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

Form 10-K/A

Amendment No. 1

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

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: 000-28782

Spectrum Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**93-0979187**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
157 Technology Drive **Irvine, California** *(Address of principal executive offices)*	**92618** *(Zip Code)*

Registrant's telephone number, including area code:
(949) 788-6700

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $.001 par value
Common Stock Purchase Warrants
Rights to Purchase Series B Junior Participating Preferred Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☑

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 ☑ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K o

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large accelerated filer o Accelerated filer ☑ Non-accelerated filer 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 ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2005 was $64,185,904 based on the closing sale price of such common equity on such date.

As of April 27, 2006 there were 24,320,802 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

There are no documents incorporated by reference herein.

EXPLANATORY NOTE

The primary purpose of this Amendment is to provide information required by Items 10, 11, 12, 13 and 14 of Part III of this report on Form 10-K, which the registrant intended to incorporate by reference from the registrant's proxy statement for the 2006 Annual Meeting of Stockholders. Items 10, 11, 12, 13 and 14 to the Annual Report on Form 10-K for the year ended December 31, 2005, as filed with the Securities and Exchange Commission on March 15, 2006, are hereby amended and restated in their entirety as follows.

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PART III

Item 10. ***Directors and Executive Officers of the Registrant***

Directors

Our Board of Directors consists of six annually elected directors. The Nominating and Corporate Governance Committee has nominated Richard D. Fulmer, Stuart M. Krassner, Anthony E. Maida, Dilip J. Mehta, Rajesh C. Shrotriya and Julius A. Vida for election to the Board at the upcoming annual meeting.

On September 20, 2005, Mr. Fulmer, was elected to the Board to fill the vacancy created by the Board's increase in the number of directors from five to six. Under Delaware law, a director elected by the Board of Directors to fill a vacancy serves until the next annual meeting of stockholders and until his successor is elected and qualified.

The following provides information regarding our nominees to the Board of Directors, their ages, the year in which each first became a director of the Company, their principal occupations or employment during the past five years and any family relationship with any other director or executive officer of the Company:

Richard D. Fulmer, M.B.A.

Mr. Fulmer, 60, has been a director of Spectrum since September 2005. His career spans over thirty years, including twenty-four years spent at Pfizer, Inc., where he held senior positions in marketing, business development, and general management. Mr. Fulmer retired from Pfizer in 2001 and since that time has served as a self-employed consultant and advisor to healthcare companies. He is an Advisory Board Member of Avaan Therapeutics, Inc. From 1998 until his retirement, Mr. Fulmer was Vice President and General Manager of Pfizer's US Veterinary healthcare business, with accountability for the management of sales, marketing, and medical operations. Prior to that assignment, Mr. Fulmer served as Pfizer's Vice President for Licensing and Development from 1993 to 1997, with responsibility for corporate licensing and business development activity, which included the acquisition of new drugs and technology for the global pharmaceutical business. Chief among his accomplishments was the formation of a strategic alliance with Eisai for the Alzheimer's drug Aricept. He also led the effort to license the cholesterol reduction product Lipitor, and was also responsible for creating a multi-company alliance for the commercialization of Exubera, a pulmonary insulin product. During his tenure in licensing, he became a prominent speaker at industry conferences and a member of the Licensing Executive Society. Mr. Fulmer was also a Vice President of Marketing for Pfizer where he played a key role in the introduction and commercial success of several market leading drugs, including Diflucan, Zoloft, and Glucotrol. Prior to joining Pfizer, Mr. Fulmer was a Senior Financial Analyst for the Ford Motor Company and served as a Captain in the United States Marine Corps. He received a MBA in Finance from George Washington University in 1973. He also holds a B.S. in Economics from the University in Oregon (1967) and a Diploma in International Business from the Netherlands School of Business, Nijenrode University.

Stuart M. Krassner, Sc.D., Psy.D

Dr. Krassner, 70, has been a director of Spectrum Pharmaceuticals, Inc. since December 2004 and was previously a member of our Scientific Advisory Board from 1996 to 2001. Dr. Krassner's career spans four decades of experience in various positions at the University of California, Irvine (UCI), most recently as Professor Emeritus of Developmental and Cell Biology at the School of Biological Sciences. While at UCI, he developed and reinforced FDA and NIH compliance procedures for UCI-sponsored human clinical trials, established UCI's first Institutional Review Board, and at one time headed all contract and grant activities. Dr. Krassner has also been retained by a number of public and private pharmaceutical, medical device and other companies to provide scientific and regulatory advisory services, including FDA compliance. Dr. Krassner's work has been published in numerous peer-reviewed U.S. journals. Dr. Krassner has been awarded grants from the National Institute of Health, the National Science Foundation and the World Health Organization. Dr. Krassner has been a member of the American Society of Protozoology, the American Society of Tropical Medicine and Hygiene, the Corporation of the Marine Biological Laboratories, Woods Hole, MA, and Sigma Xi, among others. Dr. Krassner received his Sc.D. from the Bloomberg School of Public Health at Johns Hopkins University. He holds a B.S. in Biology from Brooklyn College.

Anthony E. Maida, III, MA, MBA

Mr. Maida, 54, has been a director of Spectrum since December 2003. Mr. Maida has been the Acting Chairman of Dendri Therapeutics, Inc., a startup company focused on the clinical development of therapeutic vaccines for patients with cancer, since 2003. Additionally, Mr. Maida has been serving as Chairman, Founder and Director of BioConsul Drug Development Corporation since 1999, providing consulting services to large and small biopharmaceutical firms in the clinical development of oncology products and product acquisitions and to venture capital firms evaluating life science investment opportunities. Mr. Maida served as the President and Chief Executive Officer of Replicon NeuroTherapeutics, Inc., a biopharmaceutical company focused on the therapy of patients with tumors (both primary and metastatic) of the central nervous system (CNS) where he successfully raised financing from both venture capital and strategic investors and was responsible for all financial and operational aspects of the company, from June 2001 to July 2003. From 1999 to 2001, Mr. Maida held positions as Interim Chief Executive Officer for Trellis Bioscience, Inc., a private biotechnology company that addresses high clinical stage failure rates in pharmaceutical development, and CancerVax Corporation, a biotechnology company dedicated to the treatment of cancer. From 1992 until 1999, Mr. Maida served as President and CEO of Jenner Biotherapies, Inc., a biopharmaceutical company. From 1980 to 1992, Mr. Maida served in senior management positions with various companies including President and Chief Executive Officer of Cell Path, Inc., a biosciences company specializing in drug discovery and development, and Vice President Finance and Chief Financial Officer of Data Plan, Inc., a wholly owned subsidiary of Lockheed Corporation. Additionally, Mr. Maida currently works in the laboratory of Kit S. Lam, M.D., Ph.D., University of California, Medical Center, Department of Hematology and Oncology, where he is completing his doctoral work in immunology (advanced to Doctoral Candidacy). Mr. Maida serves on the Advisory Boards of EndPoint BioCapital, Sdn Bhd (Kuala Lumpur, Malaysia) and Innovera Life Science Fund and serves as a consultant and technical analyst for North Sound Capital, one of our large stockholders, and vFinance, both financial services companies. Additionally, Mr. Maida has been retained by Takeda Chemical Industries, Ltd. (Osaka, Japan) and Novel Bioventures to conduct corporate and technical due

diligence on investment opportunities. Mr. Maida is a speaker at industry conferences and is a member of the American Society of Clinical Oncology, the American Association for Cancer Research, the Society of Neuro-Oncology, the International Society for Biological Therapy of Cancer, the American Association of Immunologists and the Society of Toxicology. Mr. Maida received a B.A. Degree in History from University of Santa Clara 1975, received a B.A. degree in Biology from San Jose State University 1977, a MBA from the University of Santa Clara 1978, and received a MA in toxicology from San Jose University 1986.

Dilip J. Mehta, M.D., Ph.D

Dr. Mehta, 73, has been a director of Spectrum since June 2003 and member of our Scientific Advisory Board since 2001. Dr. Mehta has been self-employed as a pharmaceutical consultant since 1998. Dr. Mehta is a venture partner at Radius Ventures, LLC in New York. Dr. Mehta is a current member of the Psychopharmacology Advisory Committee to the U.S. Food and Drug Administration. From 1982 until he retired in 1997, Dr. Mehta held a number of executive management positions with Pfizer Inc., a pharmaceutical company, including Senior Vice President, U.S. Clinical Research, with responsibility for clinical research (Phases 1, 2 and 3) including data processing and statistical analysis for Pfizer Inc.'s drugs in the U.S., as well as supervised submissions of NDA's for Cardura, Norvasc, Zoloft, Zithromax, Diflucan, Unasyn, Trovan, Viagra, Geodon, and a number of other drugs/supplements. Dr. Mehta serves as a member of the Board of Directors of Esvee Pharmaceuticals, Pvt. Ltd. (Pune, India), and Bharat Serums & Vaccines Limited (Mumbai, India). From 1993 until 1997, Dr. Mehta served as Chair, Efficacy Section for the Pharmaceutical Research and Manufacturers of America ('PhRMA') in the International Conference on Harmonization and was a PhRMA topic leader for one of the Expert Working Group in Efficacy. From 1966 until 1982, Dr. Mehta held the position of Group Director, Clinical Research in the U.S. for Hoechst AG with supervision of Internal Medicine, Metabolic and Infectious Diseases and Cardiovascular groups. Dr. Mehta graduated from the University of Bombay, India, and holds an M.D., and received a Ph.D. in Pharmacology. Dr. Mehta was a Research Fellow in Clinical Pharmacology at Cornell University Medical College.

Rajesh C. Shrotriya, M.D

Dr. Shrotriya, 62, has been Chairman of the Board, Chief Executive Officer and President since August 2002 and a director of Spectrum since June 2001. From September 2000 to August 2002, Dr. Shrotriya served as President and Chief Operating Officer of Spectrum. Dr. Shrotriya also serves as a member of the Board of Directors of Antares Pharma, Inc., a drug delivery systems company. Prior to joining Spectrum Pharmaceuticals, Inc., Dr. Shrotriya held the position of Executive Vice President and Chief Scientific Officer from November 1996 until August 2000, and as Senior Vice President and Special Assistant to the President from November 1996 until May 1997, for SuperGen, Inc., a publicly-held pharmaceutical company focused on drugs for life-threatening diseases, particularly cancer. From August 1994 to October 1996, Dr. Shrotriya held the positions of Vice President, Medical Affairs and Vice President, Chief Medical Officer of MGI Pharma, Inc., an oncology-focused biopharmaceutical company. Dr. Shrotriya spent 18 years at Bristol-Myers Squibb Company in a variety of positions most recently as Executive Director, Worldwide CNS Clinical Research. Previously, Dr. Shrotriya held various positions at Hoechst Pharmaceuticals, most recently as Medical Advisor. Dr. Shrotriya was an attending physician and held a courtesy appointment at St. Joseph Hospital in Stamford, Connecticut. In addition, he received a certificate for Advanced Biomedical Research

Management from Harvard University. Dr. Shrotriya received his M.D. degree from Grant Medical College, Bombay, India, in 1974; his D.T.C.D. (Post Graduate Diploma in Chest Diseases) degree from Delhi University, V.P. Chest Institute, Delhi, India, in 1971; M.B.B.S. (Bachelor of Medicine and Bachelor of Surgery — equivalent to an M.D. degree in the U.S.) from the Armed Forces Medical College, Poona, India, in 1967; and a B.S. with Chemistry degree from Agra University, Aligarh, India, in 1962.

Julius A. Vida, Ph.D.

Dr. Vida, 77, has been a director of Spectrum since April 2003. Dr. Vida serves as a member of the Board of Directors of Medarex, Inc., a NASDAQ listed company focused on the discovery and development of human antibody-based therapeutic products, CSS Albachem Ltd., (UK), a biotechnology company which produces chemically synthesized custom peptides and proteins, FibroGen, Inc., a pharmaceutical company, Osteo Screen, Inc., a pharmaceutical company which attempts to find new drugs to slow bone loss, and YM Biosciences, Inc. (Canada), a pharmaceutical development company that focuses on cancer therapeutics. Since 1993, Dr. Vida has been a self-employed pharmaceutical consultant with VIDA International Pharmaceutical Consultants. From 1975 until his retirement in 1993, Dr. Vida held various positions at Bristol-Myers Squibb and its predecessors. From 1991 to 1993, Dr. Vida was Vice President, Business Development, Licensing and Strategic Planning, and from 1985 to 1991, he was Vice President, Licensing. Dr. Vida graduated from Pazmany Peter University, Budapest, Hungary, holds an M.S. and a Ph.D. in Organic Chemistry from Carnegie Institute of Technology, was a Postdoctoral Fellow at Harvard University, and holds an M.B.A. from Columbia University.

Executive Officers

The following provides information regarding our Executive Officers, their ages, the year in which each first became an officer of the Company and descriptions of their backgrounds.

Name and Age

Rajesh C. Shrotriya, M.D. (62) Chairman of the Board, Chief Executive Officer and President	Information regarding Dr. Shrotriya is provided above.
Luigi Lenaz, M.D. (65) Chief Scientific Officer	*Dr. Lenaz*, has served as Chief Scientific Officer since February 2005. From November 2000 until February 2005, Dr. Lenaz served as the President of Spectrum's Oncology Division. Prior to joining Spectrum Pharmaceuticals, Inc., he was Senior Vice President of Clinical Research and Medical Affairs from October 1997 to June 2000 of SuperGen, Inc., a NASDAQ listed pharmaceutical company dedicated to battling cancer. Previously, he was Senior Medical Director, Oncology Franchise Management for Bristol-Myers Squibb, a NYSE listed pharmaceutical company, from 1990 to 1997 and was Director, Scientific Affairs, Anti-Cancer for Bristol-Myers Squibb from 1978 to 1990. Dr. Lenaz was a Post Doctoral Fellow at both the Memorial Sloan-Kettering Cancer Center in New York and the National Cancer Institute in Milan, Italy. He received his medical training at the University of Bologna Medical School in Bologna, Italy.
Shyam Kumaria (56) Vice President Finance	*Mr. Kumaria*, has served as Vice President Finance since December 2003. From 1996 to 2003, he provided financial and management consulting services to private companies. From 1984 to 1996, he served in senior executive and management positions for several companies including Deloitte & Touche. Mr. Kumaria became a Chartered Accountant in London, England in 1973 and a Certified Public Accountant in 1978. He received an Executive MBA from Columbia University in 1984.

Audit Committee

The Audit Committee is currently comprised of Messrs. Maida (Chair) and Fulmer, and Drs. Krassner and Mehta, each of whom satisfies the NASDAQ and SEC rules for Audit Committee membership. The Audit Committee held 7 meetings during 2005. It acts pursuant to a written charter which is posted on the Company's website at www.spectrumpharm.com. The Board of Directors has determined that Mr. Maida is an Audit Committee financial expert within the meaning of the SEC rules and satisfies the financial sophistication requirements of the NASDAQ Listing Standards. Principal responsibilities of the Audit Committee include but are not limited to:

- Appointing, compensating, retaining and overseeing the work of the independent auditor;
- Reviewing independence qualifications and quality controls of the independent auditor;
- Oversee and monitor internal controls, procedures, the audit function, accounting procedures and financial reporting process; and
- Reading and discussing with management and the independent auditor the annual audited, and quarterly unaudited, financial statements.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than ten percent of our Common Stock, to file initial reports of ownership and reports of changes in ownership with the SEC and the National Association of Securities Dealers, Inc. Executive officers, directors and persons who beneficially own more than ten percent of our Common Stock are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

Based solely upon our review of the copies of reporting forms furnished to us, and written representations that no other reports were required, we believe that all filing requirements under Section 16(a) of the Exchange Act applicable to our directors, officers and any persons holding 10% or more of our Common Stock with respect to our fiscal year ended December 31, 2005, were satisfied on a timely basis, except as follows: Mr. Fulmer failed to file an initial report on Form 3 due within 10 days of being appointed as a director of our Board of Directors on September 20, 2005. Mr. Fulmer filed a Form 3 on December 7, 2005.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including the principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions as required by the Sarbanes-Oxley Act of 2002. A copy of the Code of Business Conduct and Ethics will be provided to any person, without charge, upon oral request to (949) 788-6700 or upon written request to Investor Relations, Spectrum Pharmaceuticals, Inc., 157 Technology Drive, Irvine, CA 92618. Waivers from, and amendments to, if any, the Code of Business Conduct and Ethics that apply to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions, if any, will be posted on our website at www.spectrumpharm.com.

Item 11. ***Executive Compensation***

Executive Compensation Summary Table

The following table sets forth information concerning total compensation during each of the past three fiscal years for services rendered to the Company earned or paid to the Chief Executive Officer, and the two executive officers whose annual salary and bonus exceeded $100,000 in fiscal year 2005 (the "Named Executive Officers").

		Annual Compensation		Long Term Compensation Awards		
Name and Principal Postion	Year	Salary	Bonus	Restricted Stock Awards (1)	Securities Underlying Options (#)	All Other Compensation (2)
Rajesh Shrotriya (3)(4)	2005	$500,000	$250,000	$ 0	500,000	$9,774
Chairman, Chief Executive	2004	500,000	250,000	0	450,000	1,374
Officer and President	2003	318,000	500,000	0	440,000	1,374
Luigi Lenaz (5)	2005	310,000	60,000	127,800	200,000	3,041
Chief Scientific Officer	2004	280,500	60,000	0	150,000	1,374
	2003	232,000	50,000	0	140,000	1,374
Shyam Kumaria (6)(7)	2005	220,000	40,000	85,200	90,000	9,774
Vice President, Finance	2004	200,000	40,000	0	75,000	1,374
	2003	40,174		0	50,000	0

(1) The holders of restricted stock are entitled to vote and receive dividends, if issued, on the shares of Common Stock covered by the restricted stock grant.

(2) Amounts include annual 401(k) matching contribution made by us in shares of our Common Stock and premiums paid on life insurance policies, benefits that are offered to all our employees.

(3) On January 1, 2006, 80,000 restricted shares of our Common Stock were awarded to Dr. Shrotriya based on the Compensation Committee's review of corporate performance, individual achievements and as an inducement for future performance. These shares vest in installments of 25% annually beginning January 1, 2006.

(4) On January 1, 2006, an option to purchase up to 200,000 shares of our Common Stock was awarded to Dr. Shrotriya based upon the Compensation Committee's review of corporate performance, individual achievements, and as an inducement for future performance. The option vests in installments of 25% annually beginning January 1, 2006.

(5) On December 6, 2005, 30,000 restricted shares of our Common Stock were awarded to Dr. Lenaz based on the Compensation Committee's review of corporate performance and individual achievements for the 2005 fiscal year, and as an inducement for future performance. These shares vest in installments of 25% annually beginning January 1, 2006.

(6) On December 6, 2005, 20,000 restricted shares of our Common Stock were awarded to Mr. Kumaria based on the Compensation Committee's review of corporate performance and individual achievements for the 2005 fiscal year, and as an inducement for future performance. These shares vest in installments of 25% annually beginning January 1, 2006.

(7) Employment commenced on December 8, 2003. Prior to that date, Mr. Kumaria worked as a consultant to the Company, for which he was paid $27,225.

Option Grants for Fiscal 2005

The following table sets forth for the year ended December 31, 2005, the grants of our Common Stock options to the Named Executive Officers.

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(1)	
Name	Options Granted (No. of Shares)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price ($/Sh)	Expiration Date	5%	10%
Rajesh Shrotriya	500,000(2)	35.3%	$6.66	01/03/2015	$2,094,219	$5,307,162
Luigi Lenaz	100,000(2)	7.1%	$6.66	01/03/2015	418,844	1,061,432
	100,000(3)	7.1%	$4.26	12/06/2015	267,909	678,934
Shyam Kumaria	50,000(2)	3.5%	$6.66	01/03/2015	209,422	530,716
	40,000(3)	2.8%	$4.26	12/06/2015	107,164	271,574

(1) The assumed 5% and 10% annual rates of stock price appreciation are for illustrative purposes only. Actual stock prices will vary from time to time based upon market factors and the Company's financial performance. No assurance can be given that such rates will be achieved. Unless the market price of the Common Stock appreciates over the Option term, no value will be realized from the Option grants made to the Named Executive Officers.

(2) These options vest in equal increments of 25% annually from the date of grant and have a ten-year term.

(3) These options vest in equal increments of 25% annually from January 1, 2006 and have a ten-year term.

Option Exercises and Values for Fiscal 2005

The following table sets forth information concerning our Common Stock option exercises during 2005 and year-end values as of December 31, 2005, for the Named Executive Officers.

