Company determined as of June 30, 2015, based on a thorough analysis of the available data from the PreSERVE-AMI Phase 2 clinical study, an updated commercial assessment, and consultation with the Company’s scientific advisory board and the Science and Technology Committee of the Board of Directors, that it will not pursue further development of CLBS10 for the acute myocardial infarction indication upon completion of the ongoing PreSERVE-AMI Phase 2 clinical study. However, it intends to explore other potential and more commercially viable indications of chronic heart failure and/or critical limb ischemia for its CD34 cell technology platform. These other indications are early stage opportunities, and would require external funding and/or partnerships to proceed to the next step in clinical development. As a result, and given the early stage and funding constraints of these other potential opportunities, the Company determined that IPR&D valued at $9.4 million was fully impaired as of June 30, 2015.

Total intangible amortization expense was classified in the operating expense categories for the periods included below as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cost of revenue	$ 75.8	$ 78.7	$ 229.7	$ 158.4
Research and development	30.5	27.6	89.2	54.2
Selling, general and administrative	45.0	45.0	135.0	90.0
Total	$ 151.3	$ 151.3	$ 453.9	$ 302.6

Estimated intangible amortization expense for the succeeding five years is as follows (in thousands):

2015	$ 151.3
2016	605.2
2017	605.2
2018	605.2
2019	605.2
Thereafter	35,134.4
Total	$ 37,706.5

Note 9 – Accrued Liabilities

Accrued liabilities as of September 30, 2015 and December 31, 2014 were as follows (in thousands):

	September 30, 2015	December 31, 2014
Salaries, employee benefits and related taxes	$ 3,827.1	$ 2,807.2
Professional fees	523.3	495.4
California Institute for Regenerative Medicine advance funding - current	600.0	—
Other	3,060.8	1,020.3
Total	$ 8,011.2	$ 4,322.9

Note 10 – Debt

Notes Payable

As of September 30, 2015 and December 31, 2014, the Company had notes payable of approximately $1.8 million and $1.6 million, respectively. The notes relate to certain insurance policies and equipment financings, require monthly payments, and mature within one to three years.

Long-Term Debt

On September 26, 2014, the Company entered into a loan and security agreement (the “Loan and Security Agreement”) with Oxford Finance LLC (together with its successors and assigns, the “Lender”) pursuant to which the Lender disbursed $15.0 million (the “Loan”). After repayment of all outstanding amounts due under two loans from TD Bank, N.A. in the amount of approximately $3.1 million, and deductions for debt offering/issuance costs and interim period interest, the net proceeds from Loan were $11.7 million. The debt offering/issuance costs have been recorded as debt issuance costs in other assets in the consolidated balance sheet, and will be amortized to interest expense throughout the life of the Loan using the effective interest rate method. The proceeds from the Loan may be used to satisfy the Company’s future working capital needs, including the development of its cell therapy product candidates.

The Company has been making interest-only payments on the outstanding amount of Loan on a monthly basis at a rate of 8.50% per annum. On April 29, 2015, with the Company's announcement that the first patient in the Intus Study had been randomized, the interest-only payment period on the Loan was extended from October 1, 2015 to April 1, 2016, which was in accordance with the Loan and Security Agreement. Commencing on April 1, 2016, the Company will make 30 consecutive monthly payments of principal and interest. The Loan matures on September 1, 2018. At its option, the Company may prepay all amounts owed under the Loan and Security Agreement (including all accrued and unpaid interest), subject to a prepayment fee that is determined based on the date the loan is prepaid. The Company is also required to pay Lender a final payment fee equal to 8% of the Loan. The final payment fee will be amortized to interest expense throughout the life of the Loan using the effective interest rate method. The Company paid a facility fee in the amount of $100,000 in connection with Loan.

Under the Loan and Security Agreement and a related mortgage, the Company granted to Lender a security interest in all of the Company’s real property and personal property now owned or hereafter acquired, excluding intellectual property, and certain other assets and exemptions. The Company also entered into a Mortgage and Absolute Assignment of Leases and Rents (the "Mortgage"). The Company also granted Lender a security interest in the shares of the Company’s subsidiaries. The Loan and Security Agreement restricts the ability of the Company to: (a) convey, lease, sell, transfer or otherwise dispose of any part of its business or property; and (b) incur any additional indebtedness. The Loan and Security Agreement provides for standard indemnification of Lender and contains representations, warranties and certain covenants of the Company. Upon the occurrence of an event of default by the Company under the Loan and Security Agreement, Lender will have customary acceleration, collection and foreclosure remedies. There are no financial covenants associated to the Loan and Security Agreement. As of September 30, 2015, the Company was in compliance with all covenants under the Loan and Security Agreement.

Estimated future principal payments, interest, and fees due under the Loan and Security Agreement are as follows:

Years Ending December 31,	(in millions)
2015	$ 0.3
2016	5.3
2017	6.7
2018	6.2
Total	$ 18.5

During the nine months ended September 30, 2015, the Company recognized $1.0 million of interest expense related to the Loan and Security Agreement.

Note 11 – Shareholders' Equity

Equity Issuances

June 2015 Public Offering

In June 2015, the Company completed an underwritten offering of 12.5 million shares of the Company's common stock, at a public offering price of $2.00 per share. The underwriters also exercised their entire over-allotment option of 1.875 million shares. The Company received gross proceeds of $28.8 million, before deducting underwriting discounts and commissions and offering expenses payable by the Company.

Aspire Purchase Agreements

In November 2015, the Company entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company (“Aspire Capital”), which provides that, subject to certain terms and conditions, Aspire Capital is committed to purchase up to an aggregate of $30 million of shares (limited to a maximum of approximately 11.0 million shares, unless stockholder approval is obtained or certain minimum sale price levels are reached) of the Company's common stock over a 24-month term. As consideration for entering into the Purchase Agreement, the Company issued 842,696 shares of its common stock to Aspire Capital (see Note 16).

Under the Purchase Agreement, at the Company’s discretion, it may present Aspire Capital with purchase notices from time to time to purchase the Company’s common stock, provided certain price and other requirements are met. The purchase price for the shares of common stock is based upon one of two formulas set forth in the Purchase Agreement depending on the type of purchase notice the Company submits to Aspire Capital, and is based on market prices of the Company’s common stock (in the case of regular purchases) or a discount of 5% applied to volume weighted average prices (in the case of VWAP purchases), in each case as determined by parameters defined in the Purchase Agreements. We have filed a registration statement with the SEC and a related prospectus supplement that covers the offering of shares of our common stock subject to the Purchase Agreement, and therefore can initiate sales to Aspire at any time.

We are party to two existing agreements with Aspire Capital (the "May 2015 Purchase Agreement" and the "March 2014 Purchase Agreement", or collectively, the "Previous Purchase Agreements"). The registration statement we previously filed with the SEC to cover offerings of shares of our common stock subject to the previous Purchase Agreements has expired, and we have not, and currently have no intention to include such shares in a registration statement filed with the SEC. Unless and until we include such shares in a registration statement filed with the SEC, we are unable to initiate sales to Aspire under the Previous Purchase Agreements.

Under the May 2015 Purchase Agreement, Aspire Capital is committed to purchase up to an aggregate of $30 million of shares. As consideration for entering into the May 2015 Purchase Agreement, the Company issued 364,837 shares of its common stock to Aspire Capital. The Company has not issued any additional shares under the May 2015 Purchase Agreement. Under the March 2014 Purchase Agreement, Aspire Capital is committed to purchase up to an aggregate of $30.0 million of shares. As consideration for entering into the March 2014 Purchase Agreement, the Company issued 150,000 shares of its common stock to Aspire Capital. During the nine months ended September 30, 2015, the Company issued 3.0 million shares of common stock under the March 2014 Purchase Agreement with Aspire for gross proceeds of $9.4 million. Overall, the Company issued 5.1 million shares under the March 2014 Purchase Agreement for gross proceeds of $20.3 million.

Stock Options and Warrants

The following table summarizes the activity for stock options and warrants for the nine months ended September 30, 2015:

	Stock Options				Warrants			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In Thousands)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In Thousands)
Outstanding at December 31, 2014	4,427,234	$ 9.19	6.93	$ 28.6	3,550,956	$ 14.12	2.12	$ 1.0
Changes during the period:								
Granted	3,036,688	$ 3.23			—	$ —		
Exercised	—	$ —			—	$ —		
Forfeited	(370,588)	$ 5.32			—	$ —		
Expired	(481,854)	$ 7.34			(34,504)	$ 19.78		
Outstanding at September 30, 2015	6,611,480	$ 6.82	7.36	$ 15.2	3,516,452	$ 14.06	1.39	$ —
Vested at September 30, 2015 or expected to vest in the future	6,362,987	$ 6.94	7.28	$ 13.2	3,516,452	$ 14.06	1.39	$ —
Vested at September 30, 2015	4,685,074	$ 7.91	6.69	$ —	3,516,452	$ 14.06	1.39	$ —

Restricted Stock

During the nine months ended September 30, 2015 and 2014, the Company issued restricted stock for services as follows (in thousands, except share data):

	Nine Months Ended September 30,	
	2015	2014
Number of Restricted Stock Issued	811,835	708,706
Value of Restricted Stock Issued	$ 2,367.5	$ 4,964.0

The weighted average estimated fair value of restricted stock issued for services in the nine months ended September 30, 2015 and 2014 was $3.10 and $7.00 per share, respectively. The fair value of the restricted stock was determined using the Company's closing stock price on the date of issuance.

Note 12 – Share-Based Compensation

Share-based Compensation

We utilize share-based compensation in the form of stock options, warrants and restricted stock. The following table summarizes the components of share-based compensation expense for the three and nine months ended September 30, 2015 and 2014 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cost of goods sold	$ 14.4	$ 55.9	$ 509.5	$ 292.6
Research and development	115.9	515.7	1,642.8	1,364.2
Selling, general and administrative	306.2	2,716.3	6,416.2	7,284.7
Total share-based compensation expense	$ 436.5	$ 3,287.9	$ 8,568.5	$ 8,941.5

Total compensation cost related to nonvested awards not yet recognized and the weighted-average periods over which the awards are expected to be recognized at September 30, 2015 were as follows (in thousands):

	Stock Options	Warrants	Restricted Stock
Unrecognized compensation cost	$ 3,898.6	$ —	$ 336.5
Expected weighted-average period in years of compensation cost to be recognized	3.27		2.67

Total fair value of shares vested and the weighted average estimated fair values of shares granted for the nine months ended September 30, 2015 and 2014 were as follows (in thousands):

	Stock Options		Warrants	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Total fair value of shares vested	$ 5,303.9	$ 4,141.6	$ —	$ 15.3
Weighted average estimated fair value of shares granted	$ 2.10	$ 4.67	$ —	$ —

Valuation Assumptions

The fair value of stock options and warrants at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility is based upon historical volatility of the Company's stock. The expected term for the options is based upon observation of actual time elapsed between date of grant and exercise of options for all employees. The expected term for the warrants is based upon the contractual term of the warrants.

Note 13 – Research Funding

California Institute for Regenerative Medicine

In June 2015, the California Institute for Regenerative Medicine ("CIRM") granted the Company a $17.7 million award (the "Award") to fund a significant portion of its Phase 3 Intus study for treating patients with recurrent Stage III or Stage IV metastatic melanoma. The Award provides for a $3.0 million project initiation payment, and $14.7 million in future operational milestone payments, and is subject to a dollar-for-dollar match funding by the Company. On June 30, 2015, the Company received the $3.0 million project initiation payment from CIRM, which will be amortized over the estimated Award period as a reduction to the related research and development expenses. Future operational milestone payments will be recorded as a reduction to research and development expenses when the milestone is achieved and payment is received or probable. The State of California has the right to receive, subject to the terms and conditions of the agreement between the Company and CIRM, future payments from the Company, or its collaborators, from sales of a commercial product resulting from research and development efforts supported by the grant, of up to nine times of the Award.

Note 14 – Income Taxes

As of December 31, 2014, the Company had approximately $177.2 million of Federal net operating loss carryforwards ("NOLs") available to offset future taxable income expiring from 2025 through 2033. In accordance with Section 382 of the Internal Revenue code, the usage of the Company's NOLs could be limited in the event of a change in ownership. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period when those temporary differences become deductible. If a change of ownership did occur there would be an annual limitation on the usage of the Company's losses which are available through 2032.

In assessing the ability to realize deferred tax assets, including the NOLs, the Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize its existing deferred tax assets. Based on its assessment, the Company has provided a full valuation allowance against its net deferred tax assets as their future utilization remains uncertain at this time.

Deferred tax liabilities were $14.6 million and $18.2 million as of September 30, 2015 and December 31, 2014, respectively, and relate to the taxable temporary differences on (i) the goodwill recognized in the PCT acquisition in 2011, (ii) the in-process R&D intangible asset recognized in the Amorcyte Acquisition in 2011, and (iii) the IPR&D intangible asset recognized in the CSC Acquisition in 2014. The taxable temporary difference associated with the goodwill, which is tax deductible and will be amortized over 15 years, will continue to increase the deferred tax liability balance over the amortization period, with an associated charge to the tax provision in each period. The deferred tax liabilities will only reverse when these indefinite-lived assets are sold, impaired, or reclassified from an indefinite-lived asset to a finite-lived asset. As of June 30, 2015, IPR&D recognized in the Amorcyte Acquisition and valued at $9.4 million was fully impaired (see Note 8), resulting in the reversal of the associated deferred tax liability of $3.7 million.

As of September 30, 2015, management does not believe the Company has any material uncertain tax positions that would require it to measure and reflect the potential lack of sustainability of a position on audit in its financial statements. The Company

will continue to evaluate its uncertain tax positions in future periods to determine if measurement and recognition in its financial statements is necessary. The Company does not believe there will be any material changes in its unrecognized tax positions over the next year.

The Company's federal tax returns are currently being audited for the years 2012 and 2013. For years prior to 2011 the federal statute of limitations is closed for assessing tax. The Company's state tax returns remain open to examination for a period of 3 to 4 years from date of filing. The Company ceased doing business in China in 2012. After 2012, the Company had no foreign tax filing obligations. The returns filed for 2012 and prior are subject to examination for 5 years.

Note 15 – Commitments and Contingencies

Lease Commitments

We entered into an assignment agreement with an unaffiliated third party, effective February 19, 2015, for general office space located in Basking Ridge, NJ. This property is used as the Company's corporate headquarters. The space is approximately 18,000 rentable square feet. The base monthly rent is currently $25,000 and the lease term ends July 31, 2020. In addition, there are two (2) five (5) year renewal options. In connection with the assumption of the lease, the third party (a) conveyed its rights in various scheduled furniture and equipment and (b) paid the Company approximately $580,000. The amount paid to the Company included a security deposit of approximately $115,000. The Company also leases facilities in New York, NY, Irvine, CA, and Mountain View, CA, of which certain have escalation clauses and renewal options, and also leases equipment under certain noncancelable operating leases that expire from time to time through 2021.

A summary of future minimum rental payments required under operating leases that have initial or remaining terms in excess of one year as of September 30, 2015 are as follows (in thousands):

Years ended	Operating Leases
2015	$ 492.8
2016	2,062.0
2017	1,863.8
2018	1,034.8
2019 and thereafter	1,949.6
Total minimum lease payments	$ 7,403.0

Expense incurred under operating leases was approximately $0.4 million and $0.4 million for the three months ended September 30, 2015 and 2014, respectively. Expense incurred under operating leases was approximately $1.2 million and $0.9 million for the nine months ended September 30, 2015 and 2014, respectively.

Contingencies

We have entered into a strategic collaboration with Sanford Research with the goal of developing a therapy for the treatment of T1D. The initial focus of the collaboration will be the execution of a prospective, randomized, placebo-controlled, double-blind clinical trial (The Sanford Project: Trex Study) to evaluate the safety and efficacy of the Company's T regulatory cell product candidate, CLBS03, in adolescents with recent onset T1D. The Phase 2 study has an open and active IND in place and subject enrollment is expected to commence as early as the first quarter of 2016. We will be initially responsible for the supply of all study drug to the first 18 enrolled patients upon commencement of the study.

Under license agreements with third parties the Company is typically required to pay maintenance fees, make milestone payments and/or pay other fees and expenses and pay royalties upon commercialization of products. The Company also sponsors research at various academic institutions, which research agreements generally provide us with an option to license new technology discovered during the course of the sponsored research.

From time to time, the Company is subject to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of pending claims cannot be predicted with certainty, the Company does not believe that the outcome of any pending claims will have a material adverse effect on the Company's financial condition or operating results.

Note 16 – Subsequent Events

November 2015 Aspire Capital Agreement

In November, 2015, the Company entered into a Common Stock Purchase Agreement with Aspire Capital, whereby Aspire Capital is committed to purchase up to an aggregate of $30 million of shares (limited to a maximum of approximately 11.0 million shares, unless stockholder approval is obtained or certain minimum sales price levels are met) of the Company's common stock over a 24-month term. As consideration for entering into the Purchase Agreement, the Company issued 842,696 shares of its common stock to Aspire Capital.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Cautionary Note Regarding Forward-Looking Statements" herein and under "Risk Factors" in our 2014 Form 10-K. The following discussion should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report and in our 2014 Form 10-K.

Overview

Caladrius Biosciences, Inc. ("we," "us", "our", "Caladrius" or the "Company") is among the first of a new breed of immunotherapy companies with proven expertise and unique experience in cell process optimization, development, and manufacturing. Caladrius is a company combining a leading cell therapy service provider with a development pipeline including a late-stage clinical program based on a proprietary platform technology for immuno-oncology, as well as additional platform technologies for immunomodulation and ischemic repair. This integrated approach supports the industry in bringing significant life-improving medical treatments to market.

Through our wholly owned subsidiary, PCT, LLC, a Caladrius Company ("PCT"), we are an industry leader in providing high-quality innovative and reliable manufacturing capabilities and engineering solutions (*e.g.*, process and assay development, optimization and automation) in the development of cell-based therapies. In addition to leveraging this core expertise in the development of our own products, we partner with other industry leaders who recognize our unique ability to significantly improve their manufacturing processes and supply clinical and commercial product. PCT has worked with over 120 clients and produced over 20,000 cell therapy products since it was founded over sixteen years ago. We currently operate facilities qualified under current Good Manufacturing Practices ("cGMPs") in each of Allendale, NJ, Mountain View, CA and Irvine, CA, and are positioned to expand our capacity both in the United States and internationally, as needed. As the industry continues to mature and a growing number of cell therapy companies approach commercialization, PCT is well positioned to serve as an external manufacturing partner of choice for commercial cGMP manufacturing of cell therapies.

