

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

December 12, 2008

Date of Report (Date of earliest event reported)

Discovery Laboratories, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-26422

(Commission File Number)

94-3171943

(IRS Employer
Identification Number)

**2600 Kelly Road, Suite 100
Warrington, Pennsylvania 18976**
(Address of principal executive offices)

(215) 488-9300

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Effective December 12, 2008, Discovery Laboratories, Inc. (the "Company") and each of Robert Segal, M.D., F.A.C.P., Senior Vice President, Medical and Scientific Affairs and Chief Medical Officer, and Charles F. Katzer, Senior Vice President, Manufacturing Operations, entered into an Amendment (collectively, the "Amendments") to their respective Amended and Restated Employment Agreements dated as of May 4, 2006, as amended (the "Agreements"). Under each of the Amendments, the term of the Agreements is extended through May 4, 2010. The Agreements remain subject to automatic one-year extensions unless, as provided in the Agreements, at least 90 days notice of non-extension is provided by either the Company or the respective executive.

The description of the terms and conditions of the Amendments and the Agreements and the rights and obligations of the Company and executives in connection therewith are qualified by reference in their entirety to the definitive terms and conditions of the Amendments, the form of which is attached hereto as Exhibits 10.1 and 10.2, the Agreements, filed as exhibits to the Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on May 10, 2006 and March 16, 2007, as amended by amendments dated July 15, 2008, filed as Exhibits 10.1 and 10.2 to the Company's Current Report on Form 8-K filed with the SEC on July 18, 2008.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1. Amendment dated December 12, 2008 to the Amended and Restated Employment Agreement dated as of May 4, 2006 between Robert Segal, M.D., F.A.C.P., and Discovery Laboratories, Inc.

10.2. Amendment dated December 12, 2008 to the Amended and Restated Employment Agreement dated as of May 4, 2006 between Charles F. Katzer and Discovery Laboratories, Inc.

SIGNATURES

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

Discovery Laboratories, Inc.

By: /s/ Robert J. Capetola

Robert J. Capetola, Ph.D.

President and Chief Executive Officer

Date: December 18, 2008

December 12, 2008

Robert Segal, M.D., F.A.C.P.
c/o Discovery Laboratories, Inc.
2600 Kelly Road
Suite 100
Warrington, PA 18976

Re: Amendment to Employment Agreement

Dear Dr. Segal,

This amendment is attached to and made part of the Amended and Restated Employment Agreement dated as of May 4, 2006 between you and Discovery Laboratories, Inc., as amended (the "Agreement"). Effective as of the date hereof the parties hereby agree that certain provisions of the Agreement are revised as set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms as set forth in the Agreement.

Section 2 of the Agreement is hereby amended to provide (i) that the Term of the Agreement shall continue through May 3, 2010, and (ii) that, commencing on May 4, 2010, and on each May 4th thereafter, the Term of the Agreement shall automatically be extended for one additional year, except in the event of notice as provided for therein.

Except as amended herein, the remaining terms and conditions of the Agreement shall remain in full force and effect. This addendum confirms an agreement between you and the Company with respect to the subject matter hereof and is a material part of the consideration stated in the Agreement and mutual promises made in connection therewith. Please indicate your acceptance of the terms contained herein by signing both copies of this amendment, retaining one copy for your records, and forwarding the remaining copy to the Company.

DISCOVERY LABORATORIES, INC.

By: _____
Name: Robert J. Capetola, Ph.D.
Title: President and CEO

Accepted and Agreed to:

/s/ Robert Segal, M.D., F.A.C.P.

Name: Robert Segal, M.D., F.A.C.P.

December 12, 2008

Charles Katzer
c/o Discovery Laboratories, Inc.
2600 Kelly Road
Suite 100
Warrington, PA 18976

Re: Amendment to Employment Agreement

Dear Mr. Katzer,

This amendment is attached to and made part of the Amended and Restated Employment Agreement dated as of May 4, 2006 between you and Discovery Laboratories, Inc., as amended (the "Agreement"). Effective as of the date hereof the parties hereby agree that certain provisions of the Agreement are revised as set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms as set forth in the Agreement.

Section 2 of the Agreement is hereby amended to provide (i) that the Term of the Agreement shall continue through May 3, 2010, and (ii) that, commencing on May 4, 2010, and on each May 4th thereafter, the Term of the Agreement shall automatically be extended for one additional year, except in the event of notice as provided for therein.

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DISCOVERY LABORATORIES, INC.

By: _____
Name: Robert J. Capetola, Ph.D.
Title: President and CEO

Accepted and Agreed to:

/s/ Charles F. Katzer

Name: Charles F. Katzer