			Number of Securities Underlying Unexercised Options at Year End		Value of Unexercised In-the-Money Options at Year End(1)	
Name	No. of Shares Acquired on Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
Rajesh Shrotriya	0	$0	967,600	604,000	$964,303	$0
Luigi Lenaz	0	0	359,150	225,000	494,704	0
Shyam Kumaria	0	0	92,500	122,500	0	0

(1) Based upon the closing sale price of our Common Stock on December 30, 2005, as reported by the NASDAQ National Market, of $4.23 per common share.

Cash Compensation. Each non-employee director receives an annual retainer of $20,000, $2,000 for each in-person Board of Directors meeting attended, $1,000 for each additional in-person Board of Director Meetings held on the day following an in-person Board Meeting and $1,000 for each telephonic Board of Director's meeting attended. In addition, the lead director receives an annual retainer of $1, the amount the lead director requested.

The Chairperson of our Audit Committee receives $3,000 for each committee meeting attended (whether in-person or telephonically) while the other committee members of the Audit Committee receive $1,000 for each committee meeting attended. The Chairperson of our Compensation Committee receives $1,000 for each committee meeting attended (whether in-person or telephonically) while the other committee members of the Compensation Committee receive $500 for each committee meeting attended. Each non-employee director serving as a member of our Placement Committee receives $250 per committee meeting (whether in-person or telephonically) or action by Unanimous Written Consent. Each non-employee director serving a member of our Product Acquisition Committee receives $2,000 per full day committee meeting and $1,000 per half day committee meeting. Our directors are also reimbursed for certain expenses incurred in connection with attendance at Board meetings. Directors who are also employees of the Company receive no compensation for service as directors.

Stock Grants. On December 6, 2005, we granted to each non-employee director 5,000 restricted shares of our Common Stock. These shares vest in installments of 25% annually beginning January 1, 2006.

Stock Options. On January 3, 2005, we granted to each non-employee director an option to purchase up to 20,000 shares of our Common Stock at $6.66 per share. These options vest in installments of 25% annually as of the date of grant and have maximum ten-year terms. On March 14, 2005, we granted each of Dr. and Mr. Kessler, directors at that time who did not stand for re-election to the Board at the annual stockholders meeting on June 10, 2005, an option to purchase up to 10,000 shares of our Common Stock at $6.92 per share, which options vested in their entirety on June 10, 2005; and on April 12, 2005, the Compensation Committee accelerated the vesting of all previously granted options to Dr. and Mr. Kessler that had not yet vested. On September 20, 2005, we granted Mr. Fulmer an option to purchase up to 10,000 shares of our Common Stock at $5.13 per share. This option vests in installments of 25% every three months beginning on the date of grant and has a maximum ten-year term. On December 6, 2005, we granted to each non-employee director an option to purchase up to 15,000 shares of our Common Stock at $4.26 per share. These options vest in installments of 25% annually beginning January 1, 2006 and have maximum ten-year terms. The exercise price of all of the above options was the fair market value based upon the closing sale price of the Company's Common Stock on the date prior to the grant.

Employment Agreements and Severance Arrangement

We have entered into employment agreements with two of our Named Executive Officers, Dr. Shrotriya and Dr. Lenaz. The agreements require each executive to devote his full working time and effort to the business and affairs of the Company during the term of the agreement. The agreements provide for an annual base salary with annual increases, periodic bonuses and option grants as determined by the Compensation Committee of our Board of Directors.

Each officer's employment may be terminated by us with or without cause as defined in the agreement. The agreements provide for certain guaranteed severance payments and benefits if the officer's employment is terminated without cause, if the officer's employment is terminated due to a change in control or is adversely affected due to a change in control and the officer resigns or if the officer decides to terminate his employment due to a disposition of a significant amount of assets or business units. The guaranteed severance payment includes a payment equal to the officer's annual base salary and other cash compensation, and any approved bonus. The officer is also entitled to two years medical, dental and other benefits for two years following termination. In addition, all options held by the officer shall immediately vest and will be exercisable for one year from the date of termination; provided, however, if the Board determines that the officer's employment is being terminated for the reason that the shared expectations of the officer and the Board are not being met, in the Board's judgment, then the options currently held by the officer will vest in accordance with their terms for up to one year after the date of termination, with the right to exercise those options, when they vest, for approximately thirteen (13) months after the date of termination. The agreements also provide that, upon his retirement, all options held by the officer will become fully vested.

Following termination of the officer's employment, the officer shall be permitted to continue in his usual occupation and shall not be prohibited from competing with us except during the two (2) year severance period and in the specific industry market segments in which we compete and which represent twenty percent (20%) or more of our revenues.

The following table sets forth information regarding the employment agreements for each Named Executive Officer, including each Named Executive Officer's current base salary and each agreement's ending date:

Name	Current Base Salary	Ending Date(1)
Rajesh Shrotriya	$500,000	December 31, 2006
Luigi Lenaz	$310,000	July 1, 2007

(1) The employment agreement automatically renews for a one-year term unless either party gives written notice at least 90 days prior to the commencement of the next year of such party's intent not to renew the agreement.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee is comprised of Drs. Krassner, Mehta and Vida. None of the members of the Board's Compensation Committee is or has been an officer or employee of the Company. None of the Company's executive officers has served as a director or Compensation Committee member of any other entity, any of whose executive officers served as a director or Compensation Committee member of our board of directors.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Equity Compensation Plan Information

The following table summarizes all equity compensation plans including those approved by security holders and those not approved by security holders, as of December 31, 2005.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants or Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	3,661,682	$ 6.98	3,251,228
Equity compensation plans not approved by security holders(2)	726,000	$ 6.45	0
Employee Stock Purchase Plan approved by security holders	N/A	N/A	9,444
Total	4,387,682	$ 6.90	3,260,672

(1) Common Stock. We have three stock incentive plans: the 1991 Stock Incentive Plan (1991 Plan), the 1997 Stock Incentive Plan (1997 Plan) and the 2003 Amended and Restated Incentive Award Plan (2003 Plan), (collectively, the Plans). As of December 31, 2005, we are not granting any more options pursuant to the 1991 and 1997 Plans. The 2003 Plan authorizes the grant, in conjunction with all of our other Plans, of incentive awards, including stock options, for the purchase of up to a total of 30% of our issued and outstanding stock at the time of grant. Thus, the authorized and available shares may fluctuate over time.

(2) The number represents 726,000 shares of Common Stock issuable upon exercise of warrants issued to non-employees of the Company under equity compensation Plans approved by our Board of Directors that we believe are not required to be approved by our stockholders pursuant to the rules of the NASDAQ Stock Market. We issued these warrants in circumstances that enable us to adequately compensate, without the payment in cash, for outside consultant services, primarily placement agents who assist us in raising funds for our operations, in order to conserve our cash for operating activities. The number of securities remaining available for future issuance under these types of equity compensation plans is zero; however, the Board of Directors may approve additional issuance of warrants under circumstances that it decides are appropriate. These warrants are typically exercisable for five years and have equitable anti-dilution rights for stock splits, stock dividends, reclassifications, compulsory share exchanges,

distributions of indebtedness, assets, rights, warrants or subscriptions, merger, consolidation, sale of assets, tender offer or other exchanges of the entire class of Common Stock.

The number does not include warrants issued to investors in connection with financing transactions. As of December 31, 2005, there were outstanding investor warrants to purchase up to an aggregate of 9,194,703 shares of our Common Stock, with a weighted average exercise price of $7.26.

Further details regarding warrants issued by the Company are included in footnotes 8 and 9 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005.

Security Ownership of Certain Beneficial Owners and Management

Based on information provided to us by the holders, the following table shows the amount of our Preferred Stock and Common Stock beneficially owned on April 27, 2006 (unless otherwise indicated) by holders of more than 5% of the outstanding shares of any class of our voting securities. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission ("SEC") and generally includes voting and investment power with respect to securities, unless footnoted to the contrary.

Name and Address of Beneficial Owner	Preferred Shares Beneficially Owned(1)	Percent of Preferred Stock Outstanding(2)	Common Shares and Common Equivalents Beneficially Owned(3)	Percent of Common Shares Outstanding(3)
David M. Knott(6)(7) c/o Dorset Management Corporation 485 Underhill Boulevard, Suite 205 Syosset, NY 11791	0	0.00%	1,598,300	6.60%
North Sound Capital LLC(4)(5)(8)(9)(10)(11) 20 Horseneck Lane Greenwich, CT 06830	198	47.38%	3,729,347	14.91%
Omicron Capital, L.P.(5)(9)(10)(12) 650 Fifth Avenue New York, NY 10019	150	35.90%	506,314	2.09%
Samuel D. Isaly(6)(13) c/o OrbiMed Advisors LLC 767 Third Avenue, 30th Floor New York, NY 10017	0	0.00%	2,857,143	11.58%
SDS Capital Group SPC, Ltd.(4)(6)(8)(10)(14) c/o SDS Management, LLC 53 Forest Avenue, Suite 201 Old Greenwich, CT 06870	49	11.70%	1,861,146	7.38%

(1) The amount includes the combined number of shares of both our Series D Preferred Stock and our Series E Preferred Stock owned by the entity as of April 27, 2006. There are no outstanding shares of any other series of our Preferred Stock.

(2) Represents the percentage of the combined number of outstanding shares of both our Series D and Series E Preferred Stock.

(3) Shares of Common Stock owned as of April 27, 2006 and shares of Common Stock subject to Preferred Stock, call options and warrants currently convertible or exercisable, or convertible or exercisable within 60 days of April 27, 2006, are deemed beneficially owned and outstanding for computing the percentage of the person holding such securities, but are not considered outstanding for computing the percentage of any other person. Share numbers and percentages for each stockholder include all

such shares of common stock that may be acquired through the conversion or exercise of convertible preferred stock, warrants or options held by such stockholder without regard to the limitations described in footnotes (4), (5), (6), (8), (9) and (10) below, and therefore may not represent the number of shares or percentage of shares the stockholder is deemed to beneficially owned under applicable securities laws. On April 27, 2006, each share of Series D Preferred Stock was convertible into approximately 4,255 shares of our Common Stock and each share of Series E Preferred Stock was convertible into approximately 2,000 shares of our Common Stock.

(4) This entity owns shares of our Series D Preferred Stock. Pursuant to the terms of the Certificate of Designation for the Series D Preferred Stock, the number of shares of our common stock that may be acquired by any holder of Series D Preferred Stock upon any conversion of the preferred stock or that shall be entitled to voting rights is limited to the extent necessary to ensure that, following such conversion, the number of shares of our common stock then beneficially owned by such holder and any other persons or entities whose beneficial ownership of common stock would be aggregated with the holder's for purposes of the Securities and Exchange Act of 1934, as amended, does not exceed 4.95% of the total number of shares of our common stock then outstanding.

(5) This entity owns shares of our Series E Preferred Stock. Pursuant to the terms of the Certificate of Designation of the Series E Preferred Stock, the number of shares of our common stock that may be acquired by any holder of our Series E Preferred Stock upon any conversion of the Series E Preferred Stock or that shall be entitled to voting rights is limited to the extent necessary to ensure that, following such conversion, the number of shares of our common stock then beneficially owned by such holder and any other persons or entities whose beneficial ownership of common stock would be aggregated with the holder's for purposes of the Exchange Act, does not exceed 4.95% of the total number of shares of our common stock then outstanding.

(6) This entity owns warrants which provide that the number of shares of our Common Stock that may be acquired by any holder of the warrants upon exercise of the warrants is limited to the extent necessary to ensure that, following such exercise, the number of shares of our Common Stock then beneficially owned by such holder and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with the holder's for purposes of the Exchange Act, does not exceed 9.99% of the total number of shares of our Common Stock then outstanding.

(7) Based on information provided to us by the holder, Dorset Management Corporation provides investment management services to certain entities that own shares of common stock and warrants totaling 1,098,300 shares of common stock and 500,000 warrants. David M. Knott is the natural person who exercises voting and investment control over the securities beneficially owned by Dorset Management Corporation. Knott Partners, LP owns 340,400 shares and 179,500 warrants, Matterhorn Offshore Fund Ltd owns 480,200 shares and 196,700 warrants, CommonFund Hedged Equity Co. owns 41,000 shares and 22,550 warrants, Good Steward Trading Co. owns 12,800 shares and 6,400 warrants, Shoshone Partners, LP owns 210,100 shares and 89,250 warrants, Finderne LLC owns 13,800 shares and 5,600 warrants.

(8) The entity owns warrants which provide that the number of shares of our Common Stock that may be acquired by any holder of the warrants upon exercise of the warrants is limited to the extent necessary to ensure that, following such exercise, the number of shares of our Common Stock then beneficially owned by such holder and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with the holder's for purposes of the Exchange Act, does not exceed 4.95% of the total number of shares of our Common Stock then outstanding.

(9) This entity owns warrants which provide that the number of shares of our Common Stock that may be acquired by any holder of the warrants upon exercise of the warrants is limited to the extent necessary to ensure that, following such exercise, the number of shares of our Common Stock then beneficially owned by such holder and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with the holder's for purposes of the Exchange Act, does not exceed 9.95% of the total number of shares of our Common Stock then outstanding.

(10) This entity owns warrants which provide that the number of shares of our Common Stock that may be acquired by any holder of the warrants upon exercise of the warrants is limited to the extent necessary to ensure that, following such exercise, the number of shares of our Common Stock then beneficially owned by such holder and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with the holder's for purposes of the Exchange Act, does not exceed 4.99% of the total number of shares of our Common Stock then outstanding.

(11) Based on information provided to us by the holder, North Sound Capital LLC ("North Sound") may be deemed the beneficial owner of the securities described herein in its capacity as the managing member of North Sound Legacy Institutional Fund LLC and the investment advisor of North Sound Legacy International Ltd. (the "Funds"), who are the holders of such securities. As the managing member or investment advisor, respectively, of the Funds, North Sound has voting and investment control with respect to the securities held by the Funds. The ultimate managing member of North Sound is Thomas McAuley. North Sound's beneficial ownership as presented above includes 1,991,186 shares of Common Stock issuable upon exercise of warrants; the effect of converting the 78 shares of Series D Preferred Stock into 331,915 shares of Common Stock; and the effect of converting the 120 shares of Series E Preferred Stock into 240,000 shares of Common Stock, although North Sound may not be deemed to beneficially own certain of such securities under applicable securities laws.

(12) Based on information provided to us by the holder, Omicron Capital, L.P. is a related entity to Omicron Master Trust, and therefore, their holdings have been aggregated for purposes of this table. Omicron's beneficial ownership includes 206,314 shares of Common Stock issuable upon exercise of warrants and the effect of converting the 150 shares of Series E Preferred Stock into 300,000 shares of Common Stock. Omicron Capital, L.P., a Delaware limited partnership ("Omicron Capital"), serves as investment manager to Omicron Master Trust, a trust formed under the laws of Bermuda ("Omicron"), Omicron Capital, Inc., a Delaware corporation ("OCI"), serves as general partner of Omicron Capital, and Winchester Global Trust Company Limited ("Winchester") serves as the trustee of Omicron. By reason of such relationships, Omicron Capital and OCI may be deemed to share dispositive power over the shares of our Common Stock owned by Omicron, and Winchester may be deemed to share voting and dispositive power over the shares of our Common Stock owned by Omicron. Omicron Capital, OCI and Winchester disclaim beneficial ownership of such shares of our Common Stock. Omicron Capital has delegated authority from the board of directors of Winchester regarding the portfolio management decisions with respect to the shares of Common Stock owned by Omicron and, as of April 27, 2006, Mr. Olivier H. Morali and Mr. Bruce T. Bernstein, officers of OCI, have delegated authority from the board of directors of OCI regarding the portfolio management decisions of Omicron Capital with respect to the shares

of Common Stock owned by Omicron. By reason of such delegated authority, Messrs. Morali and Bernstein may be deemed to share dispositive power over the shares of our Common Stock owned by Omicron. Messrs. Morali and Bernstein disclaim beneficial ownership of such shares of our Common Stock and neither of such persons has any legal right to maintain such delegated authority. No other person has sole or shared voting or dispositive power with respect to the shares of our Common Stock owned by Omicron, as those terms are used for purposes under Regulation 13D-G of the Exchange Act, as amended. Omicron and Winchester are not "affiliates" of one another, as that term is used for purposes of the Securities Exchange Act of 1934, as amended, or of any other person named in this 10-K/A, Amendment No. 1 as a stockholder. No person or "group" (as that term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, or the SEC's Regulation 13D-G) controls Omicron and Winchester.

(13) Based on information provided to us by the holder, OrbiMed Advisors LLC and OrbiMed Capital LLC are registered investment advisers under the Investment Advisers Act of 1940, as amended, that act as investment advisers or general partners to certain clients which hold shares of our Common Stock, as more particularly described above. OrbiMed Advisors LLC and OrbiMed Capital LLC are related entities under common ownership and control. Samuel D. Isaly is the managing member of OrbiMed Advisors LLC and OrbiMed Capital LLC and as such maintains voting control of the shares in the Company. OrbiMed Advisors LLC and OrbiMed Capital LLC hold shares on behalf of Caduceus Capital Master Fund Limited (589,062 shares and 294,531 warrants), Caduceus Capital II, L.P. (306,000 shares and 153,000 warrants), UBS Eucalyptus Fund, LLC (500,000 shares and 250,000 warrants), PW Eucalyptus Fund, Ltd. (50,000 shares and 25,000 warrants), HFR SHC Aggressive Trust (117,000 shares and 58,500 warrants), Knightsbridge Post Venture IV L.P. (71,000 shares and 35,500 warrants), Knightsbridge Integrated Holdings, V, LP (79,000 shares and 39,500 warrants), Knightsbridge Netherlands II, LP (20,000 shares and 10,000 warrants), Knightsbridge Integrated Holdings IV Post Venture, LP (30,000 shares and 15,000 warrants), Knightsbridge Post Venture III, LP (19,500 shares and 9,750 warrants), Knightsbridge Netherlands I LP (18,800 shares and 9,400 warrants), Knightsbridge Netherlands III LP (19,300 shares and 9,650 warrants), Knightsbridge Integrated Holdings II Limited (24,500 shares and 12,250 warrants), Knightsbridge Venture Completion 2005 LP (7,500 shares and 3,750 warrants), and Knightsbridge Venture Capital VI LP (20,300 shares and 10,150 warrants), Knightsbridge Venture Capital IV LP (19,200 shares and 9,600 warrants), and Knightsbridge Venture Capital III LP (13,600 shares and 6,800 warrants).

(14) Based on information provided to us by the holder, SDS Capital Group SPC, Ltd.'s beneficial ownership includes 1,304,256 shares of Common Stock issuable upon exercise of warrants and the effect of converting the 49 shares of Series D Preferred Stock into 207,957 shares of Common Stock. SDS Management, LLC is the Investment Manager of SDS Capital Group SPC, Ltd. Steve Derby is the sole Managing Member of SDS Management, LLC, and is the natural person who exercises voting and investment control over the securities beneficially owned by SDS Capital Group SPC, Ltd.

The following table sets forth information, about our shares of Common Stock that are or may be beneficially owned on April 27, 2006 (unless otherwise indicated) by (i) each Named Executive Officer (as defined on page 21); (ii) each of our directors and director nominees; and (iii) our directors and executive officers as a group. Unless otherwise noted, each stockholder has sole voting power and sole investment power with respect to the securities shown in the table below.

Name of Beneficial Owner	Shares Owned(1)	Percent of Shares Outstanding
Named Executive Officers		
Shrotriya, Rajesh(2)	1,378,562	5.4%
Lenaz, Luigi(3)	509,684	2.1%
Shyam Kumaria(4)	153,486	*
Directors/Director Nominees		
Fulmer, Richard (5)	18,750	*
Krassner, Stuart(5)	19,500	*
Maida, Anthony(5)	43,750	*
Mehta, Dilip(5)	50,750	*
Vida, Julius(5)	50,750	*
All Executive Officers and Directors as a group (8 persons)(6)	2,225,232	8.5%

* less than 1%

(1) Shares of Common Stock owned as of April 27, 2006 and shares of Common Stock subject to options and warrants currently exercisable or exercisable within 60 days of April 27, 2006, are deemed beneficially owned and outstanding for computing the percentage of the person holding such securities, but are not considered outstanding for computing the percentage of any other person.

(2) Includes 1,255,100 shares of our Common Stock subject to stock options held by Dr. Shrotriya, which are currently exercisable or exercisable within 60 days of April 27, 2006. The number does not include 200 shares of our Common Stock beneficially owned by Rick Shrotriya, Dr. Rajesh C. Shrotriya's adult son, for which Dr. Shrotriya disclaims beneficial ownership.

(3) Includes 404,150 shares of our Common Stock subject to stock options held by Dr. Luigi Lenaz, and 30,000 shares of our Common Stock subject to a currently exercisable option held by his wife, M. Dianne DeFuria, which are currently exercisable or exercisable within 60 days of April 27, 2006.