Our most advanced clinical program is based on our tumor cell/dendritic cell technology. It is focused on the development of an innovative cancer immunotherapy treatment (*i.e.*, vaccine) that is designed to target the cells responsible for tumor growth and metastasis, known as cancer- or tumor-initiating cells ("CICs"), using purified CICs from a patient's own tumor as an antigen source to induce or enhance an anti-tumor immune response in the patient. CLBS20, our lead product candidate based on this platform technology, targets malignant melanoma. CLBS20 is being studied in patients with recurrent Stage III or Stage IV metastatic melanoma. The program has been granted Fast Track and Orphan designation by the Food and Drug Administration (the "FDA") as well as Advanced Therapeutic Medicinal Product classification by the European Medicines Agency (the "EMA"). The protocol for the Phase 3 study, known as the Intus study, is the subject of a Special Protocol Assessment ("SPA") by the FDA. Our SPA letter states that our Phase 3 clinical trial is adequately designed to provide the necessary data that, depending on outcome, could support a Biologics License Application ("BLA") seeking marketing approval of CLBS20. The Intus Study is the subject of a $17.7 million grant from the California Institute for Regenerative Medicine, announced in May 2015. We have also been awarded a contract from the National Cancer Institute of the National Institutes of Health for up to $2.3 million for further process optimization of the underlying platform technology. The study protocol calls for randomizing 250 patients, and patient screening began in the first quarter of 2015 with randomization of the first patient announced in April 2015. An interim analysis is planned after 99 trial events (*i.e.*, deaths) and is expected to occur around the end of 2017. The treatment paradigm for metastatic melanoma continues to evolve with the recent approval of several immuno therapies, and combination therapy is already an industry focus. We believe that CLBS20 has a place in the ultimate treatment paradigm, and we will remain flexible in our clinical efforts to

maximize the role of CLBS20 in this evolving landscape. We are also evaluating other clinical indications for which we may advance this program, including liver cancer, for which we have completed a successful Phase 1 trial in China, as well as ovarian, colon, kidney, brain and lung cancers.

Another of our pipeline programs is based on the use of Regulatory T Cells ("Tregs") to treat diseases caused by imbalances in an individual's immune system. This novel approach seeks to restore immune balance by enhancing Treg cell number and function. Tregs are a natural part of the human immune system and regulate the activity of T effector cells, the cells that are responsible for protecting the body from viruses and other foreign antigens. When Tregs function properly, only harmful foreign materials are attacked by T effector cells. In autoimmune disease, it is thought that deficient Treg activity permits the T effector cells to attack the body's own beneficial cells. We have entered into a strategic collaboration with Sanford Research with the goal of developing this therapy for the treatment of type 1 diabetes mellitus (“T1D”). Sanford Research is a non-profit research organization that is part of Sanford Health and supports an emerging translational research center focused on finding a cure for T1D. The initial focus of the collaboration will be the execution of a prospective, randomized, placebo-controlled, double-blind clinical trial (The Sanford Project: Trex Study) to evaluate the safety and efficacy of the Company’s Tregs product candidate, CLBS03, in adolescents with recent onset T1D. The Phase 2 study has an open and active investigational new drug application ("IND") in place and subject enrollment is expected to commence as early as the first quarter of 2016. An interim safety analysis of the data will occur after the treatment of the first 18 patients is completed, and an interim efficacy analysis is expected after the first 52 patients reach the 6 month follow-up milestone.

The third of our program platforms is designed to utilize CD34 cells to regenerate tissue damaged by ischemic conditions. Ischemia occurs when the supply of oxygenated blood in the body is restricted, causing local tissue distress and death. Ischemia can lead to conditions such as chronic heart failure ("CHF") and critical limb ischemia ("CLI"). We seek to improve oxygen delivery to affected tissues through the development and formation of new blood vessels initiated or enhanced by CD34 cells. We believe that the positive suggestion of safety and therapeutic activity seen to date in the PreSERVE-AMI Phase 2 study of CLBS10 for ST segment elevation myocardial infarction ("STEMI") supports the underlying platform technology and enables the Company’s exploration of what we believe to be more commercially viable indications of chronic heart failure (CLBS14) and/or critical limb ischemia (CLBS12) as targets for further development. In the case of CLI, we are actively exploring a program to develop CLBS12 under Japan's regenerative medicine law in collaboration with Japanese development and/or manufacturing partners. Japan’s regenerative medicine law enables an expedited path to conditional approval for regenerative medicine products that show sufficient safety evidence and signals of efficacy in a Phase 2 study. This program is supported by three previous studies of autologous CD34 cells in no-option CLI patients. These other indications are early stage opportunities and require external funding and/or partnerships to proceed to the next step in clinical development.

We look forward to further advancement of our cell-based therapies to the market and to helping patients suffering from life-threatening medical conditions. Coupling our development expertise with our strong process development and manufacturing capability, we believe the stage is set for us to realize meaningful clinical development of our own proprietary platform technologies and manufacturing advancements, further positioning Caladrius as a leader in the immuno-oncology field and the cell therapy industry.

Results of Operations

Three and Nine Months Ended September 30, 2015 Compared to Three and Nine Months Ended September 30, 2014

Net loss for the three months ended September 30, 2015 was approximately $11.4 million compared to $17.2 million for the three months ended September 30, 2014. Net loss for the nine months ended September 30, 2015 was approximately $47.8 million compared to $43.8 million for the nine months ended September 30, 2014.

Net loss for the nine months ended September 30, 2015 included the impact of the Company's decision to no longer pursue further development of CLBS10 upon completion of the ongoing PreSERVE-AMI Phase 2 clinical study. Based on this decision, the Company determined that in process research and development ("IPR&D") valued at $9.4 million was fully impaired (recorded in impairment of intangible assets in our consolidated statement of operations), and the associated deferred tax liability of $3.7 million was reversed (recorded in benefit from income taxes in our consolidated statement of operations). In addition, the fair value of contingent consideration associated with earn out payments on CLBS10 future revenues was reduced from $5.6 million to $0 (recorded in other income in our consolidated statement of operations). The overall net impact for these changes was a $20,000 increase in net loss.

Revenues

For the three months ended September 30, 2015, total revenues were approximately $5.9 million compared to $4.1 million for the three months ended September 30, 2014, representing an increase of $1.8 million, or 43%. Revenues were comprised of the following (in thousands):

	Three Months Ended September 30,	
	2015	2014
Clinical Services	$ 4,099.7	$ 2,082.8
Clinical Services Reimbursables	878.4	976.2
Processing and Storage Services	910.4	1,058.8
	$ 5,888.5	$ 4,117.8

- Clinical Services were approximately $4.1 million for the three months ended September 30, 2015 compared to $2.1 million for the three months ended September 30, 2014, representing an increase of approximately $2.0 million or 97%. The increase was primarily due to $2.1 million of higher clinical manufacturing revenue.
    - *Process Development Revenue* - Process development revenues were approximately $0.6 million for the three months ended September 30, 2015 compared to $0.7 million for the three months ended September 30, 2014. In accordance with our revenue recognition policy, process development revenue is recognized upon contract completion (*i.e.*, when the services under a particular contract are completed). As a result, unearned revenue relating to process development contracts increased from $3.6 million as of June 30, 2015 to $4.3 million as of September 30, 2015. Process development revenue will continue to fluctuate from period to period as a result of our process development revenue recognition policy, and the timing upon when services for a contract are completed.
    - *Clinical Manufacturing Revenue* - Clinical manufacturing revenues were approximately $3.5 million for the three months ended September 30, 2015 compared to $1.4 million for the three months ended September 30, 2014. The increase is primarily due to an increase in the number of patients our customers have enrolled and treated in clinical trials, which number varies depending on the stage of the clinical trial.
- Clinical Services Reimbursables were approximately $0.9 million for the three months ended September 30, 2015 compared to $1.0 million for the three months ended September 30, 2014, representing a decrease of approximately $0.1 million, or 10%. Generally, clinical services reimbursables correlate with clinical services revenues. However, differences in the cost of supplies to be reimbursed can vary greatly from contract to contract based on the cost of supplies needed for each client's manufacturing and development process and may impact this correlation. In addition, our terms for billing reimbursable expenses do not include a significant mark-up in the acquisition cost of such consumables, and as a result, changes in this revenue category have little impact on our gross profit and net loss.
- Processing and Storage Services were approximately $0.9 million for the three months ended September 30, 2015 compared to $1.1 million for the three months ended September 30, 2014, representing a decrease of approximately $0.1 million or 14%. The decrease was primarily due to lower volume for our oncology stem cell processing services.

For the nine months ended September 30, 2015, total revenues were approximately $14.9 million compared to $12.7 million for the nine months ended September 30, 2014, representing an increase of $2.3 million, or 18%. Revenues were comprised of the following (in thousands):

	Nine Months Ended September 30,	
	2015	2014
Clinical Services	$ 9,580.3	$ 7,143.7
Clinical Services Reimbursables	2,263.0	2,823.6
Processing and Storage Services	2,964.4	2,695.0
Other	120.0	—
	$ 14,927.7	$ 12,662.3

- Clinical Services were approximately $9.6 million for the nine months ended September 30, 2015 compared to $7.1 million for the nine months ended September 30, 2014, representing an increase of approximately $2.4 million, or 34%. The increase was primarily due to $2.3 million of higher clinical manufacturing revenue.

- *Process Development Revenue* - Process development revenues were approximately $2.6 million for the nine months ended September 30, 2015 compared to $2.5 million for the nine months ended September 30, 2014. In accordance with our revenue recognition policy, process development revenue is recognized upon contract completion (*i.e.*, when the services under a particular contract are completed). As a result, unearned revenue relating to process development contracts increased from $3.2 million as of December 31, 2014 to $4.3 million as of September 30, 2015 Process development revenue will continue to fluctuate from period to period as a result of our process development revenue recognition policy, and the timing upon when services for a contract are completed.

- *Clinical Manufacturing Revenue* - Clinical manufacturing revenues were approximately $6.9 million for the nine months ended September 30, 2015 compared to $4.6 million for the nine months ended September 30, 2014. The increase is primarily due to an increase in the number of patients our customers have enrolled and treated in clinical trials, which number varies depending on the stage of the clinical trial.

- Clinical Services Reimbursables were approximately $2.3 million for the nine months ended September 30, 2015 compared to $2.8 million for the nine months ended September 30, 2014, representing a decrease of approximately $0.6 million, or 20%. Generally, clinical services reimbursables correlate with clinical services revenues. However, differences in the cost of supplies to be reimbursed can vary greatly from contract to contract based on the cost of supplies needed for each client's manufacturing and development process and may impact this correlation. In addition, our terms for billing reimbursable expenses do not include a significant mark-up in the acquisition cost of such consumables, and as a result, changes in this revenue category have little impact on our gross profit and net loss.

- Processing and Storage Services were approximately $3.0 million for the nine months ended September 30, 2015 compared to $2.7 million for the nine months ended September 30, 2014, representing an increase of approximately $0.3 million, or 10%. The increase was primarily due to higher volume for our oncology stem cell processing services.

Operating Costs and Expenses of Revenues

For the three months ended September 30, 2015, operating costs and expenses totaled $16.3 million compared to $20.4 million for the three months ended September 30, 2014, representing a decrease of $4.1 million, or 20%. Operating costs and expenses were comprised of the following:

- Cost of revenues were approximately $4.8 million for the three months ended September 30, 2015 compared to $4.0 million for the three months ended September 30, 2014, representing an increase of $0.8 million, or 20%. Overall, gross profit for the three months ended September 30, 2015 was $1.1 million, or 18%, compared to gross profit for the three months ended September 30, 2014 of $0.1 million, or 3%. Gross profit percentages generally will increase/decrease as Clinical Service revenue increases/decreases. However, gross profit percentages will also fluctuate from period to period due to the mix of service and reimbursable revenues and costs.

- Research and development expenses were approximately $6.3 million for the three months ended September 30, 2015 compared to $8.5 million for the three months ended September 30, 2014, representing a decrease of approximately $2.2 million, or 25%.

  - *Immuno-oncology* - Immuno-oncology expenses, which are primarily associated with the Intus Phase 3 clinical trial for our lead immunotherapy product candidate CLBS20, were $3.7 million for the three months ended September 30, 2015, representing an increase of $0.8 million compared to the three months ended September 30, 2014.

  - *Ischemic Repair* - Ischemic repair expenses were $1.5 million for the three months ended September 30, 2015, representing a decrease of approximately $1.0 million compared to the three months ended September 30, 2014. The decrease is primarily due to lower expenses associated with a potential critical limb ischemia development program in Japan, and lower expenses associated with the PreSERVE-AMI Phase 2 study for CLBS10.

  - *Immune Modulation* - Immune modulation expenses, including our efforts focused on initiating a Phase 2 study in T1D, were $0.6 million for the three months ended September 30, 2015, representing a decrease of $1.5 million compared to the three months ended September 30, 2014.

- *Other* - Other research and development expenses were $0.5 million for the three months ended September 30, 2015, representing a decrease of approximately $0.5 million compared to the three months ended September 30, 2014. The decrease was primarily due to lower equity-based compensation expenses during the three months ended September 30, 2015 compared to the prior year.

- Selling, general and administrative expenses were approximately $5.1 million for the three months ended September 30, 2015 compared to $7.9 million for the three months ended September 30, 2014, representing a decrease of approximately $2.7 million, or 35%. Equity-based compensation included in selling, general and administrative expenses for the three months ended September 30, 2015 was approximately $0.3 million, compared to approximately $2.7 million for the three months ended September 30, 2014, representing a decrease of $2.4 million. Equity-based compensation expense is expected to fluctuate in future quarters as equity-linked instruments are used to compensate employees, consultants and other service providers. Non-equity-based general and administrative expenses for the three months ended September 30, 2015 were approximately $4.8 million, compared to approximately $5.2 million for the three months ended September 30, 2014, representing a decrease of $0.3 million. The decrease was primarily related to lower expenses associated with corporate development activities during the three months ended September 30, 2015 compared to the prior year period.

For the nine months ended September 30, 2015, operating costs and expenses totaled $69.1 million compared to $54.9 million for the nine months ended September 30, 2014, representing an increase of $14.2 million or 26%. Operating costs and expenses were comprised of the following:

- Cost of revenues were approximately $14.0 million for the nine months ended September 30, 2015 compared to $11.5 million for the nine months ended September 30, 2014, representing an increase of $2.5 million, or 21%. Overall, gross profit for the nine months ended September 30, 2015 was $1.0 million, or 6%, compared to gross profit for the nine months ended September 30, 2014 of $1.1 million, or 9%. Gross profit percentages generally will increase/decrease as Clinical Service revenue increases/decreases. However, gross profit percentages will also fluctuate from period to period due to the mix of service and reimbursable revenues and costs.

- Research and development expenses were approximately $20.7 million for the nine months ended September 30, 2015 compared to $19.0 million for the nine months ended September 30, 2014, representing an increase of approximately $1.7 million, or 9%.

  - *Immuno-oncology* - Immuno-oncology expenses, which are primarily associated with the Intus Phase 3 clinical trial for our lead immunotherapy product candidate CLBS20, were $8.8 million for the nine months ended September 30, 2015, representing an increase of $4.0 million compared to the nine months ended September 30, 2014.

  - *Ischemic Repair* - Ischemic repair expenses were $6.0 million for the nine months ended September 30, 2015, representing a decrease of approximately $0.3 million compared to the nine months ended September 30, 2014. The decrease is primarily due lower expenses associated with the PreSERVE-AMI Phase 2 study for CLBS10, which were partially offset by expenses associated with a potential critical limb ischemia development program in Japan.

  - *Immune Modulation* - Immune modulation expenses, including our efforts focused on initiating our Phase 2 study of CLBS03 in T1D, were $2.9 million for the nine months ended September 30, 2015, representing a decrease of $2.1 million compared to the nine months ended September 30, 2014.

  - *Other* - Other research and development expenses were $3.0 million for both the nine months ended September 30, 2015 and nine months ended September 30, 2014.

- Impairment of intangible assets for the nine months ended September 30, 2015 relate to the full impairment of IPR&D associated with CLBS10 valued at $9.4 million, based on the Company's decision that it will not pursue further development of CLBS10 upon completion of the ongoing PreSERVE-AMI Phase 2 clinical study.

- Selling, general and administrative expenses were approximately $25.0 million for the nine months ended September 30, 2015 compared to $24.3 million for the nine months ended September 30, 2014, representing an increase of approximately $0.7 million, or 3%. Equity-based compensation included in selling, general and administrative expenses for the nine months ended September 30, 2015 was approximately $6.4 million, compared to approximately $7.3 million for the nine months ended September 30, 2014, representing a decrease of $0.9 million. Equity-based compensation expense is expected to fluctuate in future quarters as equity-linked instruments are used to compensate employees, consultants and

other service providers. Non-equity-based general and administrative expenses for the nine months ended September 30, 2015 were approximately $18.6 million, compared to approximately $17.0 million for the nine months ended September 30, 2014, representing an increase of $1.6 million. The increase was primarily related to expenses associated with executive management changes in the first quarter of 2015, including new hire compensation-related costs as well as separation-related costs during the nine months ended September 30, 2015. In addition, the increase reflects additional operating activities in connection with the CSC Acquisition in May 2014.

Historically, to minimize our use of cash, we have used a variety of equity and equity-linked instruments to compensate employees, consultants and other service providers. The use of these instruments has resulted in charges to the results of operations, which have been significant in the past.

Other Income (Expense)

Other expense, net, for the three months ended September 30, 2015 was $0.4 million and other income, net for the nine months ended September 30, 2015 were $4.4 million, compared with other expense, net, of $0.7 million and $1.1 million for the three and nine months ended September 30, 2014, respectively, and primarily relates to changes in the estimated fair value of our contingent consideration liabilities. The nine months ended September 30, 2015 amounts include the revaluation of the Amorcyte Acquisition-related contingent consideration related to CLBS10 from $5.6 million to $0, based on the Company's decision that it will not pursue further development of CLBS10 upon completion of the ongoing PreSERVE-AMI Phase 2 clinical study.

Interest expense was $0.6 million and $1.7 million for the three and nine months ended September 30, 2015, respectively, compared with $0.2 million and $0.4 million for the three and nine months ended September 30, 2014, respectively. The increase was primarily due to interest expense associated with the $15.0 million loan from Oxford Finance LLC in September 2014 (the "Loan").