(4) Includes 127,500 shares of our Common Stock subject to stock options held by Mr. Kumaria, which are currently exercisable or exercisable within 60 days of April 27, 2006.

(5) Represents shares of our Common Stock subject to stock options which are currently exercisable or exercisable within 60 days of April 27, 2006.

(6) Includes 1,974,500 shares of our Common Stock subject to stock options which are current exercisable or exercisable within 60 days of April 27, 2006.

Item 13. ***Certain Relationships and Related Transactions***

On September 15, 2005, we completed the sale in a registered transaction to select institutional and other investors of 8,000,000 shares of our Common Stock at a purchase price of $5.25 per share, and six-year warrants, which are immediately exercisable, to purchase up to 4,000,000 shares of our Common Stock at an exercise price of $6.62 per share, for aggregate proceeds of approximately $42 million. Pursuant to the purchase agreements with the investors, we have filed a registration statement covering the Common Stock and the Common Stock issuable upon exercise of the warrants.

Among the investors in this financing were the following entities that are current beneficial owners of more than 5% of the total number of outstanding shares of our Preferred Stock or Common Stock. Entities related to OrbiMed Advisors, LLC acquired 1,904,762 shares of our Common Stock and warrants to purchase up to 952,381 shares of our Common Stock for an aggregate purchase price of $10,000,000. Entities related to David M. Knott acquired 1,000,000 shares of our Common Stock and warrants to purchase up to 500,000 shares of our Common Stock for an aggregate purchase price of $5,250,000. SDS Capital Group, SPC, Ltd. acquired 550,000 shares of our Common Stock and warrants to purchase up to 275,000 shares of our Common Stock for an aggregate purchase price of $2,887,500.

Please see the table above under the Section titled "Stock Ownership" for more information on the above entities and their current holdings.

In 2001, prior to his election to the Board of Directors in April 2003, Dr. Vida had participated as a consultant in the in-licensing of satraplatin from Johnson Matthey. Pursuant to his Consulting Agreement, which terminated in September 2001, Dr. Vida was paid an aggregate of $7,500 in success fees. He may become eligible for additional success fees equal to 3% of amounts paid by us under the license agreement, other than royalties, in the event the contingent milestone obligations to Johnson Matthey become payable. Such fees are unrelated to his services as a director.

Item 14. ***Principal Accountant Fees and Services***

Audit and Non-Audit Fees

The following summarizes audit and non-audit fees for the years ended December 31, 2005 and 2004.

	2005	2004
Audit Fees	$ 222,366	$ 239,533
Audit Related Fees	28,309	28,955
Tax Fees	8,015	6,400
All Other Fees	0	0
Total	$ 258,690	$ 274,888

Kelly & Company. The fees billed (including estimations for services rendered but not yet billed) by Kelly & Company, our current independent public accountant, during or related to 2005 and 2004 were as follows:

- *Audit Fees.* The aggregate fees billed for professional services rendered by Kelly & Company for the audit of the Company's annual financial statements and the review of the financial statements included in the Company's Quarterly Reports on Forms 10-Q for the year ended December 31, 2005 were $222,366, and for the year ended December 31, 2004 were $239,533.
- *Audit Related Fees.* The aggregate fees billed for professional services rendered by Kelly & Company for assurance and related services that are reasonably related to the performance of the audit for the 2005 fiscal year were $28,309, and for the 2004 fiscal year were $28,955. Such fees primarily related to reviews of registration statements filed in connection with equity financings secured in 2005 and 2004.
- *Tax Fees.* The aggregate fees billed for professional services rendered by Kelly & Company for tax returns and compliance for 2005 was $8,015, and was approximately $6,400 for 2004.
- *All Other Fees.* The aggregate fees billed for services rendered by Kelly & Company, other than fees for the services referenced under the foregoing captions for both the 2005 and 2004 fiscal years were $0.

All audit and permissible non-audit services by our independent accountant were pre-approved by our Audit Committee. Pursuant to its charter, the Audit Committee may establish pre-approval policies and procedures, subject to SEC and NASDAQ rules and regulations, to approve audit and permissible non-audit services, however, it has not yet done so.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a)(3) *Exhibits.*

Exhibit No.	Description
2.1 +#	Asset Purchase Agreement by and between the Registrant, Targent Inc. and Certain Stockholders of Targent, Inc., dated March 17 2006.
10.1 +#	Development and Marketing Agreement between the Registrant and Par Pharmaceutical, Inc. dated February 22, 2006.
10.2 +	Voting Agreement by and Among the Registrant and Certain Stockholders of Targent, Inc. dated March 17, 2006.
10.3 +*	Summary of Director Compensation.
31.1 +	Certification of Chief Executive Officer, pursuant to Rule 13a-14 promulgated under the Exchange Act, as created by Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 +	Certification of Vice President Finance, pursuant to Rule 13a-14 promulgated under the Exchange Act, as created by Section 302 of the Sarbanes-Oxley Act of 2002.

* Indicates a management contract or compensatory plan or arrangement.

\+ Filed herewith

\# Confidential portions omitted and filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

SPECTRUM PHARMACEUTICALS, INC.

By: /s/ RAJESH C. SHROTRIYA, M.D.
Rajesh C. Shrotriya, M.D.
Chief Executive Officer and President

Date: May 1, 2006

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* Indicates a management contract or compensatory plan or arrangement.

\+ Filed herewith.

\# Confidential portions omitted and filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

EXHIBIT 2.1

Confidential treatment has been requested for portions of this Exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated by ***. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

ASSET PURCHASE AGREEMENT

by and between

Targent Inc.

as Seller,

certain stockholders of Seller,

and

Spectrum Pharmaceuticals, Inc.

as Purchaser

Dated as of March 17, 2006

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THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of the 17th day of March, 2006, by and between Targent Inc., a Delaware corporation, and any successor thereto ("Seller"), and Spectrum Pharmaceuticals, Inc., a Delaware corporation ("Purchaser") and with respect to Article IX, the stockholders of Seller listed on Schedule A hereto (the "Stockholders").

WITNESSETH:

WHEREAS, Seller is engaged in researching, developing and manufacturing certain biopharmaceutical products;

WHEREAS, Purchaser has agreed to acquire from Seller, and Seller has agreed to sell to Purchaser, the Conveyed Assets (as defined below) on the terms and subject to the conditions set forth herein; and

WHEREAS, Purchaser has agreed to assume the Assumed Liabilities (as defined below) on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises, covenants, representations and warranties contained herein, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"AAA" shall have the meaning ascribed to it in Section 10.1.

"Accounts Receivable" shall mean all accounts receivable, notes receivable and indebtedness for borrowed money or overdue accounts receivable, in each case, due and owing by any third party.

"Action" means any action, claim, suit, litigation, proceeding, hearing, labor dispute, arbitral action, governmental audit, inquiry, criminal prosecution, investigation, or unfair labor practice charge or complaint.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Exchange Act.

"Agreement" shall have the meaning ascribed to it in the preamble hereto.

"Allocation" shall have the meaning ascribed to it in Section 2.3(j).

"Apportioned Obligations" shall have the meaning ascribed to it in Section 6.4(g)(ii).

"Assignment of Intellectual Property" shall mean the Assignment of Intellectual Property in the form of Exhibit C hereto.

"Assumed Contracts" shall mean the agreements listed on Schedule 1.1.

"Assumed Liabilities" shall have the meaning ascribed to it in Section 2.2(a).

"***" shall have the meaning ascribed to it in Exhibit G.

"Benefit Arrangement" shall mean any employment, consulting, severance or other similar contract, arrangement or policy and each plan, arrangement (written or oral), program, agreement or commitment providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits, life, health, disability or accident benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock purchases or other forms of incentive compensation or post-retirement insurance, compensation or benefits which (A) is not a Welfare Plan, Pension Plan or Multiemployer Plan, and (B) is entered into, maintained, contributed to or required to be contributed to, by Seller or an ERISA Affiliate or under which Seller or any ERISA Affiliate has or may incur any obligation or liability, whether actual or contingent.

"Bill of Sale and Assumption Agreement" shall mean the Bill of Sale and Assumption Agreement in the form of Exhibit A hereto.

"Business Day" means any day on which banks are not required or authorized to close in New York, New York.

"Closing" shall have the meaning ascribed to it in Section 2.4(a).

"Closing Date" shall have the meaning ascribed to it in Section 2.4(a).

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Stock" shall mean the common stock, par value $.001, of Purchaser.

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Common Stock Equivalent" shall mean for a given cash value on a given date, the number of shares of Common Stock, rounded down to prevent the issuance of fractional shares, equal to such cash value divided by the Market Price of the Common Stock as of the date specified.

"Confidential Information" means any information concerning the businesses and affairs of Seller concerning the Conveyed Assets, including technical, manufacturing or marketing information, ideas, methods, developments, inventions, improvements, business plans, trade secrets, scientific or statistical data, diagrams, drawings, specifications, customer and supplier lists, Know-How or other proprietary information relating thereto, together with all analyses, compilations, studies or other documents, records or data, as the case may be, which contain or otherwise reflect or are generated from such information, that is not (i) already generally available to the public, or (ii) obtained from a third party after the Closing Date not in violation of a confidentiality obligation.

"Consideration" means the amounts to be paid by Purchaser pursuant to Section 2.3 hereto.

"Control" (including the terms "controlled by" and "under common control with") means, with respect to a Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of securities or as trustee or executor, by contract or credit arrangement or otherwise.

"Conveyed Assets" shall have the meaning ascribed to it in Section 2.1(a).

"Conveyed Intellectual Property" means all Intellectual Property relating to the Products in Seller's possession and, in the case of Know-How, that is embodied in any documentation or other tangible materials.

"***" shall have the meaning ascribed to it in Exhibit G.

"Default" means (a) a breach of or default under any contract or other agreement, (b) the occurrence of an event that with the passage of time or the giving of notice or both would constitute a breach of or default under any contract or other agreement, or (c) the occurrence of an event that with or without the passage of time or the giving of notice or both would give rise to a right of termination, renegotiation or acceleration under any contract or other agreement or result in a modification of the terms thereof.

"***" shall have the meaning ascribed to it in Exhibit G.

"Dispute" shall have the meaning ascribed to it in Section 10.1.

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"Distributor" means a distributor of any Product for Purchaser.

"Employee Plans" shall mean all Benefit Arrangements, Pension Plans and Welfare Plans.

"Environmental Laws" means any Federal, state, local or non-U.S. Law and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree, judgment, stipulation, injunction, Permit, authorization, policy, opinion, or agency requirement, in each case having the force and effect of Law, relating to the pollution, protection, investigation or restoration of the environment, health, safety as affected by the environment or natural resources, including those relating to the use, handling, presence, transportation, treatment, storage, disposal, release, threatened release or discharge of Hazardous Materials or noise, odor, wetlands, pollution or contamination.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any entity which is (or at any relevant time was) a member of a "controlled group of corporations" with, under "common control" with, or a member of an "affiliated service group" with, Seller as defined in Section 414(b), (c), (m) or (o) of the Code.

"Exchange Act" shall have the meaning ascribed to it in Section 4.5.

"Excluded Assets" shall have the meaning ascribed to it in Section 2.1(b).

"Excluded Contracts" shall mean all contracts, agreements, arrangements or understandings to which Seller is a party or by which any of Seller's assets are bound, other than the Assumed Contracts.

"Excluded Liabilities" shall have the meaning ascribed to it in Section 2.2(b).

"Excused Delay" shall have the meaning ascribed to it in Section 2.5(a).

"FDA" shall have the meaning ascribed to it in Section 3.4.

"***" shall have the meaning ascribed to it in Section 2.3(b).

"FDCA" shall have the meaning ascribed to it in Section 3.3.

"Financial Statements" shall have the meaning ascribed to it in Section 3.5.

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“Force Majeure” shall mean acts of God, war (declared or undeclared), Action of any governmental authority, riots, revolutions, fire, floods, explosions, sabotage, acts of terrorism, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, strikes or similar nonperformance or defective performance or late performance of employees, suppliers or subcontractors.

“GAAP” shall mean United States generally accepted accounting principles in effect on the date hereof.

“Governmental Entity” shall mean any Federal, state, local or non-U.S. government or any court, legislature, governmental agency or governmental commission or any judicial or regulatory authority of any government.

“Governmental Rights” shall have the meaning ascribed to it in Section 2.1(a)(v).

“Hazardous Materials” means (A) any petroleum, petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated biphenyls or (B) any chemical, material or other substance defined or regulated as toxic or hazardous or as a pollutant or contaminant or waste under any applicable Environmental Law.

“Head Officers” shall have the meaning ascribed to it in Section 2.5(f).

“IND” shall mean (i) an Investigational New Drug Application, as defined in the FDCA, as amended, and the regulations promulgated thereunder, which is required to be filed with the FDA before beginning clinical testing of a product in human subjects, or any successor application or procedure, and (ii) all supplements and amendments that may be filed with respect to the foregoing.

“Indemnified Party” shall have the meaning ascribed to it in Section 9.3(a).

“Indemnifying Party” shall have the meaning ascribed to it in Section 9.3(a).

“Instrument of Assignment and Assumption” shall mean the Instrument of Assignment and Assumption in the form of Exhibit B hereto.

“Intellectual Property” means (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and

all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, Know-How, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation), (g) all other proprietary rights, (h) all copies and tangible embodiments thereof (in whatever form or medium), and (i) licenses granting any rights with respect to any of the foregoing.

"Interim Balance Sheet" shall have the meaning ascribed to it in Section 3.5.

"Interim Balance Sheet Date" shall have the meaning ascribed to it in Section 3.5.

"Investor Representations Letters" shall mean the Investor Representations Letters substantially in the form of Exhibit H hereto.

"IRS" shall mean the Internal Revenue Service.

"Know-How" shall mean any proprietary or nonproprietary information directly related to the manufacture, preparation, development (both research and clinical), or commercialization of a product, including, without limitation, product specifications, processes, product designs, plans, trade secrets, ideas, concepts, inventions, formulae, chemical, pharmacological, toxicological, pharmaceutical, physical, analytical, stability, safety, quality assurance, quality control and clinical information, technical information, research information, and all other confidential or proprietary technical and business information, whether or not embodied in any documentation or other tangible materials, but in no event shall the definition of "Know-How" include information properly in the public domain as of the Closing Date.

"Knowledge" shall mean, in the case of any Person, the actual knowledge of such Person, or, if a corporation, any director or executive officer of such Person.

"Law" shall mean any federal, state, local or non-U.S. law, statute, code, ordinance, regulation, order, judgment, writ, injunction, decision, ruling or decree promulgated by any Governmental Entity.

"LFA" shall have the meaning ascribed to it in Exhibit G.

"LFA Assets" shall have the meaning ascribed to it in Section 2.5(a).

"Liabilities" shall mean any, direct or indirect, liability, obligation, indebtedness, expense, claim, deficiency, guarantee or commitment of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), including any liability for Taxes.

“Lien” shall mean any lien, security interest, pledge, mortgage, easement, right of way or hypothecation or any other similar encumbrance.

“Losses” shall have the meaning ascribed to it in Section 9.2(a).

“Market Price” shall mean the average last reported sales price of the Common Stock reported on The NASDAQ Stock Market, or if the Common Stock is not then listed on the NASDAQ Stock Market such other principal exchange upon which the Common Stock is then traded, during the 30 trading day period ending 3 days prior to the relevant date.

“Material Adverse Effect” shall mean, with respect to any Person, a material adverse effect on its condition (financial or otherwise), business, properties, assets, liabilities (including contingent liabilities), and results of operations.

“Maximum Shares” shall have the meaning ascribed to it in Section 2.3(i).

“Multiemployer Plan” shall mean any “multiemployer plan” as defined in Section 3(37) of ERISA.

“NDA” shall mean a New Drug Application for any product, as appropriate, requesting permission to place a drug on the market in accordance with 21 C.F.R. Part 314, and all supplements or amendments filed pursuant to the requirements of the FDA, including all documents, data or other information concerning a product which are reasonably necessary for FDA approval to market a product in the United States.

“Net Sales” shall mean the amount received by Purchaser, its Affiliates, its Sub-licensees or its Distributors on account of sales of the Products to third parties, less the following deductions to the extent actually allowed or specifically allocated to the Product by the selling party using GAAP and not separately invoiced: (i) sales and excise taxes and duties paid or allowed by the selling party and any other governmental charges imposed upon the production, importation, use or sale of such Product; (ii) customary trade, quantity and cash discounts allowed on the Product; (iii) allowances or credits to customers on account of rejection or return of Product or on account of retroactive price reductions affecting such Product; (iv) freight and insurance costs; (v) rebates, chargebacks and other amounts paid on sale or dispensing of the Product; (vi) sales commissions paid to distributors and/or selling agents; (vii) the booked cost of devices or systems used for delivering a Product into the patient where the Product when sold is a combination of the active pharmaceutical ingredient and the device or system; and (viii) amounts not actually received due to bad debt or returned checks. For the avoidance of doubt, for each Product the Net Sales shall be calculated only once for the first sale of such Product by Purchaser, its Affiliate, its Sub-Licensee or its Distributor, as the case may be, to a third party which is neither an Affiliate, Sub-Licensee or Distributor of Purchaser. A sale of Products by Purchaser, its Affiliate, its Sub-Licensee or its Distributor to a wholesaler shall be regarded as the first sale of the Product for the purpose of calculating Net Sales unless such sale is made by one of them directly to a hospital, pharmacy, physician, retailer or other entity which provides the Product to the

patient in which case the first sale shall be the sale to such hospital, pharmacy, physician, retailer or other entity.

"New Reconveyance Date" shall have the meaning ascribed to it in Section 2.5(d).

"Non-Assignable Required Permit" shall have the meaning ascribed to it in Section 6.7.

"Option Period" shall have the meaning ascribed to it in Section 2.5(e).

"Original Reconveyance Date" shall have the meaning ascribed to it in Section 2.5(a).

"Other Party" shall have the meaning ascribed to it in Section 6.4(g)(iii).

"Pension Plan" shall mean any "employee pension benefit plan" as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) which Seller or any ERISA Affiliate maintains, administers, contributes to or is required to contribute to, or has maintained, administered, contributed to or was required to contribute to, or under which Seller or any ERISA Affiliate has or may incur any obligation or liability, whether actual or contingent.

"Permits" shall have the meaning ascribed to it in Section 3.4.

"Person" shall mean any individual, group, corporation, partnership, limited liability company, Governmental Entity or other organization or entity.

"Post-Closing Tax Period" means any Tax period beginning after the Closing Date and that portion of any Straddle Period beginning after the Closing Date.

"Pre-Closing Tax Period" means any Tax period ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date.

"Products" shall mean *** and LFA.

"Product Registrations" shall mean (i) the approvals or registrations which have been received by Seller as of the date of Closing for the investigation, sale, distribution and/or marketing of the Products (including NDAs and INDs), and (ii) the drug master file and all dossiers, reports, data and other written materials filed as part of such approvals or registrations, or maintained by Seller and relating to such approvals or registrations.

"Purchaser" shall have the meaning ascribed to it in the preamble hereto.

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

“Purchaser Indemnified Parties” shall have the meaning ascribed to it in Section 9.2(a).

“Purchaser’s Financial Statements” shall have the meaning ascribed to it in Section 4.6.

“Raw Materials” shall mean all raw materials and ingredients, including without limitation, active ingredients, owned or licensed by Seller relating to the Products.

“Recent Reports” shall have the meaning ascribed to it in Section 4.6.

“Recipient Party” shall have the meaning ascribed to it in Section 6.4(g)(iii).

“Reconveyance Closing Date” shall have the meaning ascribed to it in Section 2.5(e).

“Related Instruments” shall mean the Bill of Sale and Assumption Agreement, the Instrument of Assignment and Assumption, the Assignment of Intellectual Property and the Registration Rights Agreement.

“Registration Rights Agreement” shall mean the Registration Rights Agreement in the form of Exhibit D hereto.

“Representative” shall mean any officer, director, principal, attorney, agent, employee or other representative.

“Required Permits” shall have the meaning ascribed to it in Section 3.4.

“SEC Documents” shall have the meaning ascribed to it in Section 4.5.

“Securities Act” shall have the meaning ascribed to it in Section 3.19(b).

“Seller” shall have the meaning ascribed to it in the preamble hereto.

“Seller Indemnified Parties” shall have the meaning ascribed to it in Section 9.2(b).

“Straddle Period” means any Tax period beginning before and ending after the Closing Date.

“Sub-Licensee” means a sub-licensee of any Product from Purchaser.

“Survival Period” shall have the meaning ascribed to it in Section 9.1.

“Tangible Personal Property” shall mean all furniture, equipment, computers, printers, facsimile machines, projectors, exhibit and display booths, controlled substance lockers and other similar tangible personal property owned or used by Seller.

"Taxes" shall mean any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative, minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs duties, real property, personal property, capital stock, intangibles, withholding, social security, unemployment, disability, payroll, license, employee or other tax or levy, of any kind whatsoever, including any interest, penalties, or additions to tax in respect of the foregoing whether disputed or not, any transferee or secondary liability in respect of tax (whether imposed by law, contractual agreements or otherwise) and any liability in respect of any tax as a result of being a member of any affiliated, consolidated, combined, unitary or similar group.

"Tax Return" shall mean any return, declaration, report, claim for refund, information return or statement relating to any Taxes, including any schedule or attachment thereto and including any amendment thereof.

"Third-Party Claim" shall have the meaning ascribed to it in Section 9.3(a).

"Threshold Amount" shall have the meaning ascribed to it in Section 9.4(b).

"Transfer Taxes" shall have the meaning ascribed to it in Section 6.4(d).

"Year End Financial Statements" shall have the meaning ascribed to it in Section 3.5.

"Welfare Plan" shall mean any "employee welfare benefit plan" as defined in Section 3(1) of ERISA which Seller or any ERISA Affiliate maintains, administers, contributes to or is required to contribute to, or under which Seller or any ERISA Affiliate has or may incur any obligation or liability, whether actual or contingent.

Section 1.2 Interpretation. Unless otherwise indicated to the contrary in this Agreement by the context or use thereof: (a) the words "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole and not to any particular Section or paragraph hereof; (b) the words of any gender include each other gender; (c) words importing the singular shall also include the plural, and vice versa; and (d) the word "including" means "including without limitation." Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

ARTICLE II

SALE AND PURCHASE OF ASSETS

Section 2.1 Transfer of Assets

(a) On the terms and subject to the conditions set forth in this Agreement,

at the Closing, Seller shall sell, assign and transfer to Purchaser, and Purchaser shall purchase from Seller, all of Seller's rights, title and interest in, to and under all rights and assets associated with the Products including, without limitation, those set forth below, but excluding the Excluded Assets (collectively, the "Conveyed Assets"):

(i) the Assumed Contracts;

(ii) all pre-clinical, clinical and process development data and reports relating to the research or development of the Products or of any materials used in the research, development, manufacture, marketing or sale of the Products, including all raw data relating to clinical trials of the Products, all case report forms relating thereto and all statistical programs developed (or modified in a manner material to the use or function thereof (other than through user preferences)) to analyze clinical data; all market research data, market intelligence reports, statistical programs (if any) used for marketing and sales research; promotional and marketing materials, Products sales forecasting models, medical education materials, sales training materials, web site content and advertising and display materials; all data contained in laboratory notebooks relating to the Products or relating to its biology; all adverse experience reports and files related thereto (including source documentation) and all periodic adverse experience reports and all data contained in electronic data bases relating to adverse experience reports and periodic adverse experience reports; all analytical and quality control data; and all correspondence with the FDA; in the case of each foregoing clause, to the extent related to the Products;

(iii) (A) all Required Permits and applications for Required Permits set forth on Schedule 2.1(a)(iii) and all files related thereto, in each case, to the extent that Seller is permitted under Law to transfer such Required Permits, applications and files, (B) any Required Permits obtained or applications for Required Permits filed by Seller from the date hereof to the Closing and all files related thereto, in each case, to the extent that Seller is permitted under Law to transfer such Required Permits, applications and files and (C) all inactive INDs relating to the Products;

(iv) all Conveyed Intellectual Property;

(v) all rights conveyed by Governmental Entities with respect to the Products, including, without limitation, research grants and exclusivity periods, including, without limitation, orphan drug designations ("Governmental Rights"), in each case to the extent that Seller is permitted under Law to transfer such rights;

(vi) all Raw Materials, including all certificates of analysis, material safety data sheets and stability data generated regarding

the Raw Materials, and information regarding recommended storage conditions, precautions for storage and handling, and whether the Raw Materials were produced in compliance with cGMPs;

(vii) all prepaid expenses (other than royalties) of Seller related to the Products; and

(viii) all Product Registrations.

(b) The term "Excluded Assets" shall mean:

(i) any Accounts Receivable (including Accounts Receivable with respect to the Products which have been shipped prior to the Closing), cash, cash equivalents, or bank deposits or similar cash items of Seller;

(ii) any interests in any real estate;

(iii) any rights, claims and credits, including all guarantees, warranties, indemnities and similar rights, in favor of Seller or any of its Affiliates or any of their respective employees, except to the extent relating to any Conveyed Asset;

(iv) any insurance policies of Seller or rights thereunder or proceeds thereof;

(v) all Tangible Personal Property;

(vi) any Excluded Contracts;

(vii) all Intellectual Property that is not Conveyed Intellectual Property;

(viii) all rights of Seller and its equity holders pursuant to this Agreement and the Related Instruments;

(ix) all minute books, stock records, corporate seals, accounting and tax books, ledgers and records and other financial records relating to Seller and the Conveyed Assets; and

(x) all human resources and other employee-related files and records.

(c) Following the Closing, Seller shall have the right to retain in Seller's confidential legal files one copy of any book, record, literature, list, and any other written or recorded information constituting Conveyed Assets which Seller in good faith determines it is reasonably likely to need access to in connection with the defense (or any counterclaim, cross-claim or similar claim in connection therewith) of any suit, claim,

Action, proceeding or investigation against or by Seller or any of its Affiliates; provided that (i) Seller shall provide Purchaser with a list of any such information retained by Seller at the Closing, (ii) Seller shall only use such information in connection with the defense (or any counterclaim, cross-claim or similar claim in connection therewith) of any such Action, and (iii) access to such information shall be restricted to Seller's legal counsel and such employees of Seller who have a "need to know" such information in connection therewith; provided, however, that, with respect to clause (iii) in the immediately preceding proviso, if any such employee engages in competitive business activities with respect to the Products, the prior consent of Purchaser (which shall not be unreasonably withheld) must be obtained in advance of any access by such employee to such information. Upon final resolution of any such Action, Seller shall destroy any such copies to the extent the same relates to such Action.

Section 2.2 Assumed and Excluded Liabilities.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall assume from Seller only the following Liabilities (collectively, the "Assumed Liabilities"):

(i) all Liabilities under the Assumed Contracts, including without limitation royalty obligations arising from sales of Products, to the extent arising out of or relating to events or conditions, occurring after the Closing;

(ii) all Liabilities with respect to the Conveyed Assets to the extent relating to the operation or conduct of Purchaser's business from and after the Closing; and

(iii) all Liabilities of Seller arising out of user or other similar fees payable to the FDA or other Governmental Entity to the extent that such fees are due and payable with respect to the Products after the Closing.

(b) Regardless of any disclosure to Purchaser, Purchaser shall not assume any Liabilities from Seller other than the Assumed Liabilities (the "Excluded Liabilities"). Without limiting the generality of the foregoing, Purchaser shall not assume any of the following Liabilities, all of which shall be retained by Seller:

(i) any Liability of Seller or any Affiliate of Seller (including any Liability to the extent resulting from the ownership, use, operation, maintenance or sale of the Conveyed Assets by or on behalf of Seller prior to the Closing) not described in Section 2.2(a);

(ii) any Liability of Seller (A) arising out of any actual or alleged breach by Seller of, or nonperformance by Seller under, any contract (including any Assumed Contract) prior to the Closing, or (B) accruing under any Assumed Contract with respect to any period prior to the Closing;

(iii) any Liability of Seller related to any product of Seller (other than the Products) or the operation or conduct by Seller of any business (other than the development of the Products prior to the Closing);

(iv) any Liability of Seller to the extent arising out of (A) any suit, Action or proceeding pending or threatened as of the Closing or (B) any actual or alleged violation by Seller or any of its Affiliates of any Law applicable to Seller or any of its Affiliates;

(v) any account payable of Seller, including any retainages or similar amounts relating to work performed in connection with the Products that is sold by or on behalf of Seller prior to the Closing;

(vi) any Liability of Seller that relates to any Excluded Asset;

(vii) any Liability under Environmental Laws arising out of or relating to the operation or conduct of Seller's business or the use or ownership of the Conveyed Assets, in each case, before the Closing;

(viii) any Liability that relates to any employee, any former employee of Seller or any individual who applied for employment with Seller in connection with his or her hiring, non-hiring termination or employment by Seller on, prior to or after the Closing, including any such Liability relating to wages, severance payments, bonuses, medical and workers' compensation claims, vacation pay, any other employee benefit plans or arrangements or payroll practices;

(ix) any Liability of Seller to any of its Affiliates; and

(x) any Liability in respect of Taxes that are to be borne by Seller pursuant to Section 6.4, any Liability in respect of Taxes levied with respect to the Conveyed Assets attributable to Pre-Closing Tax Periods, and any other Taxes of Seller or its Affiliates for any periods; and any Liability in respect of deferred Taxes (from an accounting perspective).

Section 2.3 Consideration. In consideration for the sale of the Conveyed Assets:

(a) At the Closing, Purchaser shall assume the Assumed Liabilities and issue and deliver 600,000 shares of Common Stock to Seller and/or such stockholders of Seller as Seller may direct in writing no later than two (2) Business Days prior to the Closing Date.

(b) Within *** after ***; Purchaser shall issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of the satisfaction of the applicable condition set forth above) *** shares of Common Stock. For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(b) (if required to be paid) not more than once.

(c) Within *** after ***, Purchaser shall issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such acceptance) *** shares of Common Stock. For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(c) (if required to be paid) not more than once.

(d) Within *** after ***, Purchaser shall issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such approval) *** shares of Common Stock. For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(d) (if required to be paid) not more than once.

(e) Within *** after ***, Purchaser shall (A) issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such approval) *** shares of Common Stock, and (B) pay to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such approval) $*** in cash or, at the option of Purchaser, issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such approval) the Common Stock Equivalent thereof (as of the date of such approval). For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(e) (if required to be paid) not more than once.

(f) Within *** after ***, Purchaser shall pay to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such approval) $*** in cash or, at the option of Purchaser, issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such approval) the Common Stock Equivalent thereof (as of the date of such approval). For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(f) (if required to be paid) not more than once ***.

(g) In the event that aggregate Net Sales exceed $*** during any calendar year, Purchaser shall pay to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such event) within *** of the end of the quarter of such calendar year in which aggregate Net Sales for the year-to-date exceed $***, $*** in cash or, at the option of Purchaser, issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such event) the Common Stock Equivalent thereof (as of the end of

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such quarter). For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(g) (if required to be paid) only with respect to the first calendar year in which aggregate Net Sales of the Products combined exceed such amount and not with respect to any subsequent calendar year in which aggregate Net Sales of the Products combined exceed such amount.

(h) In the event that aggregate Net Sales exceed $*** during any calendar year, Purchaser shall pay to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such event) within *** of the end of the quarter of such calendar year in which aggregate Net Sales for the year-to-date exceed $***, $*** in cash or, at the option of Purchaser, issue and deliver to Seller (or such other Persons as Seller may direct in writing within five (5) Business Days of its receipt of notice of such event) the Common Stock Equivalent thereof (as of the end of such quarter). For the avoidance of doubt, Purchaser shall compensate Seller pursuant to this Section 2.3(h) (if required to be paid) only with respect to the first calendar year in which aggregate Net Sales of the Products combined exceed such amount and not with respect to any subsequent calendar year in which aggregate Net Sales of the Products combined exceed such amount.

(i) Notwithstanding anything to the contrary in this Agreement, in no event may Purchaser issue more than 4,650,400 shares of Common Stock in aggregate (the "Maximum Shares") under this Section 2.3. To the extent that the exercise of Purchaser's option to deliver the Common Stock Equivalent of any amount required to be paid pursuant to this Section 2.3 would result in the aggregate issuances of Common Stock under this Section 2.3 exceeding the Maximum Shares, Purchaser may exercise such option only with respect to such portion of such amount as would result in the aggregate issuances equaling the Maximum Shares, and shall pay the balance of such amount in cash.

(j) Allocation of Consideration.

(i) The consideration paid under this Section 2.3 (plus Assumed Liabilities to the extent properly taken into account under the Code and the Treasury regulations promulgated thereunder), shall be allocated among the Conveyed Assets in accordance with Schedule 2.3 (the "Allocation"), which will be delivered by Seller to Purchaser at least three (3) days prior to the Closing Date subject to Purchaser's approval, such approval not to be unreasonably withheld. Purchaser and Seller agree to revise the Allocation to reflect any consideration paid to Seller pursuant to Sections 2.3(b)-(i).

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(ii) Seller and Purchaser agree to negotiate in good faith to resolve any dispute with respect to the Allocation; provided, however, that in the event that Seller and Purchaser cannot reach agreement with respect to the Allocation, an internationally recognized accounting firm mutually agreed upon by Purchaser and Seller shall prepare the Allocation. The costs related to having the accounting firm prepare the Allocation shall be borne equally by Purchaser and Seller. Seller and Purchaser agree to (i) be bound by the Allocation, (ii) act in accordance with the Allocation in the preparation of all financial statements and the filing of all Tax Returns (including, without limitation, filing Form 8594 with their United States federal income Tax Return for the taxable year that includes the Closing Date) and in the course of any Tax audit, Tax review or Tax litigation relating thereto and (iii) take no position and cause their Affiliates to take no position inconsistent with the Allocation for income Tax purposes, including United States federal and state income Tax and foreign income Tax. Not later than thirty (30) days prior to the filing of their respective Forms 8594 relating to this transaction, each party shall deliver to the other party a copy of its Form 8594.

Section 2.4 The Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Latham & Watkins LLP in Costa Mesa, California, commencing at 9:00 a.m. local time on the first Business Day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective parties will take at the Closing itself) or such other date as the parties may mutually determine (the "Closing Date).

(b) At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following: (i) the Bill of Sale and Assumption Agreement duly executed by Seller; (ii) the Instrument of Assignment and Assumption duly executed by Seller; (iii) the Assignment of Intellectual Property duly executed by Seller; (iv) the Registration Rights Agreement duly executed by Seller; (v) copies of all Permits, consents, approvals and waivers from governmental authorities and other parties necessary to the consummation of the transactions contemplated hereby and the Related Instruments and for the operation by Purchaser of Seller's business as conducted on the date hereof, including all required third party consents to the assignment of the Assumed Contracts; (vi) the Required Permits (to the extent such Required Permits are Conveyed Assets) and all instruments required to effect the transfer of the Required Permits; (vii) the officer's certificate specified in Section 7.1(d); (viii) the Investor Representations Letters specified in Section 7.1(g); (ix) an opinion of counsel to Seller in the form of Exhibit E; (x) a clearance certificate or similar document(s) that may be required by any state taxing authority in order to relieve Purchaser of any obligation to withhold any portion of the consideration set forth in Section 2.3(a) above; (xi) the certificate described in Section 6.4(f); (xii) the Product Registrations and all instruments required to effect the transfer of the Product Registrations; (xiii) the Raw Materials; (xiv) the Governmental

Rights; (xv) a customary secretary's and incumbency certificate of Seller attaching articles of incorporation, bylaws and copies of resolutions authorizing the transactions contemplated by this Agreement and the Related Instruments; and (xvi) books, records, literature, lists and any other written or recorded information of Seller required to be conveyed pursuant to Section 2.1(a)(ii), Section 2.1(a)(iv) and Section 2.1(a)(vi) or which otherwise constitute Conveyed Assets; such items delivered pursuant to Section 2.4(b) (vi), Section 2.4(b)(xiv) and Section 2.4(b)(xvi) shall be complete and organized paper copies in a format reasonably acceptable to Purchaser and, in the case of written and recorded information relating to regulatory submissions, such regulatory submissions shall be properly organized in the manner filed with the appropriate regulatory agency.

(c) At the Closing, Purchaser shall deliver or cause to be delivered to Seller the following: (i) a certificate or certificates evidencing in the aggregate 600,000 shares of Common Stock, in the names of such of Seller and Seller's stockholders and such denominations as Seller may advise in writing not less than two (2) Business Days prior to the Closing Date; (ii) the Bill of Sale and Assumption Agreement duly executed by Purchaser; (iii) the Instrument of Assignment and Assumption duly executed by Purchaser; (iv) the Assignment of Intellectual Property duly executed by Purchaser; (v) the Registration Rights Agreement duly executed by Purchaser; (vi) the officer's certificate specified in Section 7.2(c); (vii) a customary secretary's and incumbency certificate of Purchaser attaching articles of incorporation and bylaws and copies of resolutions authorizing the transactions contemplated by this Agreement and the Related Instruments; and (viii) an opinion of counsel to Purchaser in the form of Exhibit F.

Section 2.5 LFA Reconveyance.

(a) If Purchaser does not (A) submit to the FDA an amendment to NDA 20-140, ISOVORIN (l-lucovorin calcium) for injection, (B) file a NDA, or any successor filing thereto, with the FDA relating to the use LFA for injection in combination with 5-FU to prolong survival in the palliative treatment of patients with advanced colorectal cancer, or (C) obtain FDA approval for NDA 20-140, ISOVORIN (l-lucovorin calcium) for injection, as amended, within *** of Closing (the "Original Reconveyance Date"), and such delay is not caused by: (i) scientific, medical or technical issues arising in the development of LFA, including, without limitation, manufacturing issues, adverse clinical trial results or patient reactions, or a request by the FDA to conduct additional clinical trials with respect to LFA, (ii) circumstances beyond Purchaser's control, and/or (iii) an event of Force Majeure (collectively, "Excused Delay"), Seller shall have the right to require Purchaser to reconvey to Seller the Conveyed Assets relating solely to LFA (the "LFA Assets").

(b) As a condition to any such reconveyance, Seller shall reimburse Purchaser for all reasonable out-of-pocket expenses incurred by Purchaser after the date hereof, including without limitation reasonable costs for time spent by Purchaser's employees and consultants in connection with the development of LFA, including

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without limitation reasonable expenses incurred by Purchaser in connection with: (i) all pre-clinical development activities; (ii) all activities related to clinical trials; (iii) all activities relating to any regulatory filings, registrations, applications and regulatory approvals relating to any of the foregoing; and (iv) all activities relating to the manufacture and supply of LFA.

(c) For Seller to exercise its rights described in Section 2.5(a) above, Seller shall deliver to Purchaser notice of exercise of such right in writing within thirty (30) days after the Original Reconveyance Date or the New Reconveyance Date (as defined below), as the case may be. Purchaser shall have thirty (30) days after receipt of such notice to deliver to Seller, in writing, either (i) an explanation that such delay was caused by Excused Delay; or (ii) an acknowledgment of Seller's right to require Purchaser to reconvey to Seller the LFA Assets along with a statement of the reasonable out-of-pocket expenses to be reimbursed by Seller under Section 2.5(b) above.

(d) If Purchaser responds to Seller in accordance with Section 2.5(c)(i) above, the parties shall negotiate in good faith to determine how much time was caused by the Excused Delay. A "New Reconveyance Date" will be set by adding the amount of time caused by Excused Delay, as determined by the parties, to the Original Reconveyance Date or the most recent New Reconveyance Date, as the case may be. Seller shall have all rights under this Section 2.5 with respect to the New Reconveyance Date, or any subsequent New Reconveyance Date, as it has with respect to the Original Reconveyance Date.

(e) If Purchaser responds to Seller in accordance with Section 2.5(c)(ii) above, the parties shall in good faith set a closing date for the reconveyance within thirty (30) days after the receipt by Seller of Purchaser's acknowledgement pursuant to Section 2.5(c)(ii) above (the "Reconveyance Closing Date"). The Reconveyance Closing Date may be extended by Seller, for purposes of raising capital to reimburse Purchaser for its reasonable out-of-pocket expenses due under Section 2.5(b) above, provided that the Reconveyance Closing Date shall occur as soon as reasonably practicable, and in any event no later than nine (9) months after the later of the Original Reconveyance Date or New Reconveyance Date, as applicable (the "Option Period"). During the Option Period, Purchaser shall grant Seller full access to all of its information associated with LFA, including, but not limited to, all regulatory correspondences and submissions relating to LFA. If (A) the Reconveyance Closing Date does not occur within the Option Period other than due to Purchaser's breach of, or noncompliance with, the terms of this Agreement or (B) Purchaser satisfies one of the conditions set forth in Section 2.5(a)(A)-(C) above during the Option Period, then Seller's right to receive such reconveyance shall be terminated. The parties shall prepare in good faith a repurchase agreement and other related documents for Purchaser to reconvey to Seller or Seller's successor the LFA Assets and Seller to indemnify Purchaser for all Liabilities arising from the LFA Assets from and after the Reconveyance Closing Date. Such indemnification shall be commensurate with Purchaser's indemnification of Seller for all liabilities arising from the LFA Asset from and after the Closing Date to and including the Reconveyance Closing Date.