Provision (benefit) for Income Taxes

The benefit from income taxes for the nine months ended September 30, 2015 relates primarily to the reversal of the deferred tax liability of $3.7 million associated with the impairment of the IPR&D intangible asset valued at $9.4 million. The provision (benefit) for income taxes for the three and nine months ended September 30, 2015 and 2014 also includes the taxable temporary differences on the goodwill recognized in the PCT acquisition in 2011, which is being amortized over 15 years for tax purposes. A tax provision will continue to be recognized each period over the amortization period, and will only reverse when the goodwill is eliminated through a sale, impairment, or reclassification from an indefinite-lived asset to a finite-lived asset.

Analysis of Liquidity and Capital Resources

At September 30, 2015 we had cash and cash equivalents and marketable securities of approximately $29.4 million, working capital of approximately $18.7 million, and stockholders’ equity of approximately $55.4 million.

During the nine months ended September 30, 2015, we met our immediate cash requirements through revenue generated from our PCT operations, net proceeds received from our public offering of our common stock in June 2015, the issuance of our common stock under our $30 million common stock purchase agreement with Aspire Capital (the "2014 Purchase Agreement"), and existing cash balances. Additionally, we used equity and equity-linked instruments to pay for services and compensation.

Net cash provided by or used in operating, investing and financing activities from continuing operations were as follows (in thousands):

	Nine Months Ended September 30,	
	2015	2014
Net cash used in operating activities	$ (30,530.6)	$ (35,991.2)
Net cash used in investing activities	(921.2)	(3,547.4)
Net cash provided by financing activities	36,320.4	25,546.1

Operating Activities

Our cash used in operating activities in the nine months ended September 30, 2015 totaled approximately $30.5 million, which is the sum of (i) our net loss of $47.8 million, adjusted for non-cash expenses totaling $11.9 million (which includes adjustments for equity-based compensation, depreciation and amortization, impairments of intangible assets, and changes in acquisition-related contingent consideration liabilities and deferred tax liabilities), and (ii) changes in operating assets and liabilities providing approximately $5.3 million.

Our cash used in operating activities in the nine months ended September 30, 2014 totaled approximately $36.0 million, which is the sum of (i) our net loss of $43.8 million, adjusted for non-cash expenses totaling $11.7 million (which includes adjustments for equity-based compensation, depreciation and amortization, and changes in acquisition-related contingent consideration liabilities), and (ii) changes in operating assets and liabilities providing approximately $3.9 million.

Investing Activities

During the nine months ended September 30, 2015, we spent approximately $2.6 million for property and equipment. In addition, we sold (net of purchases) approximately $1.7 million marketable securities available for sale.

During the nine months ended September 30, 2014, we spent approximately $2.9 million for property and equipment, and purchased (net of sales) approximately $0.7 million in marketable securities.

Financing Activities

During the nine months ended September 30, 2015, our financing activities consisted of the following:

- We raised $28.8 million (or $26.5 million in net proceeds after deducting underwriting discounts and commissions and offering expenses) through an underwritten offering of 14.4 million shares of common stock at a public offering price of $2.00 per share.
- We raised gross proceeds of approximately $9.4 million through the issuance of approximately 3.0 million shares of common stock under the provisions of the 2014 Purchase Agreement with Aspire Capital, LLC, an Illinois limited liability company ("Aspire Capital").

During the nine months ended September 30, 2014, our financing activities consisted of the following:

- We raised gross proceeds of approximately $15.0 million from loan proceeds from Oxford Finance LLC in September 2014. In connection with the loan, we repaid all outstanding amounts due under two loans from TD Bank, N.A. in the amount of approximately $3.1 million. In addition, debt offering/issuance costs of $0.5 million were paid in connection with the loan.
- We raised gross proceeds of approximately $11.2 million through the issuance of approximately 1.7 million shares of common stock under the provisions of our equity line of credit with Aspire.
- We raised approximately $2.0 million from the exercise warrants and options.
- We received proceeds of $1.8 million from the issuance of notes payable relating to certain insurance policies and equipment financings, less repayments of $0.7 million.

Liquidity and Capital Requirements Outlook

Liquidity

We anticipate requiring additional capital in order to fund the development of cell therapy product candidates, particularly in our Immuno-oncology and Immune Modulation Programs, as well as to engage in strategic transactions. The most significant funding needs are anticipated to be in connection with the conduct of our Intus study, which is expected to cost approximately $45 million in total (or $28 million, net of the $17.7 million grant awarded by California Institute for Regenerative Medicine ("CIRM") in June 2015 to fund a significant portion of the Intus study). As of September 30, 2015, remaining costs on the Intus study are estimated to be approximately $36 million (or $22 million, net of the remaining $14.7 million CIRM funding not yet received). We also anticipate requiring additional capital to grow the PCT business, including implementing additional automation

capabilities and pursuing plans to establish commercial capacity, harmonize operations across locations, strengthen quality systems and expand internationally.

To meet our short and long term liquidity needs, we currently expect to use existing cash balances, our revenue generating activities, and a variety of other means. Those other means include the common stock purchase agreement with Aspire Capital (the "Purchase Agreement") signed in November 2015, whereby we can sell to Aspire Capital the lesser of (i) $30.0 million of Common Stock or (ii) the dollar value of approximately 11.0 million shares of Common Stock based on the market price of the Common Stock at the time of such sale as determined under the Purchase Agreement, as well as proceeds from the CIRM award, which provided for a $3.0 million project initiation payment received in June 2015, and $14.7 million in future operational milestone payments, and is subject to a dollar-for-dollar match funding by the Company.

In September 2014, we entered into a loan and security agreement with Oxford Finance LLC and received $15.0 million in gross proceeds. The Company has been making interest-only payments on the outstanding amount of the Loan on a monthly basis at a rate of 8.50% per annum, and will continue interest-only payments until April 1, 2016. Commencing on April 1, 2016, the Company will make 30 consecutive monthly payments of principal and interest. The Loan matures on September 1, 2018. In June 2015, we raised $28.8 million (or $26.5 million in net proceeds after deducting underwriting discounts and commissions and offering expenses) through an underwritten offering of 14.4 million shares of common stock at a public offering price of $2.00 per share. Other sources of liquidity could include additional potential issuances of equity securities in public or private financings, option exercises, partnerships and/or collaborations, and/or sale of assets. In addition, we expect to continue to seek as appropriate grants for scientific and clinical studies from CIRM, Department of Health and Human Services, Department of Defense, and other U.S. and foreign governmental agencies and foundations. There can be no assurance that we will be successful in qualifying for or obtaining such grants. Our history of operating losses and liquidity challenges may make it difficult for us to raise capital on acceptable terms or at all. The demand for the equity and debt of biopharmaceutical companies like ours is dependent upon many factors, including the general state of the financial markets. During times of extreme market volatility, capital may not be available on favorable terms, or at all. Our inability to obtain such additional capital could materially and adversely affect our business operations. We believe that our current cash balances and revenue generating activities, along with access to the Purchase Agreement, will be sufficient to fund the business through the next 12 months.

While we continue to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all, and our negotiating position in capital generating efforts may worsen as existing resources are used. Additional equity financing may be dilutive to our stockholders; debt financing, if available, may involve significant cash payment obligations and covenants that restrict our ability to operate as a business; our stock price may not reach levels necessary to induce option or warrant exercises; and asset sales may not be possible on terms we consider acceptable. If we are unable to raise the funds necessary to meet our long-term liquidity needs, we may have to delay or discontinue the acquisition and development of cell therapies, and/or the expansion of our business and we may have to curtail our operations.

Commitments and Contingencies

The following table summarizes our obligations to make future payments under current contracts as of September 30, 2015 (in thousands):

	Payments Due Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual Obligations					
Notes Payable	$ 1,826.3	$ 1,012.2	$ 814.1	$ —	$ —
Long Term Debt	16,200.0	2,751.4	13,448.6	—	—
Purchase Obligations	583.8	333.6	250.2	—	—
Operating Lease Obligations	7,403.0	2,037.6	3,172.1	1,899.0	294.3
Total	$ 26,013.1	$ 6,134.8	$ 17,685.0	$ 1,899	$ 294.3

Other significant commitments and contingencies include the following:

- Under agreements with external clinical research organizations (“CROs”), we will incur expenses relating to our clinical trials for our therapeutic product candidates in development. The timing and amount of these expenses are based on

performance of services rendered and expenses as incurred by the CROs and therefore, we cannot reasonably estimate the timing of these payments.

- We have entered into a strategic collaboration with Sanford Research with the goal of developing a therapy for the treatment of T1D. The initial focus of the collaboration will be the execution of a prospective, randomized, placebo-controlled, double-blind clinical trial (The Sanford Project: Trex Study) to evaluate the safety and efficacy of the Company's T regulatory cell product candidate, CLBS03, in adolescents with recent onset T1D. The Phase 2 study has an open and active IND in place and subject enrollment is expected to commence as early as the first quarter of 2016. We will be initially responsible for the supply of all study drug to the first 18 enrolled patients upon commencement of the study.

- Under certain license, collaboration, and merger agreements, we may be required to pay for research and development costs, and to pay royalties, milestone and/or other payments upon successful development and commercialization of products. However, successful research and development of pharmaceutical products is high risk, and most products fail to reach the market. Therefore, at this time the amount and timing of the payments related to commercialization of products, if any, are not known.

- From time to time, we are subject to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of pending claims cannot be predicted with certainty, we do not believe that the outcome of any pending claims will have a material adverse effect on our financial condition or operating results.

Seasonality

The Company does not believe that its operations are seasonal in nature.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates during the three months ended September 30, 2015, compared to those reported in our 2014 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices, creditworthiness, financing, exchange rates or other factors. Our primary market risk exposure relates to changes in interest rates. Our earnings and cash flows are subject to fluctuations due to changes in interest rates, principally in connection with our investments in marketable securities, which consist primarily of short-term money market funds and municipal debt securities. However, as of September 30, 2015, we do not believe we are materially exposed to changes in interest rates given the short-term duration of the securities. Additionally, our outstanding $15.0 million long-term loan with Oxford Finance LLC, representing our largest component of debt, has a fixed interest rate until 2018, and is not subject to interest rate exposure. As a result, we have no material exposure to market risk related to interest rate changes as of September 30, 2015.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures

Disclosure controls and procedures are the Company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that the Company files under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent

limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met.

As of September 30, 2015, the Company carried out an evaluation, with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective, at the reasonable assurance level, in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15, that occurred during the Company's last quarter to which this Quarterly Report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There are no material changes to the disclosures previously reported in our 2014 Form 10-K.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes to the risk factors previously reported in our 2014 Form 10-K. See the risk factors set forth in the Company's Annual Report on our 2014 Form 10-K under the caption "Item 1 A - Risk Factors".

Our future success is significantly dependent on the timely and successful development and commercialization of CLBS20, our metastatic melanoma product candidate, and if we encounter delays or difficulties in the development of this product candidate, as well as CLBS03, our T1D product candidate, that are at earlier stages of development, our business prospects would be significantly harmed.

We are dependent upon the successful development, approval and commercialization of our product candidates. Before we are able to seek regulatory approval of our product candidates, we must conduct and complete extensive clinical trials to demonstrate their safety and efficacy in humans. All of our product candidates are in early stages of development except for CLBS20 which is the subject of a Phase 3 clinical trial for recurrent stage III or stage IV metastatic melanoma for which we began initiating clinical sites in Q42014 and randomized the first patient in 2Q2015. We expect to complete enrollment of our Phase 3 Intus study in the fourth quarter of 2016.

We also plan to initiate in early 2016 a Phase 2 study of CLBS03, a Treg based therapeutic being developed to treat T1D. We are also actively exploring means by which we can take advantage of the paradigm of conditional approval for regenerative medicine products established by new regulations in Japan for products that show sufficient safety evidence and some evidence of efficacy with CLI and liver cancer being the indications we are considering. Clinical testing is expensive, difficult to design and implement, and can take many years to complete. Importantly, a failure of one or more of these or any other clinical trials can occur at any stage of testing. We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to complete our clinical studies, receive regulatory approval or commercialize our cell therapy product candidates, including the following:

- suspensions, delays or changes in the design, initiation, enrollment, implementation or completion of required clinical trials;
- adverse changes in our financial position or significant and unexpected increases in the cost of our clinical development program;
- changes or uncertainties in, or additions to, the regulatory approval process that require us to alter our current development strategy;
- clinical trial results that are negative, inconclusive or even less than desired as to safety and/or efficacy, which could result in the need for additional clinical studies or the termination of the product's development;
- delays in our ability to manufacture the product in quantities or in a form that is suitable for any required clinical trials;
- intellectual property constraints that prevent us from making, using, or commercializing any of our cell therapy product candidates;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of these product candidates may be insufficient or inadequate:
- inability to generate sufficient preclinical, toxicology, or other *in vivo* or *in vitro* data to support the initiation of clinical studies;
- delays in reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical study sites;
- delays in obtaining required Institutional Review Board, or IRB, approval at each clinical study site;
- imposition of a temporary or permanent clinical hold by regulatory agencies for a number of reasons, including after review of an investigational new drug application or amendment, or equivalent application or amendment; as a result of a new safety finding that presents unreasonable risk to clinical trial participants; a negative finding from an inspection of our clinical study operations or study sites; developments on trials conducted by competitors or approved products

post-market for related technology that raises FDA concerns about risk to patients of the technology broadly; or if FDA finds that the investigational protocol or plan is clearly deficient to meet its stated objectives;

- difficulty collaborating with patient groups and investigators;
- failure by our CROs, other third parties, or us to adhere to clinical study requirements;
- failure to perform in accordance with the FDA's good clinical practices, or GCPs, requirements, or applicable regulatory guidelines in other countries;
- delays in having patients qualify for or complete participation in a study or return for post-treatment follow-up;
- patients dropping out of a study;
- occurrence of adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- changes in the standard of care on which a clinical development plan was based, which may require altered, amended, new or additional trials;
- transfer of manufacturing processes from our academic collaborators to larger-scale facilities operated by either a contract manufacturing organization, or CMO, or by us, and delays or failure of our CMOs or us to make any necessary changes to such manufacturing process;
- delays in manufacturing, testing, releasing, validating, or importing/exporting sufficient stable quantities of our product candidates for use in clinical studies or the inability to do any of the foregoing; and
- FDA may not accept clinical data from trials that are conducted at clinical sites in countries where the standard of care is potentially different from the United States.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue. In addition, if we make manufacturing or formulation changes to our product candidates, we may be required to or we may elect to conduct additional studies to bridge our modified product candidates to earlier versions. Clinical study delays could also shorten any periods during which our products have patent protection and may allow our competitors to bring products to market before we do, which could impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

In the Phase 2 clinical trial of CLBS20 in metastatic melanoma serious adverse events included AMI, seizures, and acute myelogenous leukemia. However, the events in the trial were judged as unrelated to study participation by the investigator.

The Phase 2 study of CLBS20 in metastatic melanoma originally was designed to include 200 patients. However, the study was terminated early due to funding issues faced by the prior owner of CLBS20; as a result, a final analysis was conducted of 42 patients who had been randomized and received either tumor cells (TC) or dendritic cells loaded with tumor cell antigens (DC-TC).

Creation of CLBS20, our cancer vaccine for melanoma, is based on a complex process that involves, among other things, the growing out in culture of cancer initiating cells for each patient until a sufficient number of purified cells have been obtained for the treatment, which is the first step to potential randomization into the Intus Phase 3 clinical trial. If we experience problems with the manufacture of CLBS20, our Phase 3 clinical trial could be delayed.

Even if we are able to successfully complete our clinical development program for our product candidates, and ultimately receive regulatory approval to market one or more of the products, we may, among other things:

- obtain approval for indications that are not as broad as the indications we sought;
- have the product removed from the market after obtaining marketing approval;
- encounter issues with respect to the manufacturing of commercial supplies;
- be subject to additional post-marketing testing requirements; and/or
- be subject to restrictions on how the product is distributed or used.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On August 20, 2015, in consideration for services previously rendered, the Company agreed to issue to a service firm, 21,600 shares of the Company's restricted common stock vesting 3,600 immediately upon issuance, and 3,600 in each of the following five months.

The offer and sale by the Company of the securities described above were made in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), for transactions by an issuer not involving a public offering. The offer and sale of such securities were made without general solicitation or advertising to "accredited investors" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and/or

pursuant to Regulation D and may not be resold in the United States or to U.S. persons unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Common Stock Purchase Agreement

On November 4, 2015, the Company entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, ("Aspire Capital"), pursuant to which Aspire Capital is committed to purchase up to an aggregate of $30.0 million of shares of the Company's common stock (the "Purchase Shares"). The Company and Aspire Capital are parties to two prior Common Stock Purchase Agreements, the latest was entered into on May 4, 2015 .

Summary of Terms of the Purchase Agreement

On any business day after the May 4, 2015 and over the 24-month term of the Purchase Agreement, the Company has the right, in its sole discretion, to present Aspire Capital with a purchase notice (each, a "Purchase Notice") directing Aspire Capital to purchase up to 50,000 Purchase Shares per business day; however, no sale pursuant to such a Purchase Notice may exceed five hundred thousand dollars ($500,000) per business day, unless the Company and Aspire Capital mutually agree. The Company and Aspire Capital also may mutually agree to increase the number of shares that may be sold to as much as an additional 2,000,000 Purchase Shares per business day. The purchase price per Purchase Share pursuant to such Purchase Notice (the "Purchase Price") is the lower of (i) the lowest sale price for the Company's common stock on the date of sale or (ii) the average of the three lowest closing sale prices for the Company's common stock during the 12 consecutive business days ending on the business day immediately preceding the purchase date. The applicable Purchase Price will be determined prior to delivery of any Purchase Notice.