(f) Any dispute arising under this Section 2.5 shall be subject to Article X of this Agreement; provided, however, that prior to taking action as provided in Article X of this Agreement, the parties shall first submit such dispute to Purchaser's Chief Executive Officer and to Seller's Chief Executive Officer (the "Head Officers") for resolution. The Head Officers to whom any dispute is submitted shall attempt to resolve the dispute through good faith negotiations over a reasonable period, not to exceed forty-five (45) days following one party's receipt of a notice of dispute from the other party, unless otherwise agreed by the Head Officers. Such forty-five (45) day period shall be deemed to commence on the date the dispute was submitted to the Head Officers. All negotiations pursuant to this Section 2.5(f) shall be confidential, and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

Section 2.6 Risk of Loss. Until the Closing, Seller shall bear the risk of any loss or damage to the Conveyed Assets from fire, casualty or any other occurrence. Following the completed delivery of all Conveyed Assets that are in tangible form to Purchaser, Purchaser shall bear the risk of any loss or damage to the Conveyed Assets from fire, casualty or any other occurrence.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows:

Section 3.1 Organization. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. Seller is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of its properties owned or leased or the nature of its activities make such qualification necessary. No Affiliates of Seller are presently or have in the past been engaged in the development, manufacture, marketing or sale of the Products. Seller does not currently own or control, directly or indirectly, any interest in any other corporation or other business entity.

Section 3.2 Authority. Seller has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the board of directors of Seller has approved and duly authorized the execution, delivery, and performance of this Agreement by Seller. This Agreement constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms and conditions.

Section 3.3 Noncontravention(a) . Except as set forth in Schedule 3.3, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article II above), will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Seller is subject or any provision of the charter or

bylaws of Seller or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Seller is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets). Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in Article II above), except for applicable requirements, if any, of the Federal Food, Drug and Cosmetic Act of 1938, as amended (the "FDCA"). There shall not be in effect any statute, regulation, order, decree or judgment of any Governmental Entity, which makes illegal or enjoins or prevents the consummation of the transactions contemplated by this Agreement. Except as set forth in Schedule 3.3, there are no court or governmental orders, writs, judgments or decrees specifically directed to Seller that are material to Seller.

Section 3.4 Permits; Compliance With Law.

(a) Schedule 2.1(a)(iii) sets forth a true and complete list of all authorizations, registrations, licenses, permits, certificates, approvals, exemptions, consents, confirmations, orders, waivers and clearances of Governmental Entities (including all authorizations under the FDCA and the Public Health Services Act, and the regulations of the United States Food and Drug Administration (the "FDA") promulgated thereunder) (each, a "Permit") necessary for Seller's use of the Conveyed Assets in carrying on its business, with regards to the Conveyed Assets, as it is being conducted as of the date hereof (the "Required Permits"). Except as set forth on Schedule 3.4, (i) Seller is in possession of all Required Permits, (ii) Seller is conducting its business in compliance with all Required Permits and applicable Laws by which any Conveyed Asset is bound or affected, (iii) all Required Permits are valid and in full force and effect, (iv) all Required Permits are transferable to Purchaser at Closing; (v) all Product Registrations are transferable to Purchaser at Closing; (vi) all Governmental Rights are transferable to Purchaser at Closing; (vii) no Governmental Entity has notified Seller that Seller, its business or the Conveyed Assets were or are in violation of any Law or Required Permit in any jurisdiction where Seller conducts business and there are no grounds for the same, and (viii) to the Knowledge of Seller (for the purposes of this Section 3.4(a)-(d), Knowledge of Seller shall be deemed to include such Knowledge Seller would obtain by conducting a reasonable investigation), there are no facts or circumstances existing which would lead to any suspension, loss of or material modification to any Required Permit or refusal by a Governmental Entity to renew or accept filing any Required Permit on terms not substantially less advantageous, in the aggregate, to Seller than the terms of those Required Permits currently in force. As of the date hereof, except as set forth in Schedule 3.4, there are no outstanding orders, injunctions or decrees of any Governmental Entity that apply to the Conveyed Assets that restrict the ownership, disposition or use of the Conveyed Assets by Seller.

(b) All applications, submissions, information, claims, reports and statistics, and other data and conclusions derived therefrom, utilized as the basis for or

submitted in connection with any and all requests for a Required Permit of the FDA or other Governmental Entity relating to the Conveyed Assets (i) when submitted by or on behalf of Seller to the FDA or other Governmental Entity were true, complete and correct in all material respects as of the date of submission and any necessary or required updates, changes, corrections or modifications to such applications, submissions, information, claims, reports or statistics have been submitted to the FDA and other Governmental Entities; and (ii) when submitted by a third party were, to the Knowledge of Seller, true, complete and correct in all material respects as of the date of submission and, to the Knowledge of Seller, any necessary or required updates, changes, corrections or modifications to such applications, submissions, information, claims, reports or statistics have been submitted to the FDA or other Governmental Entities.

(c) There are no non-clinical, pre-clinical or clinical trials or studies being conducted by or on behalf of Seller with regard to the Conveyed Assets. To the Knowledge of Seller, all pre-clinical and clinical trials conducted with regard to the Conveyed Assets were conducted by Person other than Seller in material compliance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and all applicable Laws promulgated by the FDA relating thereto, including without limitation the FDCA and its applicable implementing regulations at 21 C.F.R. Parts 50, 54, 56 and 312, as amended.

(d) There are no investigations, audits, actions or other proceedings pending with respect to a violation by Seller of the FDCA or other applicable Law that would reasonably be expected to result in administrative, civil or criminal liability, and, to the Knowledge of Seller, there are no facts or circumstances existing that would reasonably be expected to serve as a basis for such an investigation, audit, action or other proceeding.

Section 3.5 Financial Statements; Projections.

(a) Schedule 3.5(a) contains a true and complete copy of the balance sheets and statements of operations, change in stockholders' equity (including the related notes) and cash flow as of and for the twelve months ended December 31, 2004 (the "Year End Financial Statements") and as of and for the nine months ended September 30, 2005 (the "Interim Balance Sheet Date")(the "Interim Balance Sheet," and, along with the Year End Financial Statements, the "Financial Statements"). The Financial Statements (a) are in accordance with the books and records of Seller, (b) have been prepared in accordance with GAAP consistently applied throughout the periods covered thereby, and (c) fairly and accurately present the assets, Liabilities (including all reserves) and financial position of Seller as of the respective dates thereof and the results of operations and changes in cash flows for the periods then ended (subject, in the case of the Interim Financial Statements, to normal year-end adjustments and the fact that there are no notes thereto). At the respective dates of the Financial Statements, there were no Liabilities of Seller, which, in accordance with GAAP, should have been set forth or reserved for in the Financial Statements or the notes thereto, which are not set forth or reserved for in the Financial Statements or the notes thereto. Seller does not have any Liabilities due or to become due, except Liabilities which are set forth or reserved for on

the Interim Balance Sheet, which have not been paid or discharged since the Interim Balance Sheet Date. Nothing has come to the attention of Seller since such respective dates that would indicate that such Financial Statements are not true and correct in all material respects as of the date hereof.

(b) Schedule 3.5(b) sets forth projections for the costs and timeline for all remaining steps necessary to obtain approval of a NDA from the FDA for LFA. Such projections shall represent Seller's good faith estimates of the costs and timeline based on assumptions set forth in Schedule 3.5(b) and Seller in good faith represents such projections were reasonable when made and continue to be reasonable as of the date hereof; provided, however, there can be no assurance that such costs will not be exceeded or that such timeline will not be expanded.

Section 3.6 Absence of Certain Changes or Events.

(a) Except as set forth on Schedule 3.6, since the Interim Balance Sheet Date, there has not been any change, event, development, effect or occurrence which has, or is reasonably likely to have, a Material Adverse Effect on Seller's business, the Conveyed Assets or the Assumed Liabilities.

(b) Since the Interim Balance Sheet Date to the date of this Agreement, Seller has conducted its business in the ordinary course consistent with past practice, and Seller has not:

(i) subjected any of the Conveyed Assets in whole or in part to any Liens;

(ii) sold, transferred, leased, subleased, licensed, sublicensed or otherwise transferred or disposed of, to any third party, any Conveyed Assets or other material properties or material assets;

(iii) accelerated, cancelled, modified or terminated any Assumed Contract;

(iv) surrendered, revoked or otherwise terminated any Required Permit, except in connection with any renewal or reissuance of any such Required Permit;

(v) waived, released or assigned any material rights, which rights, but for such waiver, release or assignment, would have been classified as Conveyed Assets;

(vi) experienced any damage, destruction or casualty loss (whether or not covered by insurance) with respect to any Conveyed Asset other than as a result of ordinary wear and tear; or

(vii) agreed, whether in writing or otherwise, to do any of the foregoing, except as expressly contemplated by this Agreement.

Section 3.7 Title to Assets; Sufficiency of Assets. Seller has, and at the Closing, Seller will deliver to Purchaser, good and valid title to or, in the case of licensed assets, a valid and binding license to or rights under (as the case may be), all of the Conveyed Assets free and clear of all Liens.

Section 3.8 Assumed Contracts. The Assumed Contracts include all contracts, agreements, understandings and arrangements related to the Products to which Seller or any Affiliate of Seller is a party. Each of the Assumed Contracts is valid, binding and in full force and effect. Seller and any other party thereunder, has performed in all material respects the obligations required to be performed by such party under the Assumed Contracts. Seller is not in breach or default under any Assumed Contract and, to the Knowledge of Seller, no other party to any Assumed Contract (with or without the lapse of time or the giving of notice, or both) is in breach or default thereunder. Seller has not received any notice of the intention of any party to terminate any Assumed Contract. Complete and correct copies of all Assumed Contracts (and amendments thereto), in each case, in effect on the date hereof, have been made available to Purchaser or its Representatives.

Section 3.9 Intellectual Property.

(a) The Conveyed Intellectual Property is listed on Schedule 3.9 and includes all Intellectual Property used primarily in connection with the Products or the Conveyed Assets, or necessary for the development of the Products. No Affiliate of Seller has any Intellectual Property related to, or necessary for the development of, the Products. Schedule 3.9 also sets forth with respect to such Intellectual Property: (i) for each U.S. and foreign patent and patent application as applicable, the number, normal expiration date, title and priority information for each country in which such patent has been issued, or the application number, date of filing, title and priority information for each country; (ii) for each U.S. and foreign trademark, tradename or service mark, whether or not registered, the date first used, the application serial number or registration number, the class of goods covered, the nature of the goods or services, the countries in which the names or mark is used and the expiration date for each country in which a trademark has been registered; (iii) for each U.S. and foreign copyright for which registration has been sought, whether or not registered, the date of creation and first publication of the work, the number and date of registration for each country in which a copyright application has been registered; (iv) for each mask work, whether or not registered, the date of first commercial exploitation and if registered, the registration number and date of registration; and (v) all Intellectual Property in the form of licenses. True and correct copies of all registrations, issued patents, pending applications, file histories, invention disclosures, prototypes, drawings and other documentation and tangible embodiments of works of authorship, in Seller's possession, pertaining to or embodying such Intellectual Property have been delivered to or are in the possession of Purchaser.

(b) Royalties and Licenses; Non-Infringement. Other than the Assumed Contracts, there exists no contractual obligation to which Seller is a party to compensate any Person for the use of any Intellectual Property listed on Schedule 3.9 nor

has there been granted to any Person any license, option or other rights to use in any manner any such Intellectual Property, whether requiring the payment of royalties or not. Other than the Assumed Contracts, there exists no contractual obligation, to which Seller is a party, including, without limitation, any covenant not to compete or exclusive license, that would restrict Purchaser's development and commercialization of the Products. To the Knowledge of Seller (for the purposes of this Section 3.9, Knowledge of Seller shall be deemed to include such Knowledge Seller would obtain by conducting a reasonable investigation), the conduct of Seller's business and use of the Intellectual Property listed on Schedule 3.9 prior to the Closing Date has not infringed the Intellectual Property of any third party.

(c) Ownership. Seller owns or has a valid right to use the Intellectual Property listed on Schedule 3.9, and to transfer or license, as the case may be, such Intellectual Property to Purchaser at the Closing, and such Intellectual Property will not cease to be valid rights of Seller (or upon Closing, of Purchaser) by reason of the execution, delivery and performance of this Agreement or the Related Instruments or the consummation of the transactions contemplated hereby or thereby. The patents listed on Schedule 3.9 are in full force and effect and are not subject to any fines, maintenance fees or actions, that are Seller's obligations, falling due within 90 days after the Closing Date.

(d) Absence of Claims. Seller has not received any notice of (A) alleged invalidity with respect to any Intellectual Property listed on Schedule 3.9 or (B) alleged infringement of any rights of others due to any activity by Seller involving products derived from, or containing such Intellectual Property. To the Knowledge of Seller, Seller's use and Seller's Affiliates use in the development of the Products of the Intellectual Property listed on Schedule 3.9 do not and will not infringe upon or otherwise violate the valid rights of any third party anywhere in the world. No other Person (i) has notified Seller that it is claiming any ownership of or right to use any Intellectual Property listed on Schedule 3.9 or (ii) to the Knowledge of Seller, is infringing upon any such Intellectual Property in any way.

(e) Protection of Proprietary Rights. Seller has taken all commercially reasonable and prudent steps within Seller's power to protect the Intellectual Property listed on Schedule 3.9 from infringement by any other Person. Seller has taken all commercially reasonable steps necessary or appropriate to safeguard and maintain the secrecy and confidentiality of all such Intellectual Property, including assuring that all current and former employees and consultants of Seller have signed agreements with Seller conveying all Intellectual Property arising from the employment or consulting activities to Seller and have signed Intellectual Property confidentiality agreements. All tangible embodiments of all Intellectual Property that constitute trade secrets are located at Seller's offices in Princeton, New Jersey. Upon Closing, Purchaser will succeed to all of Seller's right, title and interest in the Intellectual Property listed on Schedule 3.9, including all rights and claims to damages regarding past infringements of such Intellectual Property (including Seller's right to seek enforcement of all such rights to prevent the infringement or misappropriation thereof).

(f) Patent Assignment Recordation. The assignments of U.S. patent numbers *** to Eprova AG have been recorded with the U.S. Patent Trademark Office.

Section 3.10 Employee Benefit Plans. Schedule 3.10 contains a complete list of all Employee Plans. Seller has delivered to Purchaser true and complete copies of all Employee Plans, including written interpretations thereof and written descriptions thereof which have been distributed to Seller's employees, all annuity contracts or other funding instruments relating thereto, and a complete description of all Employee Plans which are not in writing. Neither Seller nor any ERISA Affiliate sponsors, maintains, contributes to or has an obligation to contribute to, or has sponsored, maintained, contributed to or had an obligation to contribute to, any Pension Plan that is subject to Title IV of ERISA or any Multiemployer Plan. Each Welfare Plan which covers or has covered employees or former employees of Seller and which is a "group health plan," as defined in Section 607(1) of ERISA, has been operated in compliance with provisions of Part 6 of Title I, Subtitle B of ERISA and Sections 162(k) and 4980B of the Code at all times. There is no litigation or court order outstanding, relating to or seeking benefits under any Employee Plan that is pending, threatened or anticipated against Seller, any ERISA Affiliate or any Employee Plan. Neither Seller nor any ERISA Affiliate has any liability for unpaid contributions under Section 515 of ERISA with respect to any Welfare Plan. There are no liens arising under the Code or ERISA with respect to the operation, termination, restoration or funding of any Employee Plan or arising in connection with any excise tax or penalty tax with respect to any Employee Plan. Each Employee Plan has at all times been maintained in accordance with its terms and all applicable laws, including ERISA and the Code. Seller and its ERISA Affiliates have made full and timely payment of all amounts required to be contributed under the terms of each Employee Plan and applicable law or required to be paid as expenses under such Employee Plan, and Seller and its ERISA Affiliates shall continue to do so through the Closing Date. Each Employee Plan intended to qualify under Section 401 of the Code has received a current and valid determination letter from the Internal Revenue Service that it does so qualify, and no event has occurred and no condition exists that could reasonably be expected to result in the revocation of such determination letter or the loss of such qualification or exemption. Neither the execution and delivery of this Agreement or other related agreements by Seller nor the consummation of the transactions contemplated hereby or the related transactions will result in the acceleration or creation of any rights of any person to benefits under any Employee Plan. No Employee Plan can reasonably be expected to result in gross income inclusion pursuant to Section 409A(a)(1)(A) of the Code.

Section 3.11 Tax Matters.

(a) Filing of Tax Returns. Seller has duly and timely filed with the appropriate taxing authorities all Tax Returns required to be filed. All such Tax Returns filed are complete and accurate in all respects. All Taxes owed by Seller have been paid. The aggregate unpaid Taxes of Seller, (i) did not, as of the Interim Balance Sheet Date,

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Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Interim Balance Sheet (rather than in any notes thereto), and (ii) will not exceed that reserve as adjusted for operations and transactions through the Closing Date in accordance with the past custom and practice of Seller in filing its Tax Returns. Seller is not currently the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to taxation by that jurisdiction.

(b) Audits, Investigations, Disputes or Claims. No deficiencies for Taxes have been claimed, proposed or assessed by any taxing or other governmental authority against Seller. There are no pending or, to the Knowledge of Seller, threatened audits, investigations, disputes or claims or other Actions for or relating to any Liability for Taxes with respect to Seller, and there are no matters under discussion with any governmental authorities, or known to Seller, with respect to Taxes that are likely to result in a material additional Liability for Taxes with respect to Seller. Neither Seller nor any predecessor of Seller has ever been notified that any taxing authority intends to audit a Tax Return for any period. Seller has delivered to Purchaser complete and accurate copies of all examination reports and statements of deficiencies assessed against or agreed to by Seller since December 31, 2001. Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. No power of attorney granted by Seller with respect to any Taxes is currently in force.

(c) Lien. There are no Liens for Taxes (other than for current Taxes not yet due and payable) on any of the Conveyed Assets. None of the Conveyed Assets (i) is property that is required to be treated for Tax purposes as being owned by any other Person; (ii) is tax-exempt bond financed property or tax-exempt use property within the meaning of Section 168 of the Code; or (iii) directly or indirectly secures any debt the interest on which is tax exempt under Section 103(a) of the Code.

(d) Prior Affiliated Groups. Seller does not have Liability for the Taxes of any Person (other than Seller) (i) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), (ii) as a transferee or successor, (iii) by contract, or (iv) otherwise.

(e) Tax Sharing Agreements. There are no Tax-sharing agreements or similar arrangements (including indemnity arrangements) with respect to or involving Seller or the Conveyed Assets and, after the Closing Date, neither of Seller nor the Conveyed Assets shall be bound by any such Tax-sharing agreements or similar arrangements or have any Liability thereunder for amounts due in respect of periods prior to the Closing Date.

(f) No Withholding. None of the transactions contemplated hereby are subject to withholding under Section 1445 of the Code. Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party.

The transactions contemplated herein are not subject to the tax withholding provisions of Section 3406 of the Code, or of Subchapter A of Chapter 3 of the Code or of any other provision of law.

Section 3.12 Environmental Matters. No notice, registration, reporting or other filing or investigation, response or corrective action is required by Seller under any Environmental Law in connection with, or as a result of, the execution and delivery of this Agreement, or the consummation of the transactions contemplated hereby, and Seller has no notice of any related claims or demands. Seller is now and has been in material compliance with all applicable Environmental Laws, and has all the permits required under applicable Environmental Laws, in connection with, or as a result of, the execution and delivery of this Agreement.

Section 3.13 Litigation .

(a) There are no pending or threatened suits, claims, Actions, proceedings or investigations against Seller and as to which Seller has been contacted in writing by the plaintiff or claimant or by their counsel, against Seller or affecting any Conveyed Asset. None of Seller or any of its Affiliates is a party or subject to or in default in any material respect under any judgment, order, injunction or decree applicable to any Conveyed Asset.

(b) There is no suit, claim, Action, proceeding or investigation pending or threatened against Seller which challenges the transactions contemplated by this Agreement and would be reasonably expected to prevent or delay the performance of this Agreement by Seller or consummation of the transactions contemplated hereby.

Section 3.14 Brokers. Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Purchaser could become liable or obligated.

Section 3.15 Product Disclosure. As of the date hereof, Seller has made available to Purchaser all material written information in its possession as of the date hereof concerning the Products, including, without limitation, all written information concerning the safety, efficacy, side effects or toxicity of the Products, associated with or derived from any clinical use, studies, investigations or tests of the Products in all indications studied by Seller.