In addition, on any date on which the Company submits a Purchase Notice to Aspire Capital for at least 50,000 Purchase Shares, the Company also has the right, in its sole discretion, to present Aspire Capital with a volume-weighted average price purchase notice (each, a "VWAP Purchase Notice") directing Aspire Capital to purchase an amount of the Company's common stock equal to up to 30% of the aggregate shares of common stock traded on the next business day (the "VWAP Purchase Date"), subject to a maximum number of shares determined by the Company (the "VWAP Purchase Share Volume Maximum"). The purchase price per Purchase Share pursuant to such VWAP Purchase Notice (the "VWAP Purchase Price") shall be 95% of the volume weighted average price for the Company's common stock traded on (i) the VWAP Purchase Date if the aggregate shares to be purchased on that date does not exceed the VWAP Purchase Share Volume Maximum, or (ii) the portion of such business day until such time as the aggregate shares to be purchased will equal the VWAP Purchase Share Volume Maximum. Further, if on the VWAP Purchase Date the sale price of the Company's common stock falls below the greater of (i) 80% of the closing price of the Company's common stock on the business day immediately preceding the VWAP Purchase Date or (ii) the price set by the Company in the VWAP Purchase Notice (the "VWAP Minimum Price Threshold"), the VWAP Purchase Amount will be determined using the percentage in the VWAP Purchase Notice of the total shares traded for such portion of the VWAP Purchase Date prior to the time that the sale price of the Company's common stock fell below the VWAP Minimum Price Threshold and the VWAP Purchase Price will be 95% of the volume weighted average price of our common stock sold during such portion of the VWAP Purchase Date prior to the time that the sale price of our common stock fell below the VWAP Minimum Price Threshold.

The number of Purchase Shares covered by and timing of each Purchase Notice or VWAP Purchase Notice are determined at the Company's discretion. The aggregate number of shares that the Company can sell to Aspire Capital under the Purchase Agreement may in no case exceed 11,019,276 shares of our common stock (which is equal to approximately 19.9% of the common stock outstanding on the date of the Purchase Agreement, including the 842,696 shares of the Company's common stock (the "Commitment Shares") to be issued to Aspire Capital in consideration for entering into the Purchase Agreement) (the "Exchange Cap"), unless (i) shareholder approval is obtained to issue more, in which case the Exchange Cap will not apply, or (ii) stockholder approval has not been obtained and at any time the Exchange Cap is reached and at all times thereafter the average price paid for all shares issued under the Purchase Agreement (including the Commitment Shares) is equal to or greater than $1.35 (the "Minimum

Price"), a price equal to the consolidated closing bid price of the Company's common stock on the date of the Purchase Agreement; provided that at no time shall Aspire Capital (together with its affiliates) beneficially own more than 19.9% of the Company's common stock.

The Purchase Agreement contains customary representations, warranties, covenants, closing conditions and indemnification and termination provisions. The Purchase Agreement may be terminated by the Company at any time, at its discretion, without any cost or penalty.

The Company's net proceeds will depend on the Purchase Price, the VWAP Purchase Price and the frequency of the Company's sales of Purchase Shares to Aspire Capital; subject to the maximum $30.0 million available amount. The Company's delivery of Purchase Notices and VWAP Purchase Notices will be made subject to market conditions, in light of the Company's capital needs from time to time. The Company expects to use proceeds from sales of Purchase Shares for general corporate purposes and working capital requirements.

Registration Rights

In connection with the Purchase Agreement, the Company also entered into a Registration Rights Agreement (the "Registration Rights Agreement") with Aspire Capital, dated November 4, 2015. The Registration Rights Agreement provides, among other things, that the Company will register the sale of the Commitment Shares and the Purchase Shares to Aspire Capital pursuant to the Company's existing shelf registration statement or a new registration statement (the "Registration Statement"). The Company further agreed to keep the Registration Statement effective and to indemnify Aspire Capital for certain liabilities in connection with the sale of the Securities under the terms of the Registration Rights Agreement.

The foregoing descriptions of the Purchase Agreement and the Registration Rights Agreement are not complete and are qualified by reference to the full text of such documents, copies of which are filed as Exhibits 10.3 and 4.1, respectively, to this Quarterly Report and are incorporated herein by reference. The representations and warranties contained in the Purchase Agreement, which are qualified by the disclosure schedules thereto, are solely for the purpose of allocating contractual risk between the parties, are not for the benefit of any party other than the parties to such agreements and are not intended as documents for investors and the public to obtain factual information about the current state of affairs of the parties thereto. Rather, investors and the public should look to other disclosures contained in the Company's filings with the SEC.

ITEM 6. EXHIBITS

The Exhibit Index appearing immediately after the signature page to this Form 10-Q is incorporated herein by reference.

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 thereunto duly authorized.

CALADRIUS BIOSCIENCES, INC.

November 5, 2015

By: /s/ David J. Mazzo, PhD
Name: David J. Mazzo, PhD
Title: Chief Executive Officer

November 5, 2015

By: /s/ Joseph Talamo Name: Joseph Talamo
Title: Senior Vice President and Chief Financial Officer (Principal Accounting Officer)

CALADRIUS BIOSCIENCES, INC.
FORM 10Q

Exhibit Index

3.1	Amended and Restated Certificate of Incorporation of Caladrius Biosciences, Inc., filed with the Secretary of State of the State of Delaware on October 3, 2013 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 3, 2013 and incorporated herein by reference).
3.2	Amended and Restated By-Laws dated January 5, 2015 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K on January 5, 2015, and incorporated herein by reference).
4.1*	Registration Rights Agreement, dated as of November 4, 2015, by and between Caladrius Biosciences, Inc. and Aspire Capital Fund, LLC.
5.1*	Opinion of Paul Hastings LLP
10.1	Caladrius Biosciences, Inc. 2015 Equity Compensation Plan (filed as Annex A to Registrant's Definitive Proxy Statement filed on Schedule 14A, filed with the SEC on June 8, 2015, and incorporated herein by reference).
10.2*	Second Amendment to Loan and Security Agreement, dated September 15, 2015, by and between Caladrius Biosciences, Inc., and Oxford Finance LLC.
10.3*	Common Stock Purchase Agreement, dated as of November 4, 2015, by and between Caladrius Biosciences, Inc. and Aspire Capital Fund, LLC.
23.1*	Consent of Paul Hastings LLP (included in Exhibit 5.1).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

** Furnished herewith.

Exhibit 4.1

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of November 4, 2015, by and between **CALADRIUS BIOSCIENCES, INC.,** a Delaware corporation (the "**Company**"), and **ASPIRE CAPITAL FUND, LLC,** an Illinois limited liability company (together with it permitted assigns, the "**Buyer**"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Common Stock Purchase Agreement by and between the parties hereto, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "**Purchase Agreement**").

WHEREAS:

A. Upon the terms and subject to the conditions of the Purchase Agreement, the Company has agreed to issue to the Buyer, and the Buyer has agreed to purchase, (i) up to Thirty Million Dollars ($30,000,000) of the Company's common stock, par value $0.001 (the "**Common Stock**") (the "**Purchase Shares**"), and (ii) 842,696 shares of Common Stock as is required pursuant to Section 4(e) of the Purchase Agreement (the **"Commitment Shares"**); and

B. To induce the Buyer to enter into the Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Buyer hereby agree as follows:

1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

a. "**New Registration Statement**" means a Registration Statement filed after the date of this Agreement.

b. "**Person**" means any person or entity including any corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

c. **"Prospectus"** means the base prospectus, including all documents incorporated therein by reference, included in the Shelf Registration Statement or a New Registration Statement (each as herein defined), as it may be supplemented by the Prospectus Supplement (as hereinafter defined), in the form in which such prospectus and/or Prospectus Supplement have most recently been filed by the Company with the SEC pursuant to Rule 424(b) under the 1933 Act, together with any then issued "issuer free writing prospectus(es)," as defined in Rule 433 of the 1933 Act, relating to the Registrable Securities.

d. "**Register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more registration statements of the Company in compliance with the 1933 Act and pursuant to Rule 415 under the 1933 Act or any successor rule providing for offering securities on a continuous basis ("**Rule 415**"), and the declaration or ordering of effectiveness of such registration statement(s) by the U.S. Securities and Exchange Commission (the "**SEC**").

e. "**Registrable Securities**" means the Purchase Shares which may from time to time be, issued or issuable to the Buyer upon purchases of the Available Amount under the Purchase Agreement (without regard to

any limitation or restriction on purchases) and the Commitment Shares issued or issuable to the Buyer, and any shares of capital stock issued or issuable with respect to the Purchase Shares, the Commitment Shares or the Purchase Agreement as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise, without regard to any limitation on purchases under the Purchase Agreement.

f. "**Registration Statement**" means any registration statement of the Company, as amended when it became or becomes effective, including all documents filed as part thereof or incorporated by reference therein, and including any information contained in a Prospectus subsequently filed with the Commission pursuant to Rule 424(b) under the 1933 Act or deemed to be a part of such registration statement pursuant to Rule 430B or 462(b) of the 1933 Act, covering the sale of the Registrable Securities, which may be either the Shelf Registration Statement or a New Registration Statement.

g. "**Shelf Registration Statement**" means the Company's existing registration statement on Form S-3 (File No. 333-206175).

2. REGISTRATION.

a. Mandatory Registration. The Company shall within one (1) Business Day from the date the Commitment Shares are issued to the Buyer file with the SEC a prospectus supplement to the Registration Statement, which prospectus supplement shall specifically relate to the Registrable Securities (the "**Prospectus Supplement**"). The Buyer and its counsel have had a reasonable opportunity to review and comment upon such Prospectus Supplement prior to its filing with the SEC. Buyer shall furnish all information reasonably requested by the Company for inclusion therein. The Company shall use reasonable best efforts to keep the Registration Statement effective pursuant to Rule 415 promulgated under the 1933 Act and available for sales of all of the Registrable Securities at all times until the earlier of (i) the date as of which the Buyer may sell all of the Registrable Securities without restriction pursuant to Rule 144 promulgated under the 1933 Act (or successor thereto), (ii) the date on which (A) the Company shall have sold all the Registrable Securities and no Available Amount remains under the Purchase Agreement, or (iii) the date on which the Purchase Agreement is terminated (the "**Registration Period**"). The Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

b. Rule 424 Prospectus. The Company shall, as required by applicable securities regulations, file with the SEC, pursuant to Rule 424 promulgated under the 1933 Act, the Prospectus, including any amendments or supplements thereto, to be used in connection with sales of the Registrable Securities under the Registration Statement. The Buyer and its counsel shall have a reasonable opportunity to review and comment upon such Prospectus prior to its filing with the SEC. The Buyer shall use its reasonable best efforts to comment upon such Prospectus within one (1) Business Day from the date the Buyer receives the final version of such prospectus.

c. Sufficient Number of Shares Registered. In the event the number of shares available under the Registration Statement is insufficient to cover the Registrable Securities, the Company shall, to the extent necessary and permissible, amend the Registration Statement or file a New Registration Statement so as to cover all of such Registrable Securities as soon as practicable, but in any event not later than ten (10) Business Days after the necessity therefor arises. The Company shall use its reasonable best efforts to cause such amendment and/or New Registration Statement to become effective as soon as practicable following the filing thereof.

3. RELATED OBLIGATIONS.

With respect to the Registration Statement and whenever any Registrable Securities are to be registered pursuant to Sections 2(a) and (c), including on the Shelf Registration Statement or on any New Registration Statement, the Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

a. The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to the Shelf Registration Statement and any New Registration Statement and any Prospectus used in connection with such Registration Statement, as may be necessary to keep the Shelf Registration Statement or any New Registration Statement effective at all times during the Registration Period, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by the Shelf Registration Statement or any New Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement.

b. The Company shall submit to the Buyer for review and comment any disclosure in the Registration Statement and all amendments and supplements thereto containing information provided by the Buyer for inclusion in such document and any descriptions or disclosure regarding the Buyer, the Purchase Agreement, including the transactions contemplated thereby, or this Agreement at least two (2) Business Days prior to their filing with the SEC, and not file any document in a form to which Buyer reasonably objects. Upon request of the Buyer, the Company shall provide to the Buyer all disclosure in the Registration Statement and all amendments and supplements thereto (other than prospectus supplements that consist only of a copy of a filed Form 10-Q) at least two (2) Business Days prior to their filing with the SEC, and not file any document in a form to which Buyer reasonably and timely objects. The Buyer shall use its reasonable best efforts to comment upon the Registration Statement and any amendments or supplements thereto within two (2) Business Days from the date the Buyer receives the final version thereof. The Company shall furnish to the Buyer, without charge, any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to the Shelf Registration Statement or any New Registration Statement.

c. Upon request of the Buyer, the Company shall furnish to the Buyer, (i) promptly after the same is prepared and filed with the SEC, at least one copy of the Registration Statement and any amendment(s) thereto, including all financial statements and schedules, all documents incorporated therein by reference and all exhibits, (ii) upon the effectiveness of any amendment(s) to a Registration Statement, a copy of the Prospectus included in such Registration Statement (or such other number of copies as the Buyer may reasonably request) and (iii) such other documents, including copies of any preliminary or final prospectus, as the Buyer may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by the Buyer.

d. The Company shall use reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification is available, the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as the Buyer reasonably requests, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify the Buyer who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

e. As promptly as practicable after becoming aware of such event or facts, the Company shall notify the Buyer in writing if the Company has determined that the Prospectus included in any Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission, and, upon the Buyer's request, deliver a copy of such supplement or amendment to the Buyer. In providing this notice to the Buyer, the Company shall not include any other information about the facts underlying the Company's determination and shall not in any way communicate any material nonpublic information about the

Company or the Common Stock to the Buyer. The Company shall also promptly notify the Buyer in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to the Buyer by facsimile or e-mail on the same day of such effectiveness), (ii) of any request by the SEC for amendments or supplements to any Registration Statement or related prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate.

f. The Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of any Registration Statement, or the suspension of the qualification of any Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest practicable time and to notify the Buyer of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

g. The Company shall (i) cause all the Registrable Securities to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) secure designation and quotation of all the Registrable Securities on the Principal Market (as such term is defined in the Purchase Agreement). The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section.

h. The Company shall cooperate with the Buyer to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to any Registration Statement and enable such certificates to be in such denominations or amounts as the Buyer may reasonably request and registered in such names as the Buyer may request.

i. The Company shall at all times provide a transfer agent and registrar with respect to its Common Stock.

j. If reasonably requested by the Buyer, the Company shall (i) immediately incorporate in a prospectus supplement or post-effective amendment such information as the Buyer believes should be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities; (ii) make all required filings of such prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement.

k. The Company shall use its reasonable best efforts to cause the Registrable Securities covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

l. If requested by the Buyer at any time, the Company shall require its counsel to deliver to the Buyer a written confirmation of whether or not the effectiveness of a Registration Statement has lapsed at any time for any reason (including, without limitation, the issuance of a stop order) and whether or not the Registration Statement is current and available to the Company for sale of all of the Registrable Securities.

m. The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by the Buyer of Registrable Securities pursuant to any Registration Statement.

4. OBLIGATIONS OF THE BUYER.

a. The Company shall notify the Buyer in writing of the information the Company reasonably requires from the Buyer in connection with any Registration Statement hereunder. The Buyer shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

b. The Buyer agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any amendments and supplements to any Registration Statement hereunder.

5. EXPENSES OF REGISTRATION.

All reasonable expenses, other than sales or brokerage commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company, shall be paid by the Company.

6. INDEMNIFICATION.

a. To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend the Buyer, each Person, if any, who controls the Buyer, the members, the directors, officers, partners, employees, agents, representatives of the Buyer and each Person, if any, who controls the Buyer within the meaning of the 1933 Act or the Securities Exchange Act of 1934, as amended (the "**1934 Act**") (each, an "**Indemnified Person**"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, attorneys' fees, amounts paid in settlement or expenses, joint or several, (collectively, "**Claims**") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in the Registration Statement, any New Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in the final Prospectus or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to the Registration Statement or any New Registration Statement, or (iv) any material violation by the Company of this Agreement (the matters in the foregoing clauses (i) through (iv) being, collectively, "**Violations**"). The Company shall reimburse each Indemnified Person promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in connection with the preparation of the Registration Statement, any New Registration Statement, the Prospectus or any such amendment thereof or supplement thereto, if such prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e); (ii) with respect to any superseded prospectus, shall not inure to the benefit of any such person from whom the person asserting any such Claim purchased the Registrable Securities that are the subject thereof (or to the benefit of any person controlling such person) if the untrue statement or omission of material fact contained

in the superseded prospectus was corrected in the revised prospectus, as then amended or supplemented, if such revised prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e), and the Indemnified Person was promptly advised in writing not to use the incorrect prospectus prior to the use giving rise to a violation and such Indemnified Person, notwithstanding such advice, used it; (iii) shall not be available to the extent such Claim is based on a failure of the Buyer to deliver or to cause to be delivered the prospectus made available by the Company, if such prospectus was timely made available by the Company pursuant to Section 3(c) or Section 3(e); and (iv) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person.

b. In connection with the Registration Statement, any New Registration Statement or Prospectus, the Buyer agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signed the Registration Statement or signs any New Registration Statement, each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (collectively and together with an Indemnified Person, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information about the Buyer set forth on **Exhibit A** attached hereto or updated from time to time in writing by the Buyer and furnished to the Company by the Buyer expressly for inclusion in the Shelf Registration Statement or Prospectus or any New Registration Statement; and, subject to Section 6(d), the Buyer will reimburse any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Buyer, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party.

c. Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The Indemnified Party or Indemnified Person shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability

to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

d. The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

e. The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. CONTRIBUTION.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities.

8. ASSIGNMENT OF REGISTRATION RIGHTS.

The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyer. The Buyer may not assign its rights under this Agreement without the written consent of the Company.

9. AMENDMENT OF REGISTRATION RIGHTS.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Buyer.

10. MISCELLANEOUS.

a. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:
Caladrius Biosciences, Inc.
106 Allen Road
4th Floor
Basking Ridge, NJ 07920
Telephone: 212-584-4178
Facsimile: 646-417-5186
Attention: Todd Girolamo, Esq.
Email: tgirolamo@caladrius.com

With a copy to:

If to the Buyer:

Aspire Capital Fund, LLC
155 North Wacker Drive, Suite 1600
Chicago, IL 60606
Telephone: 312-658-0400
Facsimile: 312-658-4005
Attention: Steven G. Martin
Email: smartin@aspirecapital.com

With a copy to:

Morrison & Foerster LLP
2000 Pennsylvania Avenue, NW, Suite 6000
Washington, DC 20006-1888
Telephone: 202-778-1611
Facsimile: 202-887-0763
Attention: Martin P. Dunn, Esq.
Email: mdunn@mofo.com

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively. Any party to this Agreement may give any notice or other communication hereunder using any other means (including messenger service, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless it actually is received by the party for whom it is intended.

b. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

c. The corporate laws of the State of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Illinois. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Chicago for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

d. This Agreement**,** the Purchase Agreement and the other Transaction Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement**,** the Purchase Agreement and the other Transaction Documents supersede all other prior oral or written agreements between the Buyer, the Company, their affiliates and persons acting on their behalf with respect to the subject matter hereof and thereof. Notwithstanding the foregoing, the parties acknowledge and agree that the existing equity finance facility entered into between the parties pursuant to that certain Common Stock Purchase Agreement, dated as of May 5, 2015, and the Registration Rights Agreement, dated as of May 5, 2015, continue in full force and effect in accordance with the terms thereof.

e. This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

f. The headings in this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

g. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

h. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

i. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

j. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

*** * * * * ***

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of day and year first above written.

THE COMPANY:

CALADRIUS BIOSCIENCES, INC.

By: /s/ David J. Mazzo
Name: David J. Mazzo, PhD
Title: Chief Executive Officer

BUYER:

ASPIRE CAPITAL PARTNERS, LLC
By: RED CEDAR CAPITAL CORP.

By: /s/ Erik J. Brown
Name: Erik J. Brown
Title: President

EXHIBIT A

TO REGISTRATION RIGHTS AGREEMENT

Information About The Buyer Furnished To The Company By The Buyer
Expressly For Use In Connection With The Registration Statement and Prospectus

Aspire Capital Partners, LLC is the managing member of Aspire Capital Fund, LLC. SGM Holdings Corp. is the managing member of Aspire Capital Partners, LLC. Steven G. Martin is the president and sole shareholder of SGM Holdings Corp. Erik J. Brown is a principal of Aspire Capital Partners, LLC. Christos Komissopoulos is a principal of Aspire Capital Partners, LLC. Each may be deemed to have shared voting and investment power over shares owned by Aspire Capital Fund, LLC. Each of Aspire Capital Partners, LLC, SGM Holdings Corp., Mr. Martin, Mr. Brown and Mr. Komissopoulos disclaim beneficial ownership of the shares of common stock held by Aspire Capital Fund, LLC. Aspire Capital is not a licensed broker dealer or an affiliate of a licensed broker dealer.

Exhibit 5.1

November 4, 2015

Caladrius Biosciences, Inc.
106 Allen Road, Fourth Floor
Basking Ridge, New Jersey 07920

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

Reference is made to (i) the registration statement on Form S-3 (File No. 333-206175) filed by Caladrius Biosciences, Inc., a Delaware corporation (the "***Company***"), with the Securities and Exchange Commission (the "***Commission***") under the Securities Act of 1933, as amended (the "***Securities Act***"), on August 6, 2015 and declared effective by the Commission on August 28, 2015 (the "***Registration Statement***") and (ii) the base prospectus, dated August 28, 2015, in the form in which it appears in the Registration Statement at the time the Registration Statement became effective (the "***Base Prospectus***").

We have acted as counsel to the Company in connection with the preparation and filing with the Commission, pursuant to Rule 424(b) under the Securities Act, the prospectus supplement, dated November 4, 2015, to the Base Prospectus, to be filed by the Company with the Commission on November 5, 2015 (the "***Prospectus Supplement***" and, together with the Base Prospectus, the "***Prospectus***"), relating to the proposed offering (the "***Offering***") of (1) up to an aggregate of $30,000,000 of common stock, par value $0.001 per share (the "***Common Stock***") and (2) an additional 842,696 shares of Common Stock (the shares of Common Stock referred to in clauses (1) and (2) are collectively referred to herein as the "***Shares***"). The Shares are to be sold to Aspire Capital Fund, LLC as described in the Prospectus and pursuant to the terms and conditions of the common stock purchase agreement referred to in the Registration Statement (the "***Purchase Agreement***").

As such counsel and for purposes of our opinion set forth below, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such documents, resolutions, certificates and other instruments of the Company and corporate records furnished to us by the Company, and have reviewed certificates of public officials, statutes, records and such other instruments and documents, and have made such investigations of law as we have deemed necessary or appropriate as a basis for the opinions set forth in this opinion letter. In such examination and in rendering the opinion expressed below, we have assumed, without independent investigation or verification: (i) the genuineness of all signatures on all agreements, instruments, corporate records, certificates and other documents submitted to us; (ii) the authenticity and completeness of all agreements, instruments, corporate records, certificates and other documents submitted to us as originals; (iii) that all agreements, instruments, corporate records, certificates and other documents submitted to us as certified, electronic, facsimile, conformed, photostatic or other copies conform to originals thereof, and that such originals are authentic and complete; (iv) the legal capacity and authority of all persons or entities (other than the Company) executing all agreements, instruments, corporate records, certificates and other documents submitted to us; (v) the due authorization, execution and delivery of all agreements, instruments, corporate records, certificates and other documents by all parties thereto (other than the Company); (vi) that no documents submitted to us have been amended or terminated orally or in writing except as has been disclosed to us in writing; (vii) that the statements contained in the certificates and comparable documents of public officials, officers and representatives of the Company and other persons on which we have relied for the purposes of this opinion letter are true and correct; (viii) that there has not been any change in the good standing status of the Company from that reported in the certificate of good standing regarding the Company obtained from the Secretary of State of the State of Delaware; and (ix) that each of the officers and directors of the Company has properly exercised his or her fiduciary duties. As to all questions of fact material to this opinion letter and as to the materiality of any fact or other matter referred to herein, we have relied (without independent investigation or verification) upon representations and certificates or comparable documents of officers and representatives of the Company. Our knowledge of the Company and its legal and other affairs is limited by the scope of our engagement, which scope includes the delivery of this opinion letter. We do not represent the Company with respect to all legal matters or issues. The Company may employ other independent counsel and, to our knowledge, handles certain legal matters and issues without the assistance of independent counsel.

We have also assumed that the Shares will be issued and sold as described in the Registration Statement and the Purchase Agreement.

Based upon the foregoing, and in reliance thereon, and subject to the assumptions, limitations, qualifications and exceptions set forth herein, we are of the opinion that the Shares have been duly authorized by the Company and, when issued and sold in accordance with the Registration Statement and the Prospectus, with payment received by the Company in the manner described in the Purchase Agreement, will be validly issued, fully paid and nonassessable.

Without limiting any of the other limitations, exceptions and qualifications stated elsewhere herein, we express no opinion with regard to the applicability or effect of the laws of any jurisdiction other than the General Corporation Law of the State of Delaware, as in effect on the date of this opinion letter.

This opinion letter deals only with the specified legal issues expressly addressed herein, and you should not infer any opinion that is not explicitly stated herein from any matter addressed in this opinion letter.

This opinion letter is rendered to you solely in connection with the issuance and sale of the Shares in connection with the Registration Statement. This opinion letter is rendered as of the date hereof, and we assume no obligation to advise you or any other person with regard to any change after the date hereof in the circumstances or the law that may bear on the matters set forth herein even if the change may affect the legal analysis or a legal conclusion or other matters in this opinion letter. We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the reference to our firm in the Prospectus Supplement under the heading “Legal Matters.” In giving such consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules or regulations of the Commission thereunder.

Very truly yours,

/s/ Paul Hastings LLP

Exhibit 10.2

SECOND AMENDMENT TO
LOAN AND SECURITY AGREEMENT

THIS **SECOND AMENDMENT** to Loan and Security Agreement (this "**Amendment**") is entered into as of September 15, 2015, by and between OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 ("**Oxford**"), as collateral agent (in such capacity, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 of the Loan Agreement (as defined below) or otherwise a party thereto from time to time including Oxford in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**"), NEOSTEM, INC., a Delaware corporation with offices located at 420 Lexington Avenue, Suite 350, New York, NY 10170 ("**Parent**") and the other borrowers listed on the signature page of the Loan Agreement (individually and collectively, jointly and severally, "**Borrower**").

RECITALS

A. Collateral Agent, Lenders and Borrower have entered into that certain Loan and Security Agreement dated as of September 26, 2014 (as amended from time to time, including by that certain First Amendment to Loan and Security Agreement dated as of June 17, 2015, collectively the "**Loan Agreement**").

B. Lenders have extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Collateral Agent and Lenders amend the Loan Agreement to make certain revisions to the Loan Agreement as more fully set forth herein.

D. Collateral Agent and Lenders have agreed to amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 New Section 8.13 hereby is added to the Agreement in its entirety as follows: "**8.13 CIRM Grant**. The California Institute for Regenerative Medicine ("CIRM") takes action to recover any previously awarded funds pursuant to the CIRM Grant."

2.2 The following defined term set forth in Exhibit A of the Agreement hereby is added as follows:

"CIRM Grant" means that certain grant award, in the amount of Seventeen Million Seven Hundred Twenty Five Thousand Seven Hundred Thirty-Four Dollars ($17,725,734), issued by the California Institute for Regenerative Medicine to Parent as of June 11, 2015.

3. Limitation of Amendments.

3.1 The amendments set forth in **Section 2** are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Collateral Agent or any Lender may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Collateral Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and Lenders as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents, to the best of Borrower's knowledge, are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Collateral Agent and Lenders on the Effective Date, or subsequent thereto, remain true, accurate and complete and have not been amended, supplemented or restated (except for the amendments delivered pursuant to Section 6(iii) below) and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon the due execution and delivery to Collateral Agent and Lenders of (i) this Amendment by each party hereto and (ii) Borrower's payment of all Lenders' Expenses incurred through the date of this Amendment.

[*Balance of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BORROWER:

CALADRIUS BIOSCIENCES, INC.
(F/K/A NEOSTEM, INC.)

By /s/ David J. Mazzo
Name: David J. Mazzo, PhD
Title: CEO

PCT ALLENDALE, LLC

By: /s/ George Goldberger
Name: George Goldberger
Title: Manager

NEOSTEM ONCOLOGY, LLC

By: /s/ David J. Mazzo
Name: David J. Mazzo, PhD
Title: Manager

ATHELOS CORPORATION

By: /s/ David J. Mazzo
Name: David J. Mazzo, PhD
Title: Manager

AMORCYTE, LLC

By:/s/ David J. Mazzo
Its: Manager

PCT, LLC, A CALADRIUS COMPANY (F/K/A PROGENITOR CELL THERAPY, LLC)

By: /s/ David J. Mazzo
Its: Manager

NEOSTEM FAMILY STORAGE, LLC

By: /s/ George Goldberger
Its: Manager

STEM CELL TECHNOLOGIES, INC.

By: /s/ David. J Mazzo
Its: Manager

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
Title: Vice President- Finance, Secretary & Treasurer

Exhibit 10.3

COMMON STOCK PURCHASE AGREEMENT

COMMON STOCK PURCHASE AGREEMENT (the "**Agreement**"), dated as of November 4, 2015, by and between **CALADRIUS BIOSCIENCES, INC.**, a Delaware corporation (the "**Company**"), and **ASPIRE CAPITAL FUND, LLC**, an Illinois limited liability company (the "**Buyer**"). Capitalized terms used herein and not otherwise defined herein are defined in Section 10 hereof.

WHEREAS: Subject to the terms and conditions set forth in this Agreement, the Company wishes to sell to the Buyer, and the Buyer wishes to buy from the Company, up to Thirty Million Dollars ($30,000,000) of the Company's common stock, par value $0.001 (the "**Common Stock**"). The shares of Common Stock to be purchased hereunder are referred to herein as the "**Purchase Shares**."

NOW THEREFORE, the Company and the Buyer hereby agree as follows:

1. PURCHASE OF COMMON STOCK.

Subject to the terms and conditions set forth in this Agreement, the Company has the right to sell to the Buyer, and the Buyer has the obligation to purchase from the Company, Purchase Shares as follows:

(a) Commencement of Purchases of Common Stock. After the Commencement Date (as defined below), the purchase and sale of Purchase Shares hereunder shall occur from time to time upon written notices by the Company to the Buyer on the terms and conditions as set forth herein following the satisfaction of the conditions (the "**Commencement**") as set forth in Sections 6 and 7 below (the date of satisfaction of such conditions, the "**Commencement Date**").

(b) The Company's Right to Require Regular Purchases. Subject to the terms and conditions of this Agreement, on any given Business Day after the Commencement Date, the Company shall have the right but not the obligation to direct the Buyer by its delivery to the Buyer of a Purchase Notice from time to time, and the Buyer thereupon shall have the obligation, to buy the number of Purchase Shares specified in such notice, up to a maximum of 50,000 Purchase Shares, on such Business Day (as long as such notice is delivered on or before 5:00 p.m. eastern time on such Business Day) (each such purchase, a "**Regular Purchase**") at the Purchase Price on the Purchase Date; however, in no event shall the Purchase Amount of a Regular Purchase exceed five hundred thousand dollars ($500,000) per Business Day, unless the Buyer and the Company mutually agree. The Company and the Buyer may mutually agree to increase the number of Purchase Shares that may be sold per Regular Purchase to as much as an additional 2,000,000 Purchase Shares per Business Day. The Company may deliver additional Purchase Notices to the Buyer from time to time so long as the most recent purchase has been completed. The share amounts in the first sentence of this Section 1(b) this Agreement shall be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split, or other similar transaction.

(c) VWAP Purchases. Subject to the terms and conditions of this Agreement, in addition to purchases of Purchase Shares as described in Section 1(b) above, with one Business Day's prior written notice, the Company shall also have the right but not the obligation to direct Buyer by the Company's delivery to Buyer of a VWAP Purchase Notice from time to time, and Buyer thereupon shall have the obligation, to buy the VWAP Purchase Share Percentage of the trading volume of the Common Stock on the VWAP Purchase Date up to the VWAP Purchase Share Volume Maximum on the VWAP Purchase Date (as long as such notice is delivered on or before 5:00 p.m. eastern time on the Business Day immediately preceding the VWAP Purchase Date) (each such purchase, a "**VWAP Purchase**") at the VWAP Purchase Price. The Company may deliver a VWAP Purchase Notice to the Buyer only on a date on which the Company also submitted a Purchase Notice for a Regular Purchase of at least 50,000 Purchase Shares to the Buyer. A VWAP Purchase shall automatically be deemed completed at such time on the VWAP Purchase Date that the sale price of the Common Stock falls below the VWAP Minimum Price Threshold; in such circumstance, the VWAP Purchase Amount shall be calculated using the VWAP Purchase Share Percentage of the aggregate shares traded for such portion of the VWAP Purchase Date prior to the time that the sale price of the Common Stock fell below the VWAP Minimum

Price Threshold and the VWAP Purchase Price shall be calculated using the volume weighted average price of Common Stock sold during such portion of the VWAP Purchase Date prior to the time that the sale price of the Common Stock fell below the VWAP Minimum Price Threshold. Each VWAP Purchase Notice must be accompanied by instructions to the Company's transfer Agent to immediately issue to the Buyer an amount of Common Stock equal to the VWAP Purchase Share Estimate, a good faith estimate by the Company of the number of Purchase Shares that the Buyer shall have the obligation to buy pursuant to the VWAP Purchase Notice. In no event shall the Buyer pursuant to any VWAP Purchase, purchase a number of Purchase Shares that exceeds the VWAP Purchase Share Estimate issued on the VWAP Purchase Date in connection with such VWAP Purchase Notice; however, the Buyer will immediately return to the Company any amount of Common Stock issued pursuant to the VWAP Purchase Share Estimate that exceeds the number of Purchase Shares the Buyer actually purchases in connection with such VWAP Purchase. Upon completion of each VWAP Purchase Date, the Buyer shall submit to the Company a confirmation of the VWAP Purchase in form and substance reasonably acceptable to the Company. The Company may deliver additional VWAP Purchase Notices to the Buyer from time to time so long as the most recent purchase has been completed.

(d) Payment for Purchase Shares. For each Regular Purchase, the Buyer shall pay to the Company an amount equal to the Purchase Amount as full payment for such Purchase Shares via wire transfer of immediately available funds on the same Business Day that the Buyer receives such Purchase Shares. For each VWAP Purchase, the Buyer shall pay to the Company an amount equal to the VWAP Purchase Amount as full payment for such Purchase Shares via wire transfer of immediately available funds on the third Business Day following the VWAP Purchase Date. All payments made under this Agreement shall be made in lawful money of the United States of America via wire transfer of immediately available funds to such account as the Company may from time to time designate by written notice in accordance with the provisions of this Agreement. Whenever any amount expressed to be due by the terms of this Agreement is due on any day that is not a Business Day, the same shall instead be due on the next succeeding day that is a Business Day.

(e) [Intentionally Omitted.]

(f) Records of Purchases. The Buyer and the Company shall each maintain records showing the remaining Available Amount at any given time and the dates and purchase amounts for each purchase, or shall use such other method reasonably satisfactory to the Buyer and the Company to reconcile the remaining Available Amount.

(g) Taxes. The Company shall pay any and all transfer, stamp or similar taxes that may be payable with respect to the issuance and delivery of any shares of Common Stock to the Buyer made under this Agreement.

(h) Compliance with Principal Market Rules Notwithstanding anything in this Agreement to the contrary, and in addition to the limitations set forth in Section 1(e), the total number of shares of Common Stock that may be issued under this Agreement, including the 842,696 Commitment Shares (as defined in Section 4(e) hereof), shall be limited to 11,019,276 shares of Common Stock (the "**Exchange Cap**"), which equals 19.9% of the Company's outstanding shares of Common Stock as of the date hereof, unless stockholder approval is obtained to issue more than such 19.9%. The Exchange Cap shall be appropriately adjusted for any stock dividend, stock split, reverse stock split or similar transaction. The foregoing limitation shall not apply if stockholder approval has not been obtained and at any time the Exchange Cap is reached and at all times thereafter the average price paid for all shares of Common Stock issued under this Agreement (including the Commitment Shares) is equal to or greater than $1.35 (the "**Minimum Price**"), a price equal to the Closing Sale Price on the date hereof (in such circumstance, for purposes of the Principal Market, the transaction contemplated hereby would not be "below market" and the Exchange Cap would not apply). Notwithstanding the foregoing, the Company shall not be required or permitted to issue, and the Buyer shall not be required to purchase, any shares of Common Stock under this Agreement if such issuance would violate the rules or regulations of the Principal Market.

(i) Beneficial Ownership Limitation. The Company shall not issue and the Buyer shall not purchase any shares of Common Stock under this Agreement if such shares proposed to be issued and sold, when aggregated with all other shares of Common Stock then owned beneficially (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by the Buyer and its affiliates

would result in the beneficial ownership by the Buyer and its affiliates of more than 19.99% of the then issued and outstanding shares of Common Stock.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

The Buyer represents and warrants to the Company that as of the date hereof and as of the Commencement Date:

(a) Investment Purpose. The Buyer is entering into this Agreement and acquiring the Commitment Shares (as defined in Section 4(e) hereof) and the Purchase Shares (the Purchase Shares and the Commitment Shares are collectively referred to herein as the "**Securities**"), for its own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof; provided however, by making the representations herein, the Buyer does not agree to hold any of the Securities for any minimum or other specific term.