Section 3.16 Insurance. Schedule 3.16 contains a complete and accurate list of all policies or binders of fire, liability, title, worker's compensation, product liability and other forms of insurance (showing as to each policy or binder the carrier, policy number, coverage limits, expiration dates, annual premiums, a general description of the type of coverage provided, loss experience history by line of coverage) maintained by Seller on its business, the Conveyed Assets or its employees. All insurance coverage applicable to Seller, its business and the Conveyed Assets is in full force and effect, insures Seller in reasonably sufficient amounts against all risks usually insured against by persons operating similar businesses or properties of similar size in the localities where

such businesses or properties are located, provides coverage as may be required by applicable Law and by any Assumed Contract and has been issued by insurers of recognized responsibility. There is no Default under any such coverage nor has there been any failure to give notice or present any claim under any such coverage in a due and timely fashion. There are no outstanding unpaid premiums except in the ordinary course of business and no notice of cancellation or nonrenewal of any such coverage has been received. All products liability, general liability and workers' compensation insurance policies maintained by Seller have been occurrence policies and not claims made policies. No insurer has advised Seller that it intends to reduce coverage, increase premiums or fail to renew existing policy or binder.

Section 3.17 Disclosure. The representations and warranties contained in this Article III, as qualified by the Schedules thereto, do not contain any untrue statement of a fact or omit to state any fact necessary in order to make the statements and information contained in this Article III not misleading.

Section 3.18 Raw Materials. Schedule 3.18 contains a complete and accurate list of all Raw Materials owned by Seller. The Raw Materials have been maintained in accordance with regular business practices. None of such Raw Materials are damaged or unusable, unless otherwise stated in Schedule 3.18.

Section 3.19 Investment Representations.

(a) Seller confirms that it has been given sufficient access to information regarding Purchaser and in connection with its decision to receive the Common Stock as consideration under this Agreement, including the opportunity to ask questions of, and receive answers from, persons acting on behalf of Purchaser and concerning Purchaser's financial affairs, prospects and condition.

(b) Seller represents and warrants that (i) it is resident in or otherwise subject to the securities legislation of the United States, and the issuance of Common Stock to Seller has occurred only in the United States; (ii) Seller, by reason of its business or financial expertise, has the capacity to protect its own interests in connection with its acquisition of Common Stock; and (iii) Seller is an "accredited investor" as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act").

(c) Seller represents, warrants and covenants that it shall acquire the Common Stock issuable under this Agreement for its own account and not for the account or on behalf of others, and it is doing so with the intent of retaining such Common Stock as an investment and without the current intent to redistribute (other than distributions to those Persons who are, as of the Closing Date, (i) stockholders of Seller and (ii) "accredited investors" as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended) such Common Stock.

(d) Seller acknowledges that: (i) no securities commission or similar authority has reviewed or passed on the merits of the Common Stock issuable under this

Agreement; (ii) there is no government or other insurance covering such Common Stock; and (iii) there are risks associated with the acquisition of the Common Stock, including without limitation those described in Purchaser's filings with the Securities and Exchange Commission.

(e) Seller acknowledges that (i) it must and shall bear the economic risk of holding the Common Stock issuable under this Agreement, which may be for an indefinite period of time, because at the time such shares are issued they will not have been registered under the Securities Act or any other securities law and, therefore, cannot be sold unless they are subsequently registered under applicable federal and state securities laws or an exemption from such registration is available; (ii) the shares may not be resold or transferred on the official stock transfer records of Purchaser without furnishing to Purchaser an opinion of counsel reasonably acceptable to Purchaser that such sale or transfer of the shares will not violate the registration provisions of applicable federal and state securities laws; and (iii) certificates representing the shares shall have endorsed on them a restrictive legend to this effect.

(f) Seller acknowledges that Purchaser is relying on the representations, warranties, covenants and acknowledgments in this Section 3.19 to ensure that any Common Stock issued under the terms of this Agreement can be issued in reliance on exemptions from registration requirements under United States federal and state securities laws.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

Section 4.1 Organization of Purchaser. Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

Section 4.2 Authorization of Transaction. Purchaser has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and the Related Instruments and to perform its obligations hereunder and thereunder. This Agreement constitutes the valid and legally binding obligation of Purchaser, enforceable in accordance with its terms and conditions.

Section 4.3 Noncontravention. Neither the execution and the delivery of this Agreement and Related Instruments, nor the consummation of the transactions contemplated hereby and thereby (including the assignments and assumptions referred to in Article II above), will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Purchaser is subject or any provision of its charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify,

or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Purchaser is a party or by which it is bound or to which any of its assets is subject. Purchaser does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement and the Related Instruments (including the assignments and assumptions referred to in Article II above), except for applicable requirements, if any, of the FDCA, the NASDAQ Stock Market or any filings required under SEC Regulation D or any state securities laws that are permitted to be made after the date hereof (which filings shall be made on a timely basis). There shall not be in effect any statute, regulation, order, decree or judgment of any Governmental Entity, which makes illegal or enjoins or prevents the consummation of the transactions contemplated by this Agreement or the Related Instruments. Except as set forth in Schedule 4.3, there are no court or governmental orders, writs, judgments or decrees specifically directed to Purchaser that are material to Purchaser.

Section 4.4 Brokers' Fees. Purchaser has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Seller could become liable or obligated.

Section 4.5 SEC Reports. Purchaser is obligated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") to file reports pursuant to Sections 13 and 15(d) thereof (all such reports filed or required to be filed by Purchaser, including all exhibits thereto or incorporated therein by reference, and all documents filed by Purchaser under the Securities Act are hereinafter called the "SEC Documents"). Purchaser has filed all reports or other documents required to be filed under the Exchange Act. All SEC Documents filed by Purchaser (i) were prepared in all material respects in accordance with the requirements of the Exchange Act and the Securities Act and (ii) did not at the time they were filed (or, if amended or superseded by a filing prior to the date hereof, then on the date of such filing) contain any untrue statement of a material fact or omit 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.

Section 4.6 Financial Statements. Each of Purchaser's consolidated balance sheet and related consolidated statements of income, cash flows and changes in stockholders' equity (including the related notes), as contained in the SEC Documents filed with the Commission for any period ending on or after December 31, 2004 (the "Recent Reports") (collectively, the "Purchaser's Financial Statements") (x) present fairly in all material respects the financial position of Purchaser and its consolidated subsidiaries as of the dates thereof and the results of operations, cash flows and stockholders' equity as of and for each of the periods then ended, except that any unaudited financial statements are subject to normal year-end adjustments, and (y) were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved, in each case, except as otherwise indicated in the notes thereto.

Section 4.7 Absence of Certain Changes. Since September 30, 2005, Purchaser has conducted its business only in the ordinary course and, except as set forth in the Recent Reports filed after September 30, 2005, there has not occurred any event that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Purchaser or any of its subsidiaries.

Section 4.8 Capitalization. All shares of Common Stock issuable by Purchaser in accordance with Sections 2.3(a)-(d) and Section 2.3(e)(A) of this Agreement have been duly authorized and reserved for issuance. All of the shares of Common Stock issuable by Purchaser in accordance with this Agreement when issued, will be validly issued, fully paid and nonassesable and will be issued free of any preemptive or similar right.

ARTICLE V

PRE-CLOSING COVENANTS

Section 5.1 General. Each of the parties will use commercially reasonable efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the Closing conditions set forth in Article VII below).

Section 5.2 Notices and Consents. Seller will give any notices to third parties, and Seller will use all commercially reasonable efforts to obtain any third party consents, that Purchaser requests in connection with the matters referred to in Section 3.3 above. Each of the parties will give any notices to, make any filings with, and use commercially reasonable efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies in connection with the matters referred to in Section 3.3 and Section 4.3 above.

Section 5.3 Operation of Business. Except as contemplated by this Agreement, or as consented to by Purchaser in writing, Seller will not engage in any practice, take any action, or enter into any transaction outside the ordinary course of business. Without limiting the generality of the foregoing, Seller will not, except as specifically contemplated by this Agreement or as consented to in writing:

(a) enter into, extend, modify, renew, terminate, allow to expire, cancel or fail to renew any Assumed Contract;

(b) fail to maintain all Employee Plans in accordance with applicable Law;

(c) acquire by merger or consolidation with, or merge or consolidate with, or purchase substantially all of the assets of, or otherwise acquire any assets or business of any corporation, partnership, association or other business organization or division thereof;

(d) make or change any material election in respect of Taxes, adopt or change any accounting method or period in respect of Taxes, enter into any tax-sharing, allocation, compensation or like agreement, settle any claim or assessment in respect of Taxes, request any tax ruling or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes;

(e) fail to comply with all Laws applicable to it, the Conveyed Assets and its business;

(f) abandon or terminate any clinical trials;

(g) otherwise engage in any practice, take any action, or enter into any transaction of the sort described in Section 3.6 above; or

(h) enter into any commitment (contingent or otherwise) to do any of the foregoing.

Section 5.4 Full Access. Seller will permit Representatives of Purchaser to have full access, during normal business hours, to all premises, properties, personnel (without substantial disruption of employment), books, records (including Tax records), contracts, and documents of or pertaining to Seller, the Conveyed Assets or the Assumed Liabilities.

Section 5.5 Notice of Developments. Each party will give prompt written notice to the other party of any adverse development causing a breach of any of the representations and warranties in Article III and Article IV above. No disclosure by any party pursuant to this Section 5.5, however, shall be deemed to amend or supplement the schedules to this Agreement or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

Section 5.6 Public Announcements; Confidentiality . Each of Seller and Purchaser agree that, prior to the Closing, it and its respective Representatives shall keep the facts surrounding the negotiation of this Agreement or the Related Instruments and the transactions contemplated hereby or thereby, any disclosures made herein and hereunder or therein or thereunder, confidential and shall not disclose such information to any other Person, except to its directors, stockholders, advisors, accountants, attorneys, consultants and agents with a need to know and who agree to maintain the confidentiality of such information, through press release or otherwise (except as necessary to carry out the terms of this Agreement or the Related Instruments or to the extent such information becomes public information or generally available to the public through no fault of such party or its Affiliates) without the prior written consent of the other party, unless such part has been advised by counsel that disclosure is required to be made under applicable Law or the requirements of a national securities exchange or another similar regulatory body; provided, however, that Purchaser shall be permitted to issue an initial press release, file a current report on Form 8-K pursuant to the Exchange Act and make any other required disclosure with regard to the transactions contemplated by this Agreement.

Section 5.7 No Solicitation. From the date hereof through the Closing or the earlier termination of this Agreement, Seller and their Representatives shall not, and shall cause each of their respective shareholders or Representatives (including without limitation investment bankers, attorneys and accountants), not to, directly or indirectly, enter into, solicit, initiate or continue any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, or participate in any negotiations with, or provide any information to, or otherwise cooperate in any other way with, any corporation, limited liability company, partnership, person or other entity or group, other than Purchaser and its Representatives, concerning any sale of all or a portion of the Conveyed Assets or Seller's business, or of any shares of capital stock of Seller, or any merger, consolidation, liquidation, dissolution or similar transaction involving Seller. Seller shall not, directly or indirectly, through any officer, director, employee, representative, agent or otherwise, solicit, initiate or encourage the submission of any proposal or offer from any Person relating to any transaction discussed in this Section 5.7, or participate in any negotiations regarding, or furnish to any other person any information with respect to Seller for the purposes of, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to seek or effect any transaction discussed in this Section 5.7. Seller will notify Purchaser immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

Section 5.8 Stockholder Consent. Seller shall, as promptly as practicable after the date hereof, take all actions necessary in accordance with federal securities laws, the DGCL and its certificate of incorporation and by-laws to: (1) obtain written consent of the Seller's stockholders at the earliest practicable date authorizing this Agreement and the transactions contemplated hereby, or (2) call, give notice of, convene and hold a meeting of Seller's stockholders to be held on the earliest practicable date for the purpose of voting upon this Agreement and transactions contemplated hereby. Seller shall use its best efforts to solicit from Seller's stockholders written consent to or votes in favor of the adoption of this Agreement and the transactions contemplated hereby.

ARTICLE VI

POST-CLOSING COVENANTS

Section 6.1 General. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as the other party reasonably may request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Article IX below). In particular, without limiting the generality of the foregoing, the parties agree to execute or have executed any document required to either advance the prosecution of a pending patent application, or to correct, amend, maintain or otherwise enforce an exiting patent.

Section 6.2 Litigation Support. In the event and for so long as any party actively is contesting or defending against any Action, suit, proceeding, hearing,

investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, Action, failure to act, or transaction on or prior to the Closing Date involving the Conveyed Assets, the other party will cooperate with the contesting or defending party and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending party (unless the contesting or defending party is entitled to indemnification therefor under Article IX below).

Section 6.3 Transition. Seller will not take any action that is designed or intended to have the effect of discouraging any licensor or other business associate of Seller from maintaining the same business relationships with Purchaser after the Closing as it maintained with Seller prior to the Closing.

Section 6.4 Books and Records; Tax Matters.

(a) Books and Records. Each party agrees that it will cooperate with and make available to the other party, during normal business hours, all books and records, information and employees (without substantial disruption of employment) retained and remaining in existence after the Closing which are necessary or useful in connection with any Tax inquiry, employee matter, audit, investigation or dispute or any other investigation or litigation or for any other appropriate administrative purpose. The party requesting any such books and records, information or employees shall bear all of the out-of-pocket costs and expenses (including attorneys' fees, but excluding reimbursement for salaries and employee benefits) reasonably incurred in connection with providing such books and records, information or employees and shall maintain the confidentiality of all such information.

(b) Cooperation and Records Retention. Purchaser and Seller agree to furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to the Conveyed Assets, including, without limitation, access to books and records, as is reasonably necessary for the filing of all Tax Returns by Purchaser or Seller, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax. Each party shall provide the other with at least 10 days prior written notice before transferring, destroying or discarding any such books and records, during which period the party receiving such notice can elect to take possession, at its own expense, of such books and records. Purchaser and Seller shall cooperate fully with each other in the conduct of any audit, litigation or other proceeding relating to Taxes involving the Conveyed Assets or Seller's business. Purchaser and Seller further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(c) Notices. Seller shall promptly notify Purchaser in writing upon receipt by Seller of notice of any pending or threatened Tax audits or assessments relating to the income, properties or operations of Seller that reasonably may be expected to relate to the Conveyed Assets.

(d) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added, GST and other such similar Taxes (including all applicable real estate transfer Taxes) and related fees (including any penalties and interest) (collectively, "Transfer Taxes") incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Seller when due, and Seller will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes and, if required by applicable law, Purchaser will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation. Seller shall have provided Purchaser with (i) evidence satisfactory to Purchaser that such Transfer Taxes have been paid by Seller and (ii) a clearance certificate or similar document(s) which may be required by any state taxing authority to relieve Purchaser of any obligation to withhold any portion of the payments to Seller pursuant to this Agreement.

(e) Characterization of Payments. Except as otherwise provided in this Agreement, any payments made to any Purchaser Indemnified Party pursuant to Article IX shall constitute an adjustment of the consideration paid for the Conveyed Assets for Tax purposes and shall be treated as such by Purchaser and Seller on their Tax Returns to the extent permitted by Law.

(f) FIRPTA Certificate. Seller shall deliver to Purchaser at the Closing a certificate, duly executed and acknowledged, in form and substance satisfactory to Purchaser, certifying the facts that would exempt the transactions contemplated hereby from withholding pursuant to the provisions of the Foreign Investment in Real Property Tax Act.

(g) Allocation of Taxes.

(i) To the extent not otherwise allocated in this Agreement, Seller shall be responsible for and shall promptly pay when due all Taxes levied with respect to the Conveyed Assets for any Pre-Closing Tax Period that is not part of a Straddle Period, and all refunds of Taxes for such periods shall belong to Seller.

(ii) All Taxes (other than income Taxes of Seller and Taxes of Seller in the nature of income Taxes) levied with respect to the Conveyed Assets for any Straddle Period (collectively, the "Apportioned Obligations") shall be apportioned between the Pre-Closing Tax Period and the Post-Closing Tax Period that are part of such Straddle Period as follows: (A) in the case of any Taxes other than sales, use, transaction or excise Taxes and other similar Taxes, based on the proportion that the number of days of such Straddle Period included in the Pre-Closing Tax

Period and the number of days of such Straddle Period included in the Post-Closing Tax Period, respectively, bear to the total number of days in such Straddle Period, and (B) in the case of any sales, use, transaction or excise Taxes or other similar Taxes, as if the relevant Tax period ended on the Closing Date. Seller shall be liable for the Apportioned Obligations apportioned to the Pre-Closing Tax Period, and Purchaser shall be liable for the Apportioned Obligations apportioned to the Post-Closing Tax Period.

(iii) Upon receipt by Purchaser, on the one hand, or Seller, on the other, of any bill for Taxes relating to the Conveyed Assets, the party receiving such bill (the "Recipient Party") promptly shall present a statement to the other party (the "Other Party") setting forth the amount of such Taxes for which the Other Party is liable under this Section 6.4(g), together with such supporting evidence as is reasonably necessary to calculate the amount of such Taxes to be apportioned between a Pre-Closing Tax Period and a Post-Closing Tax Period. The apportioned amount of Taxes for which the Other Party is liable shall be paid by the Other Party to the Recipient Party within fifteen (15) days after delivery of such statement to the Other Party by the Recipient Party. If Seller is liable for an amount of Taxes due on a bill received by Purchaser, Purchaser shall have the right to offset any amount to be paid by Purchaser to Seller hereunder by such amount of Taxes. The Recipient Party shall be responsible for the timely payment of the Taxes to which such bill relates. In the event that Purchaser, on the one hand, or Seller, on the other, shall make any payment to any Taxing or other authority of any Taxes apportioned to the other party under this Section 6.4(g), the other party shall reimburse the paying party for the amount of such Taxes apportioned to the other party promptly but in no event later than fifteen (15) days after the presentation by the paying party of a statement setting forth the amount of reimbursement to which the paying party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of such reimbursement. The portion of any refund of Taxes attributable to amounts apportioned hereunder to and paid or reimbursed by the party not receiving such refund shall be the property of the party not receiving such refund, and the party receiving such refund shall promptly pay to the party not receiving such refund that portion of such refund so attributable.

(iv) Notwithstanding the foregoing, Purchaser shall not be liable for (i) any Taxes of Seller levied with respect to the Conveyed Assets attributable to periods (or portions of periods) ending on or before the Closing Date, or (ii) any other Taxes (including any and all income Taxes and Taxes in the nature of income Taxes) of Seller for any periods.

Section 6.5 Confidential Information. Seller will treat and hold as such all of the Confidential Information, refrain from using any of the Confidential

Information except in connection with this Agreement, and deliver promptly to Purchaser or, subject to Section 2.1(c) above, destroy, at the request and option of Purchaser, all tangible embodiments (and all copies) of the Confidential Information which are in its possession. In the event that Seller is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Seller will notify Purchaser promptly of the request or requirement so that Purchaser may seek an appropriate protective order or waive compliance with the provisions of this Section 6.5. If, in the absence of a protective order or the receipt of a waiver hereunder, Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal, Seller may disclose the Confidential Information to the tribunal; provided, however, that Seller shall use commercially reasonable efforts to obtain, at the request and expense of Purchaser, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Purchaser shall designate.

Section 6.6 Regulatory and Product Obligations. On, or as soon as reasonably practicable after, the Closing Date, Purchaser and Seller shall notify the FDA, which notification shall be substantially in the forms attached hereto as Exhibit I, that with respect to the Conveyed Assets, Purchaser shall have full responsibility for, and thereafter be responsible for, dealing directly with the FDA with respect to the Conveyed Assets. From and after the Closing, except as required by applicable Law, Purchaser shall be responsible for all contacts with the FDA and other regulatory authorities with respect to the Products, and all other responsibilities under the Required Permits which constitute Conveyed Assets.

Section 6.7 Non-Assignable Required Permits. Notwithstanding anything to the contrary contained in this Agreement, if the sale, conveyance, assignment, transfer or delivery or attempted sale, conveyance, assignment, transfer or delivery to Purchaser of any Required Permit (as defined in Section 3.4) is prohibited by any applicable Law (each, a "Non-Assignable Required Permit"), the Closing shall not constitute the sale, conveyance, assignment, transfer or delivery of such Non-Assignable Required Permit, and this Agreement shall not constitute a sale, conveyance, assignment, transfer or delivery of such Non-Assignable Required Permit. Seller shall cooperate with Purchaser in any such commercially reasonable arrangement to provide that Purchaser shall receive the interest of Seller in the benefits under such Non-Assignable Required Permit, including performance by Seller as agent if commercially reasonable to Seller, and, in such case, Purchaser shall be liable to Seller in a fashion equivalent to what Purchaser's Liability would be under the Non-Assignable Required Permit if it were assigned. Seller shall promptly pay over to Purchaser the net amount (after expenses and taxes) of all payments received by it in respect of all Non-Assignable Required Permits.