(b) Accredited Investor Status. The Buyer is an "accredited investor" as that term is defined in Rule 501(a)(3) of Regulation D.

(c) [Intentionally Omitted.]

(d) Information. The Buyer has been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been reasonably requested by the Buyer, including, without limitation, the SEC Documents (as defined in Section 3(f) hereof). The Buyer understands that its investment in the Securities involves a high degree of risk. The Buyer (i) is able to bear the economic risk of an investment in the Securities including a total loss, (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the proposed investment in the Securities and (iii) has had an opportunity to ask questions of and receive answers from the officers of the Company concerning the financial condition and business of the Company and others matters related to an investment in the Securities. Neither such inquiries nor any other due diligence investigations conducted by the Buyer or its representatives shall modify, amend or affect the Buyer's right to rely on the Company's representations and warranties contained in Section 3 below. The Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(e) No Governmental Review. The Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(f) [Intentionally Omitted.]

(g) Validity; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Buyer and is a valid and binding agreement of the Buyer enforceable against the Buyer in accordance with its terms, subject as to enforceability to general principles of equity and to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(h) Residency. The Buyer is a resident of the State of Illinois.

(i) No Prior Short Selling. The Buyer represents and warrants to the Company that at no time prior to the date of this Agreement has any of the Buyer, its agents, representatives or affiliates engaged in or effected, in any manner whatsoever, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the Securities Exchange Act of 1934, as amended (the "**1934 Act**")) of the Common Stock or (ii) hedging transaction, which establishes a net short position with respect to the Common Stock.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyer that, except as set forth on the disclosure schedules, as of the date hereof and as of the Commencement Date:

(a) Organization and Qualification. The Company and its "Subsidiaries" (which for purposes of this Agreement means any entity in which the Company, directly or indirectly, owns 50% or more of the voting stock or capital stock or other similar equity interests) are corporations or limited liability companies duly organized and validly existing in good standing under the laws of the jurisdiction in which they are incorporated or organized, and have the requisite corporate or organizational power and authority to own their properties and to carry on their business as now being conducted. Each of the Company and its Subsidiaries is duly qualified as a foreign corporation or limited liability company to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing could not reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "Material Adverse Effect" means any material adverse effect on any of: (i) the business, properties, assets, operations, results of operations or financial condition of the Company and its Subsidiaries, if any, taken as a whole, or (ii) the authority or ability of the Company to perform its obligations under the Transaction Documents (as defined in Section 3(b) hereof). The Company has no material Subsidiaries except as set forth on Schedule 3(a).

(b) Authorization; Enforcement; Validity. (i) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Registration Rights Agreement and each of the other agreements entered into by the parties on the Commencement Date and attached hereto as exhibits to this Agreement (collectively, the "**Transaction Documents**"), and to issue the Securities in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including without limitation, the issuance of the Commitment Shares and the reservation for issuance and the issuance of the Purchase Shares issuable under this Agreement, have been duly authorized by the Company's Board of Directors or duly authorized committee thereof, do not conflict with the Company's Certificate of Incorporation or Bylaws, and do not require further consent or authorization is required by the Company, its Board of Directors or its shareholders, (iii) this Agreement has been, and each other Transaction Document shall be on the Commencement Date, duly executed and delivered by the Company and (iv) this Agreement constitutes, and each other Transaction Document upon its execution on behalf of the Company, shall constitute, the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies. The Board of Directors of the Company or duly authorized committee thereof has approved the resolutions (the "**Signing Resolutions**") substantially in the form as set forth as Exhibit C attached hereto to authorize this Agreement and the transactions contemplated hereby. The Signing Resolutions are valid, in full force and effect and have not been modified or supplemented in any manner. The Company has delivered to the Buyer a true and correct copy of the Signing Resolutions as adopted by the Board of Directors of the Company or an appropriate Board Committee.

(c) Capitalization. As of the date hereof, the authorized capital stock of the Company consists of (i) 500,000,000 shares of Common Stock, par value $0.001, of which as of the date hereof 55,373,251 shares are issued and outstanding, 12,200,347 shares are reserved for future issuance pursuant to the Company's equity incentive plans of which approximately 5,338,536 shares remain available for future option grants or stock awards, 378,341 shares are reserved for future issuance pursuant to the Company's employee stock purchase plan, and 3,496,452 shares are issuable and reserved for issuance pursuant to securities (other than stock options or equity based awards issued pursuant to the Company's stock incentive plans) exercisable or exchangeable for, or convertible into, shares of Common Stock and (ii) 20,000,000 shares of preferred stock, of which as of the date hereof 825,000 shares are designated as Series B Preferred Stock, liquidation value, $0.01 per share, of which 10,000 are issued and outstanding. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed in Schedule 3(c), (i) no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company, (ii) there are no outstanding debt securities, (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any

character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its Subsidiaries, (iv) there are no material agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except the Registration Rights Agreement), (v) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries, (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities as described in this Agreement and (vii) the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Company has furnished or made available to the Buyer true and correct copies of the Company's Certificate of Incorporation, as amended and as in effect on the date hereof (the "**Certificate of Incorporation**"), and the Company's Bylaws, as amended and as in effect on the date hereof (the "**Bylaws**"), and summaries of the terms of all securities convertible into or exercisable for Common Stock, if any, and copies of any documents containing the material rights of the holders thereof in respect thereto.

(d) Issuance of Securities. The Commitment Shares have been duly authorized and, upon issuance in accordance with the terms hereof, the Commitment Shares shall be (i) validly issued, fully paid and non-assessable and (ii) free from all taxes, liens and charges with respect to the issue thereof. Upon issuance and payment therefore in accordance with the terms and conditions of this Agreement, the Purchase Shares shall be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock.

(e) No Conflicts. Except as disclosed in Schedule 3(e), the execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the reservation for issuance and issuance of the Purchase Shares) will not (i) result in a violation of the Certificate of Incorporation, any Certificate of Designations, Preferences and Rights of any outstanding series of preferred stock of the Company or the Bylaws or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the Principal Market applicable to the Company or any of its Subsidiaries) or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of conflicts, defaults, terminations, amendments, accelerations, cancellations and violations under clause (ii), which could not reasonably be expected to result in a Material Adverse Effect. Except as disclosed in Schedule 3(e), neither the Company nor its Subsidiaries is in violation of any term of or in default under its Certificate of Incorporation, any Certificate of Designation, Preferences and Rights of any outstanding series of preferred stock of the Company or Bylaws or their organizational charter or bylaws, respectively. Except as disclosed in Schedule 3(e), neither the Company nor any of its Subsidiaries is in violation of any term of or is in default under any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or its Subsidiaries, except for possible conflicts, defaults, terminations or amendments which could not reasonably be expected to have a Material Adverse Effect. The business of the Company and its Subsidiaries is not being conducted, and shall not be conducted, in violation of any law, ordinance, or regulation of any governmental entity, except for possible violations, the sanctions for which either individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. Except as specifically contemplated by this Agreement and as required under the 1933 Act or applicable state securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency or any regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents in accordance with the terms hereof or thereof. Except as disclosed in Schedule 3(e), all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence shall be obtained or effected on or prior

to the Commencement Date. The Company is not subject to any notices or actions from or to the Principal Market. The Principal Market has not commenced any delisting proceedings against the Company.

(f) SEC Documents; Financial Statements. Except as disclosed in Schedule 3(f), since June 30, 2014, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). As of their respective dates (except as they have been correctly amended), the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC (except as they may have been properly amended), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates (except as they have been properly amended), the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as disclosed in Schedule 3(f) or routine correspondence, such as comment letters and notices of effectiveness in connection with previously filed registration statements, the Company or any of its subsidiaries are not presently the subject of any inquiry, investigation or action by the SEC.

(g) Absence of Certain Changes. Except as disclosed in Schedule 3(g), since June 30, 2015, there has been no material adverse change in the business, properties, operations, financial condition or results of operations of the Company or its Subsidiaries. For purposes of this Agreement, neither a decrease in cash or cash equivalents nor losses incurred in the ordinary course of the Company's business shall be deemed or considered a material adverse change. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any Bankruptcy Law nor does the Company or any of its Subsidiaries have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or insolvency proceedings. The Company is financially solvent and is generally able to pay its debts as they become due**.**

(h) Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company, the Common Stock or any of the Company's Subsidiaries or any of the Company's or the Company's Subsidiaries' officers or directors in their capacities as such, which could reasonably be expected to have a Material Adverse Effect. A description of each action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body which, as of the date of this Agreement, is pending or threatened in writing against or affecting the Company, the Common Stock or any of the Company's Subsidiaries or any of the Company's or the Company's Subsidiaries' officers or directors in their capacities as such, is set forth in Schedule 3(h).

(i) Acknowledgment Regarding Buyer's Status. The Company acknowledges and agrees that the Buyer is acting solely in the capacity of arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that the Buyer is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby and any advice given by the Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Buyer's purchase of the Securities. The Company further represents to the Buyer that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives and advisors.

(j) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights (collectively, "**Intellectual Property**") necessary to conduct their respective businesses as now conducted, except as set forth in Schedule 3(j) or to the extent that the failure to own, possess, license or otherwise hold adequate rights to use Intellectual Property would not, individually or in the aggregate, have a Material Adverse Effect. The Company and its Subsidiaries do not have any knowledge of any infringement by the Company or its Subsidiaries of any material trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and, except as set forth on Schedule 3(j), there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company or its Subsidiaries regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secrets or other intellectual property rights, which could reasonably be expected to have a Material Adverse Effect.

(k) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where, in each of the three foregoing clauses, the failure to so comply or receive such approvals could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(l) Title. The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in Schedule 3(l) or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

(m) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition, financial or otherwise, or the earnings, business or operations of the Company and its Subsidiaries, taken as a whole.

(n) Regulatory Permits. The Company and its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses as currently conducted, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(o) Tax Status. The Company and each of its Subsidiaries has made or filed all federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books reserves reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books reserves reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no

unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

(p) Transactions With Affiliates. Except as set forth on Schedule 3(p) and other than the grant or exercise of stock options pursuant to duly adopted stock or incentive compensation plans, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has an interest or is an officer, director, trustee or partner.

(q) [Intentionally omitted.]

(r) Registration Statement. The Shelf Registration Statement (as defined in Section 4(a) hereof) has been declared effective by the SEC, and no stop order has been issued or is pending or threatened by the SEC with respect thereto. As of the date hereof, the Company has a maximum dollar amount of securities registered and unsold under the Shelf Registration Statement, which is not less than the sum of (i) the Available Amount and (ii) the market value of the Commitment Shares on the date hereof.

4. COVENANTS.

(a) Filing of Form 8-K and Prospectus Supplement. The Company agrees that it shall, within the time required under the 1934 Act, file a Current Report on Form 8-K (or provide substantially equivalent disclosure in the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q to be filed within that time period) disclosing this Agreement and the transaction contemplated hereby. Prior to the issuance of any shares hereunder, the Company shall file a prospectus supplement to the Company's existing shelf registration statement on Form S-3 (File No. 333-206175) or a new registration statement (either, the "**Shelf Registration Statement**") covering the issuance of the Commitment Shares and Purchase Shares (the "**Prospectus Supplement**") in accordance with the terms of the Registration Rights Agreement between the Company and the Buyer, dated as of the date hereof (the "**Registration Rights Agreement**"). The Company shall use commercially reasonable efforts to keep the Shelf Registration Statement and any New Registration Statement (as defined in the Registration Rights Agreement) effective pursuant to Rule 415 promulgated under the 1933 Act and available for sales of all Securities to the Buyer until such time as (i) it no longer qualifies to make sales under the Shelf Registration Statement, (ii) the date on which all the Securities have been sold under this Agreement and no Available Amount remains thereunder, or (iii) the Agreement has been terminated. The Shelf Registration Statement (including any amendments or supplements thereto and prospectuses or prospectus supplements, including the Prospectus Supplement, contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(b) Blue Sky. The Company shall take such action, if any, as is reasonably necessary in order to obtain an exemption for or to qualify (i) the initial sale of the Securities to the Buyer under this Agreement and (ii) any subsequent sale of the Securities by the Buyer, in each case, under applicable securities or "Blue Sky" laws of the states of the United States in such states as is reasonably requested by the Buyer from time to time, and shall provide evidence of any such action so taken to the Buyer.

(c) Listing. The Company shall secure the listing of all of the Securities upon each national securities exchange and automated quotation system, if any, upon which shares of Common Stock are then listed (subject to official notice of issuance) and shall maintain such listing so long as any other shares of Common Stock shall be so listed. The Company shall maintain the Common Stock's listing on the Principal Market. Neither the Company nor any of its Subsidiaries shall take any action that would be reasonably expected to result in the delisting or suspension of the Common Stock on the Principal Market, unless the Common Stock is immediately thereafter traded on the New York Stock Exchange, the NYSE MKT, the Nasdaq Global Select Market, the Nasdaq Global Market or the OTC

Bulletin Board. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section.

(d) Limitation on Short Sales and Hedging Transactions. The Buyer agrees that beginning on the date of this Agreement and ending on the date of termination of this Agreement as provided in Section 11(k), the Buyer and its agents, representatives and affiliates shall not in any manner whatsoever enter into or effect, directly or indirectly, any (i) "short sale" (as such term is defined in Section 242.200 of Regulation SHO of the 1934 Act) of the Common Stock or (ii) hedging transaction, which establishes a net short position with respect to the Common Stock.

(e) Issuance of Commitment Shares. Promptly following the Commencement, the Company shall issue to the Buyer as consideration for the Buyer entering into this Agreement 842,696 shares of Common Stock (the "**Commitment Shares**"). The Commitment Shares shall be issued without any restrictive legend whatsoever or prior sale requirement.

(f) Due Diligence. The Buyer shall have the right, from time to time as the Buyer may reasonably deem appropriate, to perform reasonable due diligence on the Company during normal business hours. The Company and its officers and employees shall provide information and reasonably cooperate with the Buyer in connection with any reasonable request by the Buyer related to the Buyer's due diligence of the Company, including, but not limited to, any such request made by the Buyer in connection with (i) the filing of the registration statement described in Section 4(a) hereof and (ii) the Commencement; provided, however, that at no time is the Company required or permitted to disclose material nonpublic information to the Buyer. Each party hereto agrees not to disclose any Confidential Information of the other party to any third party and shall not use the Confidential Information of such other party for any purpose other than in connection with, or in furtherance of, the transactions contemplated hereby. Each party hereto acknowledges that the Confidential Information shall remain the property of the disclosing party and agrees that it shall take all reasonable measures to protect the secrecy of any Confidential Information disclosed by the other party.

5. TRANSFER AGENT INSTRUCTIONS.

All of the Purchase Shares to be issued under this Agreement shall be issued without any restrictive legend unless the Buyer expressly consents otherwise. The Company shall issue irrevocable instructions to the Transfer Agent, and any subsequent transfer agent, to issue Common Stock in the name of the Buyer for the Purchase Shares (the "**Irrevocable Transfer Agent Instructions**"). The Company warrants to the Buyer that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5, will be given by the Company to the Transfer Agent with respect to the Purchase Shares and that the Commitment Shares and the Purchase Shares shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Registration Rights Agreement.

6. CONDITIONS TO THE COMPANY'S RIGHT TO COMMENCE SALES OF SHARES OF COMMON STOCK UNDER THIS AGREEMENT.

The right of the Company hereunder to commence sales of the Purchase Shares is subject to the satisfaction of each of the following conditions on or before the Commencement Date (the date that the Company may begin sales):

(a) The Buyer shall have executed each of the Transaction Documents and delivered the same to the Company;

(b) The representations and warranties of the Buyer shall be true and correct and the Buyer shall have performed, satisfied and complied in all material respects with the covenants and agreements required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Commencement Date; and

(c) The Prospectus Supplement shall have been delivered to the Buyer and no stop order with respect to the registration statement covering the sale of shares to the Buyer shall be pending or threatened by the SEC.

7. CONDITIONS TO THE BUYER'S OBLIGATION TO MAKE PURCHASES OF SHARES OF COMMON STOCK.

The obligation of the Buyer to buy Purchase Shares under this Agreement is subject to the satisfaction of each of the following conditions on or before the Commencement Date (the date that the Company may begin sales of Purchase Shares) and once such conditions have been initially satisfied, there shall not be any ongoing obligation to satisfy such conditions after the Commencement has occurred:

(a) The Company shall have executed each of the Transaction Documents and delivered the same to the Buyer;

(b) The Company shall have issued to the Buyer the Commitment Shares;

(c) The Common Stock shall be authorized for quotation on the Principal Market, trading in the Common Stock shall not have been within the last 365 days suspended by the SEC or the Principal Market and the Securities shall be approved for listing upon the Principal Market;

(d) The Buyer shall have received the opinion and negative assurance letter of the Company's legal counsel dated as of the Commencement Date in form and substance substantially similar to the forms provided to the Buyer by the Company's legal counsel prior to the execution of this Agreement;

(e) The representations and warranties of the Company shall be true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 3 above, in which case, such representations and warranties shall be true and correct without further qualification) as of the date when made and as of the Commencement Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct in all material respects as of such specific date) and the Company shall have performed, satisfied and complied with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Commencement Date. The Buyer shall have received a certificate, executed by the CEO, President or CFO of the Company, dated as of the Commencement Date, to the foregoing effect in the form attached hereto as **Exhibit B**;

(f) The Board of Directors of the Company or a duly authorized committee thereof shall have adopted resolutions in the form attached hereto as **Exhibit C** which shall be in full force and effect without any amendment or supplement thereto as of the Commencement Date;

(g) [Intentionally Omitted];

(h) The Irrevocable Transfer Agent Instructions, in form acceptable to the Buyer shall have been executed by the Buyer and the Company and delivered to the Company's Transfer Agent;

(i) The Company shall have delivered to the Buyer a certificate evidencing the incorporation and good standing of the Company in the State of Delaware issued by the Secretary of State of the State of Delaware as of a date within ten (10) Business Days of the Commencement Date;

(j) The Company shall have delivered to the Buyer a certified copy of the Certificate of Incorporation, as certified by the Secretary of State of the State of Delaware within ten (10) Business Days of the Commencement Date;

(k) The Company shall have delivered to the Buyer a secretary's certificate executed by the Secretary of the Company, dated as of the Commencement Date, in the form attached hereto as **Exhibit D**;

(l) The Shelf Registration Statement shall have been declared effective under the 1933 Act by the SEC and no stop order with respect thereto shall be pending or threatened by the SEC. The Company shall have prepared and delivered to the Buyer a final and complete form of prospectus supplement, dated and current as of the Commencement Date, to be used in connection with any issuances of any Commitment Shares or any Purchase Shares to the Buyer, and to be filed by the Company one Business Day after the Commencement Date. The Company shall have made all filings under all applicable federal and state securities laws necessary to consummate the issuance of the Commitment Shares and the Purchase Shares pursuant to this Agreement in compliance with such laws;

(m) No Event of Default has occurred, or any event which, after notice and/or lapse of time, would become an Event of Default has occurred; and

(n) [Intentionally omitted.]

(o) The Company shall have provided the Buyer with the information reasonably requested by the Buyer in connection with its due diligence requests made prior to, or in connection with, the Commencement, in accordance with the terms of Section 4(f) hereof.

8. INDEMNIFICATION.

In consideration of the Buyer's execution and delivery of the Transaction Documents and acquiring the Securities hereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless the Buyer and all of its affiliates, shareholders, officers, directors, and employees, and any of the foregoing person's agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (c) any cause of action, suit or claim brought or made against such Indemnitee and arising out of or resulting from the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, other than with respect to Indemnified Liabilities which directly and primarily result from (A) a breach of any of the Buyer's representations and warranties, covenants or agreements contained in this Agreement, or (B) the gross negligence or willful misconduct of the Buyer or any other Indemnitee. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

9. EVENTS OF DEFAULT.

An "**Event of Default**" shall be deemed to have occurred at any time as any of the following events occurs:

(a) during any period in which the effectiveness of any registration statement is required to be maintained pursuant to the terms of the Registration Rights Agreement, the effectiveness of such registration statement lapses for any reason (including, without limitation, the issuance of a stop order) or is unavailable to the Company for sale of all of the Registrable Securities (as defined in the Registration Rights Agreement) to the Buyer in accordance with the terms of the Registration Rights Agreement, and such lapse or unavailability continues for a period of ten (10) consecutive Business Days or for more than an aggregate of thirty (30) Business Days in any 365-day period;

(b) the suspension from trading or failure of the Common Stock to be listed on a Principal Market for a period of three (3) consecutive Business Days;

(c) the delisting of the Common Stock from the Principal Market, provided, however, that the Common Stock is not immediately thereafter trading on the New York Stock Exchange, the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Select Market, the Nasdaq Global Market or the OTC Bulletin Board;

(d) the failure for any reason by the Transfer Agent to issue Purchase Shares to the Buyer within five (5) Business Days after the applicable Purchase Date which the Buyer is entitled to receive;

(e) the breach of any representation, warranty, covenant or other term or condition under any Transaction Document if such breach could have a Material Adverse Effect and except, in the case of a breach of a covenant which is reasonably curable, only if such breach continues for a period of at least five (5) Business Days;

(f) if any Person commences a proceeding against the Company pursuant to or within the meaning of any Bankruptcy Law ;

(g) if the Company pursuant to or within the meaning of any Bankruptcy Law; (A) commences a voluntary case, (B) consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a Custodian of it or for all or substantially all of its property, (D) makes a general assignment for the benefit of its creditors, (E) becomes insolvent, or (F) is generally unable to pay its debts as the same become due; or

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (A) is for relief against the Company in an involuntary case, (B) appoints a Custodian of the Company or for all or substantially all of its property, or (C) orders the liquidation of the Company or any Subsidiary.

In addition to any other rights and remedies under applicable law and this Agreement, including the Buyer termination rights under Section 11(k) hereof, so long as an Event of Default has occurred and is continuing, or if any event which, after notice and/or lapse of time, would become an Event of Default, has occurred and is continuing, the Company may not require and the Buyer shall not be obligated or permitted to purchase any shares of Common Stock under this Agreement. If pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors, (any of which would be an Event of Default as described in Sections 9(f), 9(g) and 9(h) hereof) this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person. No such termination of this Agreement under Section 11(k)(i) shall affect the Company's or the Buyer's obligations under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

10. CERTAIN DEFINED TERMS.

For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**1933 Act**" means the Securities Act of 1933, as amended.

(b) "**Available Amount**" means initially Thirty Million Dollars ($30,000,000) in the aggregate which amount shall be reduced by the Purchase Amount each time the Buyer purchases shares of Common Stock pursuant to Section 1 hereof.

(c) "**Bankruptcy Law**" means Title 11, U.S. Code, or any similar federal or state law for the relief of debtors.

(d) "**Business Day**" means any day on which the Principal Market is open for trading during normal trading hours (i.e., 9:30 a.m. to 4:00 p.m. Eastern Time), including any day on which the Principal Market is open for trading for a period of time less than the customary time.

(e) "**Closing Sale Price**" means the last closing trade price for the Common Stock on the Principal Market as reported by the Principal Market.

(f) "**Confidential Information**" means any information disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including, without limitation, documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Information communicated orally shall be considered Confidential Information if such information is confirmed in writing as being Confidential Information within ten (10) Business Days after the initial disclosure. Confidential Information may also include information disclosed to a disclosing party by third parties. Confidential Information shall not, however, include any information which (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession; or (vi) is required by law to be disclosed by the receiving party, provided that the receiving party gives the disclosing party prompt written notice of such requirement prior to such disclosure and assistance in obtaining an order protecting the information from public disclosure.

(g) "**Custodian**" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

(h) "**Maturity Date**" means the date that is twenty-four (24) months from the Commencement Date.

(i) "**Person**" means an individual or entity including any limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(j) "**Principal Market**" means the Nasdaq Capital Market; provided however, that in the event the Company's Common Stock is ever listed or traded on the Nasdaq Global Select Market, Nasdaq Global Market, the New York Stock Exchange, the NYSE MKT or the OTC Bulletin Board, then the "Principal Market" shall mean such other market or exchange on which the Company's Common Stock is then listed or traded.

(k) "**Purchase Amount**" means, with respect to any particular purchase made hereunder, the portion of the Available Amount to be purchased by the Buyer pursuant to Section 1 hereof as set forth in a valid Purchase Notice or VWAP Purchase Notice which the Company delivers to the Buyer.

(l) "**Purchase Date**" means with respect to any Regular Purchase made hereunder, the Business Day of receipt by the Buyer of a valid Purchase Notice that the Buyer is to buy Purchase Shares pursuant to Section 1(b) hereof.

(m) "**Purchase Notice**" shall mean an irrevocable written notice from the Company to the Buyer directing the Buyer to buy Purchase Shares pursuant to Section 1(b) hereof as specified by the Company therein at the applicable Purchase Price on the Purchase Date.

(n) "**Purchase Price**" means the lower of (i) the lowest Sale Price of the Common Stock on the Purchase Date or (ii) the arithmetic average of the three (3) lowest Closing Sale Prices for the Common Stock during the twelve (12) consecutive Business Days ending on the Business Day immediately preceding such Purchase Date (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

(o) "**Sale Price**" means any trade price for the shares of Common Stock on the Principal Market as reported by the Principal Market.

(p) "**SEC**" means the United States Securities and Exchange Commission.

(q) "**Transfer Agent**" means the transfer agent of the Company as set forth in Section 11(f) hereof or such other person who is then serving as the transfer agent for the Company in respect of the Common Stock.

(r) "**VWAP Minimum Price Threshold**" means, with respect to any particular VWAP Purchase Notice, the sale price of the Common Stock as traded on the Principal Market on the VWAP Purchase Date equal to the greater of (i) 80% of the closing price on of the Common Stock on the Business Day immediately preceding the VWAP Purchase Date or (ii) such higher price as set forth by the Company in the VWAP Purchase Notice.

(s) "**VWAP Purchase Amount**" means, with respect to any particular VWAP Purchase Notice, the portion of the Available Amount to be purchased by the Buyer pursuant to Section 1(c) hereof as set forth in a valid VWAP Purchase Notice which requires the Buyer to buy the VWAP Purchase Share Percentage of the aggregate shares traded on the VWAP Purchase Date up to the VWAP Purchase Share Volume Maximum, subject to the VWAP Minimum Price Threshold.

(t) "**VWAP Purchase Date**" means, with respect to any VWAP Purchase made hereunder, the Business Day following the receipt by the Buyer of a valid VWAP Purchase Notice that the Buyer is to buy Purchase Shares pursuant to Section 1(c) hereof.

(u) "**VWAP Purchase Notice**" shall mean an irrevocable written notice from the Company to the Buyer directing the Buyer to buy Purchase Shares on the VWAP Purchase Date pursuant to Section 1(c) hereof as specified by the Company therein at the applicable VWAP Purchase Price with the applicable VWAP Purchase Share Percentage specified therein.

(v) "**VWAP Purchase Share Percentage**" means, with respect to any particular VWAP Purchase Notice pursuant to Section 1(c) hereof, the percentage set forth in the VWAP Purchase Notice which the Buyer will be required to buy as a specified percentage of the aggregate shares traded up to the VWAP Purchase Share Volume Maximum on the VWAP Purchase Date subject to Section 1(c) hereof but in no event shall this percentage exceed a maximum of thirty percent (30%) of such VWAP Purchase Date's share trading volume of the Common Stock.

(w) "**VWAP Purchase Price**" means ninety-five percent (95%) of volume weighted average price for the Common Stock traded on:

(A) the VWAP Purchase Date if the aggregate shares traded on the VWAP Purchase Date has not exceeded the VWAP Purchase Share Volume Maximum; or

(B) the portion of the VWAP Purchase Date until such time as the sooner to occur of:

(1) the time at which the aggregate shares traded has exceeded the VWAP Purchase Share Volume Maximum, or

(2) the time at which the sale price of Common Stock falls below the VWAP Minimum Price Threshold.

(x) "**VWAP Purchase Share Estimate**" means the number of shares of Common Stock that the Company has in its sole discretion irrevocably instructed its transfer agent to issue to the Buyer in connection with a VWAP Purchase Notice pursuant to Section 1(c) hereof and issued to the Buyer on the VWAP Purchase Date (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

(y) "**VWAP Purchase Share Volume Maximum**" means a number of shares of Common Stock traded on the VWAP Purchase Date equal to: (i) the VWAP Purchase Share Estimate, divided by (ii) the VWAP Purchase Share Percentage (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

11. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. The corporate laws of the State of Delaware shall govern all issues concerning the relative rights of the Company and its shareholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement and the other Transaction Documents shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Illinois. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Chicago, for the adjudication of any dispute hereunder or under the other Transaction Documents or in connection herewith or therewith, or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement. This Agreement and the Registration Rights Agreement supersede all other prior oral or written agreements between the Buyer, the Company, their affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement, the other Transaction Documents and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein

and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. The Company acknowledges and agrees that is has not relied on, in any manner whatsoever, any representations or statements, written or oral, other than as expressly set forth in this Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that the existing equity finance facility entered into between the parties pursuant to that certain Common Stock Purchase Agreement, dated as of May 4, 2015, and the Registration Rights Agreement, dated as of May 4, 2015, continue in full force and effect in accordance with the terms thereof.

(f) Notices. Any notices, consents or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt when delivered personally; (ii) upon receipt when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Caladrius Biosciences, Inc.
106 Allen Road
4th Floor
Basking Ridge, NJ 07920
Telephone: 212-584-4178
Facsimile: 646-417-5186
Attention: Todd Girolamo, Esq.
Email: tgirolamo@caladrius.com

With a copy to:

Paul Hastings
75 East 55 Street
New York, NY 10022
Telephone: 212-318-6034
Attention: Neil Torpey, Esq.
Email: neiltorpey@paulhastings.com

If to the Buyer:

Aspire Capital Fund, LLC
155 North Wacker Drive, Suite 1600
Chicago, IL 60606
Telephone: 312-658-0400
Facsimile: 312-658-4005
Attention: Steven G. Martin
Email: smartin@aspirecapital.com

With a copy to:

Morrison & Foerster LLP
2000 Pennsylvania Avenue, NW, Suite 6000
Washington, DC 20006-1888
Telephone: 202-778-1611
Facsimile: 202-887-0763
Attention: Martin P. Dunn, Esq.
Email: mdunn@mofo.com

If to the Transfer Agent:

Continental Stock Transfer & Trust Company
17 Battery Place
New York, New York 10004
Telephone: (212) 509-4000
Attention: Robert McMonagle
Email: rmcmonagle@continentalstock.com

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party one (1) Business Day prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, and recipient facsimile number or (C) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of receipt in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyer, including by merger or consolidation. The Buyer may not assign its rights or obligations under this Agreement.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(i) Publicity. The Buyer shall have the right to approve before issuance any press release, SEC filing or any other public disclosure made by or on behalf of the Company whatsoever with respect to, in any manner, the Buyer, its purchases hereunder or any aspect of this Agreement or the transactions contemplated hereby; provided, however, that the Company shall be entitled, without the prior approval of the Buyer, to make any press release or other public disclosure (including any filings with the SEC) with respect to such transactions as is required by applicable law and regulations so long as the Company and its counsel consult with the Buyer in connection with any such press release or other public disclosure at least two (2) Business Days prior to its release. The Buyer must be provided with a copy thereof at least two (2) Business Days prior to any release or use by the Company thereof.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Termination. This Agreement may be terminated only as follows:

(i) By the Buyer any time an Event of Default exists without any liability or payment to the Company. However, if pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any Person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors, (any of which would be an Event of Default as described in Sections 9(f), 9(g) and 9(h) hereof) this Agreement shall automatically terminate without any liability or payment to the Company without further action or notice by any Person. No such termination of this Agreement under this Section 11(k)(i) shall affect the Company's or the Buyer's obligations under this Agreement with respect to pending purchases and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

(ii) In the event that the Commencement shall not have occurred, the Company shall have the option to terminate this Agreement for any reason or for no reason without any liability whatsoever of either party to the other party under this Agreement except as set forth in Section 11(k)(viii) hereof.

(iii) In the event that the Commencement shall not have occurred on or before April 30, 2016, due to the failure to satisfy any of the conditions set forth in Sections 6 and 7 above with respect to the Commencement, either party shall have the option to terminate this Agreement at the close of business on such date or thereafter without liability of either party to any other party; provided, however, that the right to terminate this Agreement under this Section 11(k)(iii) shall not be available to either party if such failure to satisfy any of the conditions set forth in Sections 6 and 7 is the result of a breach of this Agreement by such party or the failure of any representation or warranty of such party included in this Agreement to be true and correct.

(iv) At any time after the Commencement Date, the Company shall have the option to terminate this Agreement for any reason or for no reason by delivering notice (a "**Company Termination Notice**") to the Buyer electing to terminate this Agreement without any liability whatsoever of either party to the other party under this Agreement except as set forth in Section 11(k)(viii) hereof. The Company Termination Notice shall not be effective until one (1) Business Day after it has been received by the Buyer.

(v) This Agreement shall automatically terminate on the earlier of (i) the date that the Company sells and the Buyer purchases the full Available Amount as provided herein and (ii) the date on which the Exchange Cap is reached if shareholder approval to exceed the Exchange Cap has not previously been obtained, in each case without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement except as set forth in Section 11(k)(viii) hereof.

(vi) If by the Maturity Date for any reason or for no reason the full Available Amount under this Agreement has not been purchased as provided for in Section 1 of this Agreement, this Agreement shall automatically terminate on the Maturity Date, without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement except as set forth in Section 11(k)(viii) hereof.

(vii) Except as set forth in Sections 11(k)(i) (in respect of an Event of Default under Sections 9(f), 9(g) and 9(h)), 11(k)(v) and 11(k)(vi), any termination of this Agreement pursuant to this Section 11(k) shall be effected by written notice from the Company to the Buyer, or the Buyer to the Company, as the case may be, setting forth the basis for the termination hereof.

(viii) The representations and warranties of the Company and the Buyer contained in Sections 2, 3 and 5 hereof, the indemnification provisions set forth in Section 8 hereof and the agreements and covenants set forth in Sections 4(e) and 11, shall survive the Commencement and any termination of this Agreement. No termination of this Agreement shall affect the Company's or the Buyer's rights or obligations (i) under the Registration Rights Agreement which shall survive any such termination or (ii) under this Agreement with respect to pending purchases; and the Company and the Buyer shall complete their respective obligations with respect to any pending purchases under this Agreement.

(l) No Financial Advisor, Placement Agent, Broker or Finder. The Company represents and warrants to the Buyer that it has not engaged any financial advisor, placement agent, broker or finder in connection with the transactions contemplated hereby. The Buyer represents and warrants to the Company that it has not engaged any financial advisor, placement agent, broker or finder in connection with the transactions contemplated hereby. Each party shall be responsible for the payment of any fees or commissions, if any, of any financial advisor, placement agent, broker or finder engaged by such party relating to or arising out of the transactions contemplated hereby. Each party shall pay, and hold the other party harmless against, any liability, loss or expense (including, without limitation, attorneys' fees and out of pocket expenses) arising in connection with any such claim.

(m) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(n) Failure or Indulgence Not Waiver. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

* * * * *

IN WITNESS WHEREOF, the Buyer and the Company have caused this Common Stock Purchase Agreement to be duly executed as of the date first written above.

THE COMPANY:

CALADRIUS BIOSCIENCES, INC.

By: /s/ David J. Mazzo
Name: David J. Mazzo, PhD
Title: Chief Executive Officer

BUYER:

ASPIRE CAPITAL PARTNERS, LLC
BY: RED CEDAR CAPITAL CORP.

By: /s/ Erik J. Brown
Name: Erik J. Brown
Title: President

SCHEDULES

Schedule 3(a) Subsidiaries
Schedule 3(c) Capitalization
Schedule 3(e) Conflicts
Schedule 3(f) 1934 Act Filings
Schedule 3(g) Absence of Certain Changes
Schedule 3(h) Litigation
Schedule 3(j) Intellectual Property
Schedule 3(l) Liens
Schedule 3(p) Certain Transactions

EXHIBITS

Exhibit A [Intentionally omitted.]
Exhibit B Form of Officer's Certificate
Exhibit C Form of Resolutions of Board of Directors of the Company
Exhibit D Form of Secretary's Certificate

DISCLOSURE SCHEDULES

The following schedules are provided in connection with the various representations and warranties contained in Section 3 of the Common Stock Purchase Agreement dated as of November 4, 2015, (the "Agreement") by and between Caladrius Biosciences, Inc., a Delaware corporation (the "Company") and Aspire Capital Fund, LLC, an Illinois limited liability company (the "Buyer"). These disclosure schedules are an integral part of the Agreement. Any terms defined in the Agreement shall have the same meaning when used in these schedules, unless the context indicates otherwise. Any disclosure herein shall constitute a disclosure under other disclosure schedules, where such disclosure is appropriate and reasonably apparent.