Section 6.8 Common Stock Legend. Seller acknowledges that, to the extent applicable, each certificate evidencing the Common Stock shall be endorsed with the legends substantially in the form set forth below, as well as any additional legend imposed or required by Purchaser's bylaws or applicable federal or state securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL TO THE EFFECT THAT THE PROPOSED TRANSACTION DOES NOT INVOLVE A VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED OR ANY STATE SECURITIES LAWS."

ARTICLE VII

CONDITIONS

Section 7.1 Conditions to Obligations of Purchaser. The obligation of Purchaser to effect the transactions contemplated by this Agreement shall be further subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived, in whole or in part, by Purchaser:

(a) The representations and warranties of Seller contained in Article III of this Agreement shall be true and correct in all material respects at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date);

(b) Seller shall have performed and complied in all material respects with all agreements and covenants required to be performed or complied with by Seller under this Agreement at or prior to the Closing;

(c) Seller shall have procured all required third party consents.

(d) Purchaser shall have received from Seller a certificate, dated the Closing Date, duly executed by the Chief Executive Officer and Chairman of the Board of Seller, to the effect of Section 7.1(a)–(c) above;

(e) There shall not be pending any Action, litigation or proceeding by any Governmental Entity seeking to (i) prohibit or restrain the transactions contemplated by this Agreement or (ii) seeking to impose or confirm limitations on the ability of Purchaser to effectively exercise full rights of ownership of the Conveyed Assets after the Closing which, in the case of clause (i) or (ii), would have, or would reasonably be expected to have, a Material Adverse Effect on Purchaser or materially increase the cost to Purchaser of consummating the transactions contemplated hereby or subject Purchaser or any of its Affiliates to any criminal or material civil liability;

(f) Seller shall have delivered or caused to be delivered to Purchaser each of the documents specified in Section 2.4(b) hereof;

(g) Each of Seller's stockholders, on an individual basis, shall have duly executed an Investor Representations Letter and Seller shall have delivered or caused to be delivered to Purchaser such Investor Representations Letters;

(h) Seller shall have complied with the provisions of any bulk transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement and delivered to Purchaser evidence of such compliance reasonably satisfactory to Purchaser; and

(i) Seller's stockholders shall have unanimously approved and duly authorized the execution, delivery, and performance of this Agreement by Seller.

Section 7.2 Conditions to Obligations of Seller. The obligation of Seller to effect the transactions contemplated by this Agreement shall be further subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived, in whole or in part, by Seller:

(a) The representations and warranties of Purchaser contained in Article IV of this Agreement shall be true and correct in all material respects at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date);

(b) Purchaser shall have performed and complied in all material respects with all agreements and covenants required to be performed or complied with by Purchaser under this Agreement at or prior to the Closing;

(c) Seller shall have received from Purchaser a certificate dated the Closing Date, duly executed by an authorized officer of Purchaser, to the effect of Section 7.2(a) and Section 7.2(b) above; and

(d) Purchaser shall have delivered or caused to be delivered to Seller each of the documents specified in Section 2.4(c) hereof.

ARTICLE VIII

TERMINATION AND AMENDMENT

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Closing as provided below:

(a) Purchaser and Seller may terminate this Agreement by mutual written consent at any time prior to the Closing;

(b) Purchaser may terminate this Agreement by giving written notice to Seller at any time prior to the Closing (A) in the event Seller has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, Purchaser has notified Seller of the breach, and the breach has continued without cure for a period of 10 days after the notice of breach or (B) if the Closing shall not have

occurred on or before April 28, 2006, solely by reason of the failure of any condition precedent under Section 7.1 above (unless the failure results primarily from Purchaser itself breaching any representation, warranty, or covenant contained in this Agreement); and

(c) Seller may terminate this Agreement by giving written notice to Purchaser at any time prior to the Closing (A) in the event Purchaser has breached any representation, warranty, or covenant contained in this Agreement in any material respect, Seller has notified Purchaser of the breach, and the breach has continued without cure for a period of 10 days after the notice of breach or (B) if the Closing shall not have occurred on or before April 28, 2006, solely by reason of the failure of any condition precedent under Section 7.2 above (unless the failure results primarily from Seller itself breaching any representation, warranty, or covenant contained in this Agreement).

Section 8.2 Effect of Termination. If any Party terminates this Agreement pursuant to Section 8.1 above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to the other Party (except for any Liability of any Party then in breach). Upon such termination, Purchaser shall, at Seller's option and direction, destroy or return to Seller all copies of Confidential Information.

Section 8.3 Amendment. This Agreement may be amended or modified at any time by Seller and Purchaser, but only by an instrument in writing signed by or on behalf of each of Seller and Purchaser.

Section 8.4 Extension; Waiver. At any time prior to the Closing, either party hereto may (i) extend the time for the performance of any of the obligations or acts of the other party, (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto, (iii) waive compliance with any of the agreements of the other party contained herein or (iv) waive any condition to its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed by or on behalf of such party. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between the parties, shall constitute a waiver of any such right, power or remedy.

ARTICLE IX

SURVIVAL; INDEMNIFICATION

Section 9.1 Survival Period. The representations and warranties of the parties contained in Articles III and IV hereof and in the Related Instruments (if any) shall survive the Closing until fifteen (15) months after the Closing Date, except with respect to the representations and warranties set forth in Sections 3.10 and 3.11 which shall survive until forty-five (45) days after the expiration of the applicable statute of limitations (with extensions) with respect to the matters addressed in such Sections, and

except with respect to the representations and warranties set for in Sections 3.1, 3.2, 3.7, 4.1, 4.2 and 4.8 which shall survive forever. The period of time a representation or warranty survives the Closing pursuant to the preceding sentence shall be the "Survival Period" with respect to such representation or warranty. The parties intend for the preceding two sentences to shorten any otherwise applicable statute of limitations and agree that, subject to the last sentence of this Section 9.1, no claims (other than claims of, or causes of Action arising from, fraud, intentional misrepresentation or deliberate and willful breach) may be brought based upon, directly or indirectly, any of the representations and warranties contained in this Agreement or in the Related Instruments after the Survival Period with respect to such representation and warranty. The covenants and agreements of the parties hereto contained herein shall survive in accordance with their respective terms. In the event notice of any claim for indemnification under Section 9.2(a)(i) or 9.2(b)(i) hereof shall have been given within the applicable Survival Period and such claim has not been finally resolved by the expiration of such Survival Period, the representations and warranties that are the subject of such claim shall survive the end of the Survival Period of such representations or warranties until such claim is finally resolved, but such representations and warranties shall only survive with respect to such asserted claim.

Section 9.2 Indemnification. Subject to the terms, conditions and limitations set forth in this Article IX, from and after the Closing:

(a) Seller and the Stockholders, jointly and severally, shall defend, indemnify and hold harmless Purchaser and its Affiliates and each of their respective directors, officers, equity holders, partners, employees, agents and representatives and their respective heirs, successors and assigns (collectively, the "Purchaser Indemnified Parties") from and against any loss, Liability, claim, damage or expense (including reasonable attorneys' fees and expenses) (collectively, "Losses") arising out of, in connection with, or otherwise with respect to: (i) any breach of, or inaccuracy in, any representation or warranty of Seller set forth in Article III hereof or any representation or warranty of Seller set forth in any of the Related Instruments or in the Closing certificate of Seller specified in Section 7.1(d) hereof, (ii) the failure to perform any covenant or agreement of Seller set forth in this Agreement or any covenant or agreement of Seller set forth in any of the Related Instruments, (iii) the Excluded Assets, (iv) the Excluded Liabilities, and (v) the allocation and distribution of Consideration pursuant to Section 2.3 hereto to Seller, its stockholders, its Affiliates or such other Persons to whom Consideration is distributed, in connection with the transactions contemplated by this Agreement.

(b) Purchaser shall defend, indemnify and hold harmless Seller and its Affiliates and each of their respective directors, officers, equity holders, partners, employees, agents and representatives and their respective heirs, successors and assigns (collectively, the "Seller Indemnified Parties") from and against any Losses arising out of, in connection with or otherwise with respect to: (i) any breach of, or inaccuracy in, any representation or warranty of Purchaser set forth in Article IV hereof or any representation or warranty of Purchaser in any of the Related Instruments or in the Closing certificate of Purchaser specified in Section 7.2(c) hereof, (ii) the failure to

perform any covenant or agreement of Purchaser set forth in this Agreement or any covenant or agreement of Purchaser set forth in any of the Related Instruments, (iii) the Assumed Liabilities, except to the extent Seller is obligated by Section 9.2(a) (without giving effect to Section 9.5) to indemnify Purchaser Indemnified Parties in connection with any such Loss, and (iv) the ownership, use, operation or maintenance of the Conveyed Assets by or on behalf of Purchaser from and after the Closing, or the sale of the Conveyed Assets by or on behalf of Purchaser from and after the Closing, in each case, except to the extent Seller is obligated by Section 9.2(a) (without giving effect to Section 9.5) to indemnify Purchaser Indemnified Parties in connection with any such Loss.

(c) The obligations of Seller and the Stockholders under Section 9.2(a) above and the obligations of Purchaser under Section 9.2(b) above shall not be affected by any Knowledge by any Indemnified Party at or prior to the Closing of any breach of or inaccuracy in any representation or warranty or by any waiver of Section 7.1(a) or 7.2(a) hereof, unless such Indemnified Party has breached Section 5.5 hereof.

Section 9.3 Indemnification Procedures.

(a) In order for a party (the "Indemnified Party") to be entitled to any indemnification provided for under this Article IX in respect of, arising out of or involving a claim made by any Person against the Indemnified Party (a "Third-Party Claim"), such Indemnified Party must notify the indemnifying party hereunder (the "Indemnifying Party") in writing of the Third-Party Claim promptly following receipt by such Indemnified Party of actual notice of the Third-Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, promptly following the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third-Party Claim other than those notices and documents separately addressed to the Indemnifying Party.

(b) If a Third-Party Claim is made against an Indemnified Party, the Indemnifying Party shall be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the Indemnifying Party; provided, however, that such counsel is not reasonably objected to by the Indemnified Party. Should the Indemnifying Party so elect to assume the defense of a Third-Party Claim, the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party shall control such defense. The Indemnifying Party shall be liable for the reasonable fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not assumed the defense thereof.

If the Indemnifying Party chooses to defend or prosecute a Third-Party Claim, all the Indemnified Parties shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the Indemnifying Party's reasonable request) the provision to the Indemnifying Party of records and information that are reasonably relevant to such Third-Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. If the Indemnifying Party assumes the defense of a Third-Party Claim, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (which consent shall not be unreasonably withheld). If the Indemnified Party assumes the defense of a Third-Party Claim, the Indemnifying Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld) unless such settlement, compromise or discharge of a Third-Party Claim by its terms obligates the Indemnifying Party to pay the full amount of the Liability in connection with such Third-Party Claim, releases the Indemnified Party completely in connection with such Third-Party Claim and would not otherwise adversely affect the Indemnified Party in any material respect.

Notwithstanding the two foregoing paragraphs, the Indemnifying Party shall not be entitled to assume the defense of any Third-Party Claim (and shall be liable for the reasonable fees and expenses of counsel incurred by the Indemnified Party in defending such Third-Party Claim) if the Third-Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the Indemnified Party, provided that in such event, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent which consent shall not be unreasonably withheld.

(c) In the event any Indemnified Party should have a claim against any Indemnifying Party under Section 9.2(a) or 9.2(b) above that does not involve a Third-Party Claim being asserted against or sought to be collected from such Indemnified Party, the Indemnified Party shall deliver notice of such claim with reasonable promptness to the Indemnifying Party. The failure by any Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any Liability that it may have to such Indemnified Party under Section 9.2(a) or 9.2(b) above, except to the extent that the Indemnifying Party has been actually prejudiced by such failure.

Section 9.4 Indemnification Limits; Payment.

(a) The maximum aggregate amount of Losses for which Seller and Stockholders shall jointly be liable under this Article IX arising out of any breach of, or inaccuracy in, any representation or warranty of Seller set forth in Article III hereof other than those set forth in Sections 3.1, 3.2 and 3.7 and the first sentence of Section 3.9(a) shall be equal to ***.

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(b) Seller and Stockholders shall not be liable for any Losses arising under this Article IX unless the aggregate amount of all Losses for which all Purchaser Indemnified Parties are otherwise entitled to pursuant to this Article exceeds $*** (the "Threshold Amount"), in which case the Indemnifying Parties shall be liable for Losses in excess of the Threshold Amount, subject to the limitation set forth in paragraph (a) above, if applicable.

(c) If an Indemnifying Party makes any payment under this Article IX in respect of any Losses, such Indemnifying Party shall be subrogated, to the extent of such payments, to the rights of the Indemnified Party against any third party with respect to such Losses; provided, however, that such Indemnifying Party shall not have any rights of subrogation with respect to: (1) any other party hereto or any of their respective Affiliates or their Affiliates' respective officers, directors, agents or employees; or (2) any contractual rights of the Indemnified Party, including, without limitation, rights under any insurance policies or other contractual rights to indemnification.

(d) Seller and each Stockholder has the option of ***.

Section 9.5 Exclusive Remedy. Each of the parties hereto agrees that the indemnification provisions of this Article IX are the sole and exclusive remedy of any party to this Agreement for a breach of any representation or warranty contained herein; provided, however, that no party hereto shall be deemed to have waived any right of recourse (whether a claim under this Article IX or otherwise) arising from fraud, intentional misrepresentation or deliberate and willful breach of any other party hereto.

Section 9.6 Right to Set-Off. Purchaser has the right to set-off any right to indemnification or monetary award under Article IX and Article X, respectively, against any amount that Seller is owed by Purchaser under Section 2.3 hereto. If the award is set-off against Common Stock owed to Seller, Purchaser shall be entitled to reduce the number of shares owed by an amount equal to the Common Stock Equivalent of the indemnified claim amount or monetary award.

ARTICLE X

DISPUTE RESOLUTION

Section 10.1 Arbitration. Any claim, dispute, or controversy of any nature arising out of or relating to this Agreement, including, without limitation, any Action or claim based on tort, contract or statute, or concerning the interpretation, effect, termination, validity, performance and/or breach of this Agreement (each, a "Dispute") between the parties shall be finally settled by binding arbitration conducted in the English language in accordance with the Rules of Commercial Arbitration of the American Arbitration Association ("AAA"). The arbitration shall be held in Irvine, California, if initiated by Seller, and shall be held in Princeton, New Jersey, if initiated by Purchaser.

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Unless otherwise agreed to by the parties, the arbitration shall be conducted by three (3) arbitrators who are knowledgeable in the subject matter at issue in the dispute. One (1) arbitrator will be selected by Seller, one (1) arbitrator will be selected by Purchaser, and the third arbitrator will be selected by mutual agreement of the two (2) arbitrators selected by the parties, provided that if a party fails to select an arbitrator within thirty (30) days of the request for arbitration, the arbitrator that was to be selected by such party shall be appointed in accordance with the rules of the AAA. During the period prior to the hearing, each party shall have the right to conduct up to two (2) depositions and to submit up to twenty (20) document requests to the other party. The arbitrators may proceed to an award, notwithstanding the failure of either party to participate in the proceedings. The arbitrators shall, within forty-five (45) calendar days after the conclusion of the arbitration hearing, issue a written award and statement of decision describing the essential findings and conclusions on which the award is based, including the calculation of any damages awarded. The arbitrators shall be authorized to award compensatory damages, but shall NOT be authorized to (i) award non-economic or punitive damages (except to the extent expressly permitted by this Agreement), or (ii) reform, modify or materially change this Agreement or any other agreements contemplated hereunder; provided, however, that the damage limitations described in part (i) of this sentence will not apply if such damages are statutorily imposed. The arbitrators also shall be authorized to grant any temporary, preliminary or permanent equitable remedy or relief that the arbitrators deem just and equitable and within the scope of this Agreement, including, without limitation, an injunction or order for specific performance. The award of the arbitrators shall be the sole and exclusive remedy of the parties. Judgment on the award rendered by the arbitrators may be enforced in any court having competent jurisdiction thereof, subject only to revocation on grounds of fraud or clear bias on the part of the arbitrators. Notwithstanding anything contained in this Section 10.1 to the contrary, each party shall have the right to institute judicial proceedings against the other party or anyone acting by, through or under such other party, in order to enforce the instituting party's rights hereunder through specific performance, injunction or similar equitable relief.

Section 10.2 Administration. Each party shall bear its own attorneys' fees, costs, and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the arbitrators; provided, however, that the arbitrators shall be authorized to determine whether a party is the prevailing party, and if so, to award to that prevailing party reimbursement for its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, photocopy charges and travel expenses), and/or the fees and costs of the arbitrators. Absent the filing of an application to correct or vacate the arbitration award (if permitted by AAA rules), each party shall fully perform and satisfy the arbitration award within fifteen (15) days of the service of the award.

Section 10.3 Waivers. By agreeing to the binding arbitration provision in Section 10.1 above, the parties understand that they are waiving certain rights and protections which may otherwise be available if a Dispute between the parties were determined by litigation in court, including, without limitation, the right to seek or obtain

certain types of damages precluded by this provision, the right to a jury trial, certain rights of appeal, and a right to invoke formal rules of procedure and evidence.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. Any notices or other communications required or permitted under, or otherwise in connection with, this Agreement or the Related Instruments shall be given in writing and shall be deemed to have been duly given (i) when delivered in person, (ii) upon confirmation of receipt when transmitted by facsimile transmission (but only if followed by transmittal by internationally recognized overnight courier (providing proof of delivery) or hand, (iii) on receipt after being sent, postage prepaid, by registered or certified mail, or (iv) when delivered if transmitted by internationally recognized overnight courier (providing proof of delivery), in each case as follows (or to such other address which has been delivered in accordance with this Section 11.1):

(a) if to Seller or Stockholders, to:

Targent, Inc.
181 Cherry Valley Road
Princeton, NJ 08540
Telephone: (609) 683-9322 x22
Facsimile: (609) 683-7524
Attention: Robert F. Johnston

with a copy (which shall not constitute notice) to:

Drinker Biddle & Reath LLP
105 College Road East
Princeton, NJ 08542
Telephone: (609) 716-6504
Facsimile: (609) 799-7000
Attention: John E. Stoddard III, Esq.

(b) if to Purchaser, to:

Spectrum Pharmaceuticals, Inc.
157 Technology Drive
Irvine, California 92618
Telephone: (949) 788-6700
Facsimile: (949) 788-6706
Attention: William N. Pedranti, Esq.

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626-1925
Telephone: (714) 540-1235
Facsimile: (714) 755-8290
Attention: Gavin Stuttard, Esq.

Section 11.2 Distribution of Consideration. Seller acknowledges it is solely responsible for determining the distribution of Consideration to be paid by Purchaser pursuant to Section 2.3 hereto, and agrees that Purchaser shall have no Liability relating to such distributions or arising from the distribution of Consideration or any portion thereof in accordance with Seller's directions. All disputes among Seller, its stockholders, its Affiliates or such other Persons to whom Consideration is distributed to, or any of them, relating to the distribution of Consideration shall be resolved between such parties without the involvement of Purchaser or any of its Affiliates.

Section 11.3 Seller's Representative. Seller by executing this Agreement hereby irrevocably constitutes and appoints Robert F. Johnston as the Seller's Representative, with full power and authority to act in the name of and for and on behalf of Seller with respect to all matters arising in connection with, or related to, this agreement and the transactions contemplated hereby and thereby. Seller's Representative is hereby appointed (i) the agent and true and lawful attorneys-in-fact of Seller, with full power of substitution, and with full capacity and authority in his sole discretion, to act in the name of and for and on behalf of Seller in connection with all matters arising out of, resulting from, contemplated by or related or incident to this Agreement, and (ii) the agents for service of process for Seller, and Seller hereby irrevocably consents to the service of any and all process in any action or proceeding arising out of or relating to this Agreement by the delivery of such process to the Seller's Representative. Without limiting the generality of the foregoing, the power of the Seller's Representative shall include the power to represent Seller with respect to all aspects of this Agreement, which power shall include, without limitation, the power to (i) waive any and all conditions of this Agreement, (ii) amend this Agreement and any agreement executed in connection herewith in any respect, (iii) bring, assert, defend, negotiate or settle any claims or actions for indemnity pursuant to Article IX hereof, (iv) retain legal counsel or accountants, (v) receive notices or other communications, (vi) deliver any notices, certificates or other documents required, (vii) determine the distribution of Consideration pursuant to Section 2.3 hereto, and (viii) take all such other action and to do all such other things as the Seller's Representative deems necessary, appropriate, desirable or advisable with respect to this Agreement. Purchaser shall have the absolute right and authority to rely upon the acts taken or omitted to be taken by the Seller's Representative on behalf of Seller, and Purchaser shall have no duty to inquire as to the acts and omissions of the Seller's Representative. Seller hereby acknowledges and agrees that (i) all deliveries by Purchaser, including, without limitation, any payment, to the Sellers' Representative shall be deemed deliveries to the Seller, (ii) Purchaser shall not have any liability with respect

to any aspect of the distribution or communication of such deliveries between the Seller's Representative and Seller and (iii) any disclosure made to the Seller's Representative by or on behalf of Purchaser shall be deemed to be a disclosure made to Seller. Seller shall indemnify Purchaser for any damages suffered, including, but not limited to, attorneys' fees and other costs, as a result of Purchaser's good faith reliance on the acts or omissions of the Seller's Representative. Seller hereby agrees that any payment made by or on behalf of Purchaser to the Seller's Representative on Seller's behalf shall be deemed a direct payment to Seller, and Seller shall have no recourse to Purchaser in the event that such payment is not delivered to Seller by the Seller's Representative for any reason. In the event such Seller's Representative refuses to, or is no longer capable of, serving as the Seller's Representative hereunder, Seller shall promptly appoint a successor Seller's Representative, who shall thereafter be successor Seller's Representative hereunder, and the Seller's Representative shall serve until such successor is duly appointed and qualified to act hereunder.