Nothing in these schedules is intended to broaden the scope of any representation or warranty contained in the Agreement or create any covenant thereunder. Matters reflected in these schedules are not necessarily limited to matters required by the Agreement to be disclosed, and such additional matters are set forth for informational purposes only. For instance, no reference to or disclosure of any item or other matter in these schedules shall be deemed to be an admission, or evidence of the materiality of such item, nor shall it establish a standard of materiality for any purpose whatsoever. No disclosure in these schedules relating to any possible breach or violation of or conflict with any contract or legal requirement shall be construed as an admission thereof nor an indication that the possible breach or violation exists or has actually occurred, nor shall otherwise be deemed an admission against our interest.

The representations and warranties contained in the Agreement are solely for the purpose of allocating contractual risk between the parties and not as a means of establishing facts. No third party may rely on these schedules.

The section headings and subheadings in these schedules are for convenience of reference only and shall not be deemed to alter or affect the express description of the sections of the disclosure required under the Agreement. Each exception set forth in these schedules shall also be deemed to be disclosed with respect to any other section of the Agreement to which the relevance of such item is reasonably apparent. References in these schedules to disclosures in our filings with the SEC are not intended to be a complete statement of the full disclosure in our SEC filings, but are merely being provided to refer you to the relevant disclosures in those filings.

In disclosing information in these schedules, we do not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or discussed herein.

The information contained in these schedules is in all respects subject to the confidentiality obligations between us.

Schedule 3(a)- Subsidiaries

Entity	Percentage of Ownership	Location
Caladrius Biosciences, Inc.	100%	United States of America
NeoStem Therapies, Inc.	100%	United States of America
Stem Cell Technologies, Inc.	100%	United States of America
Amorcyte, LLC	100%	United States of America
PCT, LLC, a Caladrius Company	100%	United States of America
NeoStem Family Storage, LLC	100%	United States of America
Athelos Corporation (1)	97.0%	United States of America
PCT Allendale, LLC	100%	United States of America
NeoStem Oncology, LLC	100%	United States of America

(1) As of September 30, 2015, Becton Dickinson's ownership interest in Athelos was 3.0%.

Schedule 3(c) - Capitalization

We have shares reserved for contingent issuance to the former shareholders of Amorcyte as described in our SEC filings. In addition, as described in Proposal 2 included in our Definitive Proxy Statement for our 2014 Annual Meeting of Stockholders held on October 6, 2014, at such meeting we obtained stockholder approval to issue more than 19.9% of our outstanding stock to former securityholders of California Stem Cell, Inc. in connection with milestone payments that may become payable in the future pursuant to the Agreement and Plan of Merger governing our acquisition of CSC.

Schedule 3(e) - Conflicts

None.

Schedule 3(f) - 1934 Act Filings

None.

Schedule 3(g) - Absence of Certain Changes

None.

Schedule 3(h) - Litigation

(1) By letter dated February 7, 2013, Islet Sciences, Inc. ("Islet") notified Caladrius Biosciences, Inc. ("Caladrius") (then NeoStem, Inc.) and Progenitor Cell Therapy, LLC ("PCT") that it was terminating, or alternatively, giving notice of termination, of the January 12, 2012 letter agreement between Islet and PCT (the "Letter Agreement"). After unsuccessful efforts to settle the matter over the course of a year, PCT instituted legal proceedings against Islet on April 29, 2014 by serving a complaint in the United States District Court for the District of New Jersey seeking all due and unpaid money owed to PCT for services rendered pursuant to the Letter Agreement (approximately $700,000). On June 24, 2014 Islet served an answer to PCT's complaint, together with a counterclaim against PCT as well as a third-party complaint against NeoStem for breach of contract, unjust enrichment and declaratory judgment, demanding that Caladrius reimburse it for the full amount of fees paid to date (they claim $845,352) and return the Islet shares (claimed 623,770 common shares) and warrants to purchase 350,000 Islet common shares that were allegedly given to NeoStem as additional

consideration under the Letter Agreement. The parties had agreed to settle all outstanding claims with a payment by Islet to Caladrius in the amount of $165,000 together with the termination of all agreements between the parties. Shortly thereafter, defendant's counsel withdrew and senior management at Islet was discharged. Caladrius subsequently brought a motion to enforce the prior settlement, which motion is now pending.

(2) PCT had a contract with Prudential Cleanroom Services, effective October 12, 2009 through October 12, 2013, for the rental of coveralls, hoods and boots used in connection with the provision of processing and development services (collectively the "garments"). On the heels of the expiration of the agreement, Prudential asserted that it was missing substantial numbers of garments from its stock at PCT which they were willing to waive if PCT renewed its services agreement. PCT did not renew that agreement with Prudential and has since entered into an agreement with a new provider. Thereafter, Prudential provided PCT with a final bill, contending that $356,000 worth of garments were missing and seeking payment. By letter dated September 19, 2014, PCT offered Prudential $26,620 to resolve this dispute. On January 13, 2015, PCT was served by Creditors Adjustment Bureau (they purchased Prudential's alleged debt) with a complaint that was filed in Santa Clara Superior Court claiming damages of approximately $207,000 for breach of contract. On March 13, 2015, PCT served and filed its answer to the complaint denying the allegations and claims therein. The parties are presently engaged in the discovery process.

Schedule 3(j) - Intellectual Property

None.

Schedule 3(l) - Liens

In connection with the Loan and Security Agreement with Oxford Finance LLC ("Lender") and a related mortgage disclosed in the Company's Current Report on Form 8-K dated September 26, 2014, the Company granted to Lender a security interest in all of the Company's real property and personal property now owned or hereafter acquired, excluding intellectual property, and certain other assets and exemptions. The Company also entered into a Mortgage and Absolute Assignment of Leases and Rents (the "Mortgage"). The Company also granted Lender a security interest in the shares of the Company's subsidiaries. The Loan and Security Agreement restricts the ability of the Company to: (a) convey, lease, sell, transfer or otherwise dispose of any part of its business or property; and (b) incur any additional indebtedness. The Loan and Security Agreement provides for standard indemnification of Lender and contains representations, warranties and certain covenants of the Company. Upon the occurrence of an event of default by the Company under the Loan and Security Agreement, Lender will have customary acceleration, collection and foreclosure remedies.

Schedule 3(p) - Certain Transactions

The Company's SEC filings contain information with regard to escrowed amounts and/or potential contingent consideration that may become payable to certain officers, directors and employees of the Company as a result of their former security holdings of the PCT, Amorcyte and CSC businesses acquired by the Company. See the discussions appearing under the captions "Item 13- Related Party Transactions" of the Company's Annual Report Amendment No. 1 on Form 10-K/A for the fiscal year ended December 31, 2014 as filed with the SEC on April 30, 2015.

EXHIBIT A

[Intentionally Omitted.]

EXHIBIT B

FORM OF OFFICER'S CERTIFICATE

This Officer's Certificate (this "**Certificate**") is being delivered pursuant to Section 7(e) of that certain Common Stock Purchase Agreement dated as of November 4, 2015 (the "**Common Stock Purchase Agreement**"), by and between **CALADRIUS BIOSCIENCES, INC.**, a Delaware corporation (the "**Company**"), and **ASPIRE CAPITAL FUND, LLC**, an Illinois limited liability company (the "**Buyer**"). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Common Stock Purchase Agreement.

The undersigned, David J. Mazzo, Chief Executive Officer of the Company, hereby certifies in his capacity as an officer of the Company and not in his individual capacity as follows:

1. I am the Chief Executive Officer of the Company and make the statements contained in this Certificate in such capacity.

2. The representations and warranties of the Company are true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 3 of the Common Stock Purchase Agreement, in which case, such representations and warranties are true and correct without further qualification) as of the date when made and as of the Commencement Date as though made at that time (except for representations and warranties that speak as of a specific date).

3. The Company has performed, satisfied and complied in all material respects with covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the Commencement Date.

4. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any Bankruptcy Law nor does the Company or any of its Subsidiaries have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or insolvency proceedings. The Company is financially solvent and is generally able to pay its debts as they become due.

(Signatures begin on the following page)

IN WITNESS WHEREOF, I have hereunder signed my name on this ___ day of _____, 2015.

_____

Name: David J. Mazzo, PhD
Title: Chief Executive Officer

The undersigned as Secretary of **CALADRIUS BIOSCIENCES, INC.**, a Delaware corporation, hereby certifies that David J. Mazzo, PhD is the duly elected, appointed, qualified and acting Chief Executive Officer of Caladrius Biosciences, Inc. and that the signature appearing above is his genuine signature.

_____

Name: Todd Girolamo, Secretary

EXHIBIT C

WHEREAS, there has been presented to the Board of Directors of Caladrius Biosciences, Inc. (the "**Corporation**") a draft of the Common Stock Purchase Agreement (the "**Purchase Agreement**") by and between the Corporation and Aspire Capital Fund, LLC ("**Aspire**"), providing for the purchase by Aspire of up to Thirty Million Dollars ($30,000,000) of the Corporation's common stock, par value $0.001 (the "**Common Stock**"); and

WHEREAS, after careful consideration of the Purchase Agreement, the documents incident thereto and other factors deemed relevant by the Board of Directors, the Board of Directors has determined that it is advisable and in the best interests of the Corporation to engage in the transactions contemplated by the Purchase Agreement, including, but not limited to, the issuance of _____ shares of Common Stock to Aspire as a commitment fee (the "**Commitment Shares**") and the sale of shares of Common Stock to Aspire up to the available amount under the Purchase Agreement (the "**Purchase Shares**").

Transaction Documents

NOW, THEREFORE, BE IT RESOLVED, that the transactions described in the Purchase Agreement are hereby approved and the Chairperson of the Board, Chief Executive Officer and Chief Financial Officer (the "**Authorized Officers**") are severally authorized to execute and deliver the Purchase Agreement, and any other agreements or documents contemplated thereby including, without limitation, a registration rights agreement (the "**Registration Rights Agreement**") providing for the registration of the shares of the Company's Common Stock issuable in respect of the Purchase Agreement on behalf of the Corporation, with such amendments, changes, additions and deletions as the Authorized Officers may deem to be appropriate and approve on behalf of, the Corporation, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and

FURTHER RESOLVED, and re-affirmed from the October 1, 2015 Board Meeting, that Sales of Purchase Shares may be authorized, at any time and from time to time, by any three (3) of the following officers of the Corporation, as deemed appropriate by them: Robin Smith, David J. Mazzo, Richard Berman and Joseph Talamo (any three of these persons acting in accordance with the authority granted herein being referred to as the "**Aspire Lines Authorized Persons**"). The Aspire Lines Authorized Persons shall have full authority to authorize and direct all purchases under the Purchase Agreements, including without limitation the authority to issue Purchase Notices and VWAP Purchase Notices, to determine when such notices shall be issued, and to determine the instructions on which Regular Purchases and VWAP Purchases, respectively, are to be made by Aspire, including without limitation the number of shares to be purchased and the VWAP Purchase Share Percentage, as applicable;

FURTHER RESOLVED, in order that sales of Common Stock under the Purchase Agreements may proceed in an efficient manner, the Board desires to authorize management to effectuate sales under the Purchase Agreements, and as set forth in accordance with the current Purchase Agreement and as previously adopted by the Board; and

FURTHER RESOLVED, in authorizing and directing sales of shares pursuant to the Purchase Agreements, the Aspire Lines Authorized Persons may authorize on behalf of the Corporation, from time to time and at any time as they see fit, such changes to, waivers of or deviations from, the specified procedures set forth in the respective Purchase Agreement, including without limitation such reasonable payment schedule as shall be determined by the Aspire Lines Authorized Persons which may include, but not be limited to issuance of shares in advance of the payment provisions specified in the respective Purchase Agreement;

FURTHER RESOLVED, that the terms and provisions of the Registration Rights Agreement by and among the Corporation and Aspire are hereby approved and the Authorized Officers are authorized to execute and deliver the Registration Rights Agreement (pursuant to the terms of the Purchase Agreement), with such amendments, changes, additions and deletions as the Authorized Officer may deem appropriate and approve on behalf of, the Corporation, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and

FURTHER RESOLVED, that the terms and provisions of the Form of Transfer Agent Instructions (the "**Instructions**") are hereby approved and the Authorized Officers are authorized to execute and deliver the Instructions

(pursuant to the terms of the Purchase Agreement), with such amendments, changes, additions and deletions as the Authorized Officers may deem appropriate and approve on behalf of, the Corporation, such approval to be conclusively evidenced by the signature of an Authorized Officer thereon; and

Execution of Purchase Agreement

FURTHER RESOLVED, that the Corporation be and it hereby is authorized to execute the Purchase Agreement providing for the purchase of common stock of the Corporation having an aggregate value of up to $30,000,000; and

Issuance of Common Stock

FURTHER RESOLVED, that the Corporation is hereby authorized to issue the Commitment Shares to Aspire Capital Fund, LLC as Commitment Shares and that upon issuance of the Commitment Shares pursuant to the Purchase Agreement, the Commitment Shares shall be duly authorized, validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof; and

FURTHER RESOLVED, that the Corporation is hereby authorized to issue shares of Common Stock upon the purchase of Purchase Shares up to the available amount under the Purchase Agreement in accordance with the terms of the Purchase Agreement and that, upon issuance of the Purchase Shares pursuant to the Purchase Agreement, the Purchase Shares will be duly authorized, validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof; and

Listing of Shares on the NASDAQ Capital Market

FURTHER RESOLVED, that the officers of the Corporation with the assistance of counsel be, and each of them hereby is, authorized and directed to take all necessary steps and do all other things necessary and appropriate to effect the listing of the Commitment Shares and Purchase Shares on the NASDAQ Capital Market; and

Approval of Actions

FURTHER RESOLVED, that, without limiting the foregoing, the Authorized Officers are, and each of them hereby is, authorized and directed to proceed on behalf of the Corporation and to take all such steps as deemed necessary or appropriate, with the advice and assistance of counsel, to cause the Corporation to consummate the agreements referred to herein and to perform its obligations under such agreements; and

FURTHER RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed on behalf of and in the name of the Corporation, to take or cause to be taken all such further actions and to execute and deliver or cause to be executed and delivered all such further agreements, amendments, documents, certificates, reports, schedules, applications, notices, letters and undertakings and to incur and pay all such fees and expenses as in their judgment shall be necessary, proper or desirable to carry into effect the purpose and intent of any and all of the foregoing resolutions, and that all actions heretofore taken by any officer or director of the Corporation in connection with the transactions contemplated by the agreements described herein are hereby approved, ratified and confirmed in all respects.

EXHIBIT D

FORM OF SECRETARY'S CERTIFICATE

This Secretary's Certificate (this "**Certificate**") is being delivered pursuant to Section 7(k) of that certain Common Stock Purchase Agreement dated as of November 4, 2015 (the "**Common Stock Purchase Agreement**"), by and between **CALADRIUS BIOSCIENCES, Inc.**, a Delaware corporation (the "**Company**") and **ASPIRE CAPITAL FUND, LLC**, an Illinois limited liability company (the "**Buyer**"), pursuant to which the Company may sell to the Buyer up to Thirty Million Dollars ($30,000,000) of the Company's Common Stock, par value $0.001 (the "**Common Stock**"). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Common Stock Purchase Agreement.

The undersigned, Todd Girolamo, Secretary of the Company, hereby certifies as follows:

1. I am the Secretary of the Company and make the statements contained in this Certificate.

2. Attached hereto as Exhibit A and Exhibit B are true, correct and complete copies of the Company's bylaws ("**Bylaws**") and Certificate of Incorporation ("**Articles**"), in each case, as amended through the date hereof, and no action has been taken by the Company, its directors, officers or shareholders, in contemplation of the filing of any further amendment relating to or affecting the Bylaws or Articles.

3. Attached hereto as Exhibit C are true, correct and complete copies of the Signing Resolutions duly adopted by the Board of Directors of the Company on or prior to the date hereof by unanimous written consent, in lieu of a meeting of the Board. Such Signing Resolutions have not been amended, modified or rescinded and remain in full force and effect and such resolutions are the only resolutions adopted by the Company's Board of Directors, or any committee thereof, or the shareholders of the Company relating to or affecting (i) the entering into and performance of the Common Stock Purchase Agreement, or the issuance, offering and sale of the Purchase Shares and the Commitment Shares and (ii) the performance of the Company of its obligation under the Transaction Documents as contemplated therein.

4. As of the date of the Common Stock Purchase Agreement, the authorized, issued and reserved capital stock of the Company is as set forth in Section 3(c) of the Common Stock Purchase Agreement.

(Signatures begin on the following page)

IN WITNESS WHEREOF, I have hereunder signed my name on this ___ day of _____, 2015.

_____

Todd Girolamo, Secretary

The undersigned as Chief Executive Officer of CALADRIUS BIOSCIENCES, INC.**,** a Delaware corporation, hereby certifies that Todd Girolamo is the duly elected, appointed, qualified and acting Secretary of Caladrius Biosciences, Inc., and that the signature appearing above is his genuine signature.

_____

David J. Mazzo, Chief Executive Officer

Exhibit 31.1

CERTIFICATION

I, David J. Mazzo,PhD, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caladrius Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2015

/s/ David J. Mazzo, PhD
Name: David J. Mazzo, PhD
Title: Chief Executive Officer of Caladrius Biosciences, Inc.

A signed original of this written statement required by Section 302 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATION

I, Joseph Talamo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caladrius Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2015

/s/ Joseph Talamo
Name: Joseph Talamo
Title: Senior Vice President and Chief Financial Officer of Caladrius Biosciences, Inc.

A signed original of this written statement required by Section 302 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Caladrius Biosciences, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2015 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Mazzo, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition of the Company as of the dates presented and the results of operations of the Company for the periods presented.

Dated: November 5, 2015

/s/ David J. Mazzo, PhD
David J. Mazzo, PhD
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Caladrius Biosciences, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2015 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Talamo, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition of the Company as of the dates presented and the results of operations of the Company for the periods presented.

Dated: November 5, 2015

/s/ Joseph Talamo
Joseph Talamo
Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.