Section 11.4 Descriptive Headings. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 11.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party.

Section 11.6 Entire Agreement. This Agreement, the Exhibits and Schedules hereto and the Related Instruments constitute the entire agreement of the parties hereto, and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

Section 11.7 Fees and Expenses. Except as set forth in this Agreement or in any Related Instrument, regardless of whether or not the transactions contemplated by this Agreement are consummated, each party shall bear its own fees and expenses incurred in connection with this Agreement and the Related Instruments and the transactions contemplated hereby and thereby.

Section 11.8 Governing Law. This Agreement and any claim arising from or in connection with this Agreement shall be governed by and construed in accordance with the domestic laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.

Section 11.9 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other

party; provided, however, that Purchaser may, without consent of Seller, (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates, (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases Purchaser nonetheless shall remain responsible for the performance of all of its obligations hereunder) and (iii) transfer and assign its rights and obligations, in whole or in part, in connection with (a) the purchase of all or substantially all of the Conveyed Assets or (b) the acquisition of 50% or more of the total voting power of Purchaser by any Person. Any attempt to assign this Agreement, except as provided in this Section 11.9, shall be null and void.

Section 11.10 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the parties and their respective successors and permitted assigns.

Section 11.11 Interpretation. In the event an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 11.12 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the parties shall negotiate in good faith with a view to the substitution therefor of a suitable and equitable solution in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid provision; provided, however, that the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by Law.

Section 11.13 Specific Performance. Each of the parties acknowledges and agrees that the other party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the parties agrees that the other party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any Action instituted in accordance with Article X above, in addition to any other remedy to which it may be entitled, at law or in equity.

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the date first written above.

SPECTRUM PHARMACEUTICALS, INC.

By: /s/ Rajesh C. Shrotriya
Name: Rajesh C. Shrotriya, M.D.
Title: Chairman, CEO and President

TARGENT INC.

By: /s/ Patrick Maguire
Name: Patrick Maguire
Title: President and CEO

STOCKHOLDERS:

PATRICK MAGUIRE

By: /s/ Patrick Maguire
Name: Patrick Maguire

ROBERT F. JOHNSTON

By: /s/ Robert F. Johnston
Name: Robert F. Johnston

LYNN D. JOHNSTON

By: /s/ Lynn D. Johnston
Name: Lynn D. Johnston

HEPHAESTOS II TRUST

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

11/6/78 TRUST FBO WILLIAM M. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

11/6/78 TRUST FBO BRADFORD D. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

11/6/78 TRUST FBO ALEXANDRA F. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

WILLIAM M. JOHNSTON GST DATED 6/1/04

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ John Williams
Name: John Williams, Co-Trustee

BRADFORD D. JOHNSTON GST DATED 1/29/02

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ John Williams
Name: John Williams, Co-Trustee

ALEXANDRA F. JOHNSTON GST DATED 2/25/04

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ John Williams
Name: John Williams, Co-Trustee

7/15/99 TRUST AGREEMENT OF WILLIAM M. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ William Johnston
Name: William Johnston, Co-Trustee

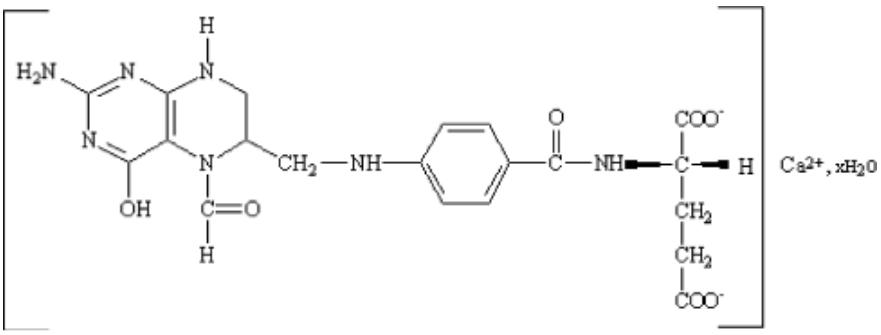
Exhibit G
Description of Products

1. L- Leucovorin (L-calcium folinate, "LFA") is the drug used primarily as a rescue drug following chemotherapy with methotrexate or given with 5-fluorouracil in the treatment of solid tumors, notably colorectal cancers.

CAS Registry Number: 1492-18-8

Molecular Formula: $C_{20}H_{21}CaN_7O_7$, xH_2O

Molecular Weight: 511.5g (anhydrous)
Chemical Structure:



2. ***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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EXHIBIT 10.1

Confidential treatment has been requested for portions of this Exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated by ***. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

DEVELOPMENT AND MARKETING AGREEMENT

This Development and Marketing Agreement (this "Agreement") is hereby entered into and effective as of February 22, 2006 (the "Effective Date") by and between Spectrum Pharmaceuticals, Inc. ("Spectrum"), a Delaware corporation, with offices located at 157 Technology Drive, Irvine, California 92618 and Par Pharmaceutical, Inc. ("Par"), a Delaware corporation with offices located at 300 Tice Boulevard, Woodcliff Lake, New Jersey 07677. Spectrum and Par shall each be defined as a "Party" and together as the "Parties" under this Agreement.

WHEREAS, Spectrum is engaged in the development of certain generic pharmaceutical products and desires Par to market, sell and distribute certain of Spectrum's products in the Territory;

WHEREAS, Par desires to market, sell and distribute certain of Spectrum's products in the Territory;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1. "**Act**" means the United States Federal Food, Drug and Cosmetic Act, as amended from time to time, and the rules, regulations and guidelines promulgated thereunder.

1.2. "**Affiliate(s)**" means a Person that Controls, is Controlled by or is under common Control with a Party.

1.3. "**ANDA**" means an Abbreviated New Drug Application pursuant to 21 U.S.C. 355(j) and 21 C.F.R. § 314.3.

1.4. "**API**" means an active pharmaceutical ingredient used in the manufacture of a Product.

1.5. "**Applicable Laws**" means all applicable laws, rules, regulations and guidelines that may apply to the development, manufacturing, exportation, importation, promotion, marketing, sale or distribution of the Products and/or the performance of a Party's obligations under this Agreement, to the extent applicable and relevant, and including specifically, but without limitation, all cGMP or similar standards or guidelines of the FDA and including trade association guidelines, where applicable, as well as U.S. export control laws and the U.S. Foreign Corrupt Practices Act.

1.6. "**cGMP**" means all applicable standards relating to manufacturing practices for fine chemicals, active pharmaceutical ingredients, intermediates, bulk products or finished pharmaceutical products, including the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 210 and 211.

1.7. "**Commercial Launch**" means, on a product-by-product basis, the first sale of such Product by Par, or its Affiliate, to an unaffiliated Third Party after such Product has received all necessary Regulatory Approvals.

1.8. "**Commercially Reasonable Efforts"** means with respect to each Party, efforts and commitment of resources in accordance with such Party's reasonable business, legal, medical, and scientific judgment that are consistent with the efforts and resources such Party would use for other products owned by it or to which it has exclusive rights, which are of similar market potential and at a similar stage in their life cycle, taking into account the competitiveness of the market place, the regulatory structure involved and other relevant factors.

1.9. "**Committee**" shall have the meaning set forth in Section 4.1.

1.10. "**Competing Product**" means any Drug Product, excluding the Products under this Agreement, which is a Therapeutic Equivalent of a Reference Listed Drug listed on Schedules 1.18, 1.19, 1.20 or 1.37.

1.11. "**Confidential Information**" means with respect to a Party (as the "Disclosing Party"), all non-public information of any kind whatsoever (including without limitation, data, compilations, formulae, models, patent disclosures, procedures, processes, projections, protocols, results of experimentation and testing, specifications, strategies, techniques and all non-public Intellectual Property Rights (defined below)), and all tangible and intangible embodiments thereof of any kind whatsoever (including without limitation, apparatus, compositions, documents, drawings, machinery, patent applications, records and reports), which is disclosed by the Disclosing Party to the other Party (as the "Receiving Party") and is acknowledged to be confidential at the time of such disclosure. Notwithstanding the foregoing, Confidential Information of a Disclosing Party shall not include information which the Receiving Party can establish by competent proof (a) to have been publicly known prior to disclosure of such information by the Disclosing Party to the Receiving Party, (b) to have become publicly known, without fault on the part of the Receiving Party, subsequent to disclosure of such information by the Disclosing Party to the Receiving Party, (c) to have been received by the Receiving Party free of an obligation of confidentiality from a source, other than the Disclosing Party, rightfully having possession of and the right to disclose such information free of an obligation of confidentiality, (d) to have been otherwise known by the Receiving Party prior to disclosure of such information by the Disclosing Party to the Receiving Party, or (e) to have been independently developed by employees or agents of the Receiving Party without the use of or access to Confidential Information of the Disclosing Party.

1.12. "**Control**" including, with correlative meaning, the terms "Controlled by" or "under common Control with" means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person, whether by the ownership of at least fifty percent (50%) of the voting interest of such Person (it being

understood that the direct or indirect ownership of a lesser percentage of such interest shall not necessarily preclude the existence of control), or by contract or otherwise.

1.13. "**Drug Product**" means a drug product as defined in 21 C.F.R. § 314.3 for administration to human subjects.

1.14. "**Development Costs and Expenses**" means the costs and expenses relating to all research and development for each Product for the Territory, including, without limitation, such costs and expenses related to materials (e.g., API), analytical testing (e.g., outside laboratory expenses), process development costs, pre-clinical and clinical costs, bioequivalence or bioavailability testing, exhibit batch and validation costs, processing and conversion costs of materials required for regulatory filings but excluding, costs and expenses associated with legal due diligence, litigation, and ANDA submissions and prosecutions.

1.15. "**Direct Cost**" means (i) in the event a Party is manufacturing a Product, the direct costs actually incurred for the manufacturing, Labeling and Packaging of the Product including the cost of all API and excipient raw material ingredients, packaging components, and direct labor, including quality control and assurance testing that are a necessary part of manufacturing or (ii) in the event a Third Party is manufacturing a Product, the out-of-pocket expenses actually paid by such Party to a Third Party for Product. Direct Costs shall not include any Development Costs and Expenses or any allocations for overhead (except as set forth in the preceding sentence), depreciation, idle or excess capacity, or other indirect costs.

1.16. "**Generic Products**" means collectively the Group A Generic Products, the Group B Generic Products and the Group C Generic Products.

1.17. "**Governmental Authority**" means any foreign, domestic, federal, territorial, state or local governmental authority, quasi-governmental authority, instrumentality, court, government or self-regulatory organization, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing.

1.18. "**Group A Generic Products**" means the Drug Products that are Therapeutically Equivalent to the Reference Listed Drugs listed on Schedule 1.18 attached hereto including all listed dosage strengths and Packaging forms thereof and for which Par is under no conflicting or prohibiting contractual obligations. *** The Parties acknowledge that Par is restricted from commercialization of the Cipro Tablet Products listed on Schedule 1.18 until March 11, 2006.

1.19. "**Group B Generic Products**" means the Drug Products that are Therapeutically Equivalent to the Reference Listed Drugs listed on Schedule 1.19 attached hereto including all listed dosage strengths and Packaging forms thereof. The Parties acknowledge that Par is restricted from commercializing the Paraplatin Products listed on Schedule 1.19 until Spectrum's agreement with Cura Pharmaceutical Company, Inc. ("Cura") has been amended to become a non-exclusive agreement. Spectrum shall promptly notify Par when such agreement has been

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amended. After Spectrum notifies Par, the Paraplatin Products will be considered a Group B Generic Product and notwithstanding anything in the Agreement to the contrary, Par shall have semi-exclusive rights to Carboplatin (i.e. only Cura and Par shall have the right to market Spectrum's Paraplatin Products), and everywhere in this Agreement where it refers to exclusive rights to the Products, there shall only be semi-exclusive rights for the Paraplatin Products. ***

1.20. "**Group C Generic Products**" means the Drug Products that are Therapeutically Equivalent to the Reference Listed Drugs listed on Schedule 1.20 attached hereto including all listed dosage strengths and Packaging forms thereof.

1.21. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.22. "**First-to-File Opportunity**" means an opportunity to license or purchase the right to market, distribute, sell or have sold a Competing Product under a first filed ANDA pursuant 21 U.S.C. § 355(j)(2)(vii)(IV) against a Reference Listed Drug.

1.23. "**Intellectual Property** " means without limitation all of the following: (i) patent applications, continuation applications, continuation in part applications, divisional applications, any foreign patent applications corresponding to any of the foregoing, and any patents that may grant or may have been granted on any of the foregoing, including without limitation reissues, re-examinations and extensions thereof; (ii) all know-how, trade secrets, inventions (whether patentable or otherwise), data, processes, techniques, procedures, compositions, devices, methods, formulas, protocols and information, whether patentable or not; (iii) copyrightable works, copyrights and applications, registrations and renewals; (iv) logos, trademarks, service marks, and all applications and registrations relating thereto; (v) other proprietary rights; and (vi) copies and tangible embodiments of any one or more of the foregoing.

1.24. "**Label**," "**Labeled**" or "**Labeling**" means all labels and other written, printed or graphic matter, (i) upon the Product or any container or wrapper utilized with the Product, or (ii) accompanying the Product, including without limitation, package inserts, which in either case may be subject to FDA review.

1.25. "**Marketing Fee**" means the dollar amount equal to *** percent (***%) of Net Sales.

1.26. "**Material Adverse Event**" means an event, change or occurrence that has or would reasonably likely cause a material adverse effect on the financial position, business, properties, operations or assets of Spectrum.

1.27. "**NDA**" means a new drug application filed with the FDA pursuant to and under 21 U.S.C. § 355(b) of the Act, together with the FDA's implementing rules and regulations.

1.28. "**Net Profit**" means the Net Sales of each Product less ***

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1.29. "**Net Sales**" means the dollar amount determined by deducting from the gross amount invoiced for the Product sold by Par, or by an Affiliate of Par, or by a permitted sub-licensee, as the case may be, in the Territory the following to the extent they relate directly to the sale of the Products by Par: (i) all applicable sales credits accrued in accordance with accounting principles generally accepted in the United States, (ii) payments or rebates incurred pursuant to federal, state and local government assistance programs, whether in existence now or enacted at any time hereafter, (iii) costs for transit insurance, freight, handling or other transportation, (iv) customs duty, sales, use or excise taxes, and (v) the write-off of any bad debt. Sales credits accrued in accordance with accounting principles generally accepted in the United States include credits or discounts related to the following: (i) customer returns, returned goods allowances, billing and shipping errors, rejected goods and damaged goods, (ii) cash or terms discounts, (iii) customer rebate programs, (iv) chargebacks and administration fees or similar credits or payments granted to customers pursuant to contract or other purchases, (v) sales promotions, trade show discounts and stocking allowances, (vi) price adjustments, including those on customer inventories following price changes, and (vii) Product recall.

1.30. "**Packaging**" means all primary containers, including bottles, cartons, shipping cases or any other like matter used in packaging or accompanying the Product.

1.31. "**Person**" means an individual, corporation, partnership, limited liability company, firm, association, joint venture, estate, trust, governmental or administrative body or agency, or any other entity.

1.32. "**Proceedings**" means, without limitation, governmental, judicial, administrative or adversarial proceedings (public or private), litigation, suits, arbitration, disputes, claims, causes of action or investigations.

1.33. "**Products**" means both Generic Products and the Sumatriptan Products.

1.34. "**Product Specifications**" means the specification for each Product as approved in the Regulatory Approval for such Product, including (as applicable) statements of pharmaceutical manufacturing, labeling, filling, packaging, storage and quality control procedures, and Labeling and Packaging specifications (as such may be revised from time to time in accordance with Applicable Law) together with any additional specifications that may be agreed to between the Parties.

1.35. "**Reference Listed Drug**" shall have the meaning set forth at 21 C.F.R § 314.3.

1.36. "**Regulatory Approvals**" means, with respect to each Product, any approvals, product and/or establishment licenses, registrations, permits or authorizations, including without limitation approvals under ANDAs which are necessary for the commercial manufacture, use, storage, importation, transport, promotion, pricing, distribution or sale of each Product in the Territory or other applicable locations.

1.37. "**Sumatriptan Products**" means all dosage and/or Packaging forms of the Drug Products listed on Schedule 1.37 that are Therapeutically Equivalent to the Reference Listed Drug Imitrex (sumatriptan) ***

1.38. "**Territory**" means the United States, its territories, possessions, protectorates and the Commonwealth of Puerto Rico.

1.39. "**Therapeutic Equivalent**" including, with correlative meaning, the term "Therapeutically Equivalent" shall have the meaning given to it by the FDA in the edition of the "Approved Drug Products with Therapeutic Equivalence Evaluations" which was current as of the Effective Date (the "Orange Book").

1.40. **"Third Party"** or **"Third Parties"** shall mean any Person or entity other than a Party or its Affiliates

1.41. "**Transfer Price**" means the dollar amount equal to the Direct Cost for each Product.

ARTICLE 2. DEVELOPMENT

2.1. **General Development Obligations**. Spectrum shall use Commercially Reasonable Efforts to develop each Product, for all applicable dosage strengths and Packaging forms listed on Schedules 1.18, 1.19, 1.20 and 1.37. For future products, it is the intent of both Parties for Spectrum to develop all approved dosage strengths and Packaging forms, however, the Committee shall decide which dosage strengths and Packaging forms will be developed. Spectrum's development responsibilities shall include, without limitation, the following:

2.1.1. Spectrum shall develop a stable final dosage form of each Product, which does not infringe any Third Party Intellectual Property that shall be Therapeutically Equivalent to the corresponding Reference Listed Drug. ***

2.1.2. Spectrum shall manufacture, or ensure that a Third Party manufactures, all supplies of the Products required for Regulatory Approval in facilities that meet the Applicable Laws.

2.1.3. Spectrum shall be responsible for, and maintain, materials, facilities and personnel reasonably necessary to fulfill its obligations under this Agreement.

2.1.4. Spectrum shall keep Par informed of the progress of the development of the Products and shall cooperate with Par and its legal counsel in assessing and avoiding infringement of Third Party Intellectual Property ***, including, but not limited to, providing Par and its legal

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counsel with proposed and final formulations, results of all testing and analytical studies, API processing and synthesis information, manufacturing processes and access to Spectrum's technical personnel involved in the development of a Product.

2.1.5. Spectrum shall conduct all reasonable testing and analytical studies required by the FDA to support an ANDA for each Product as applicable.

2.2. **Development Compliance**. Spectrum shall comply with, and shall require compliance by its Third Party contractors with, all Applicable Laws in the conduct of all activities associated with the development and manufacture of the Products including all associated analytical methods and cGMP requirements.

2.3. **Development Costs and Expenses**. Spectrum shall be responsible for all Development Costs and Expenses for each Product, including any bioequivalence or bioavailability studies that are needed for the filing and approval of an ANDA for a Product. In the event Spectrum requests that Par reasonably assist in the development of any Product, Spectrum shall reimburse Par for all of its reasonable costs and expenses associated with such assistance that are approved in writing in advance by Spectrum.

2.4. **Future Products.** The Parties desire that their collaboration with respect to the development and commercialization of generic pharmaceutical products be extended to additional brand name products and generic products in addition to the Products. In view of that desire, the Parties shall work together to develop additional products over a mutually acceptable period of time.

2.4.1. From time to time during the term of this Agreement either Party may nominate additional product for collaboration through the Committee, which the other Party shall duly consider.

2.4.2. The Parties agree to either incorporate any additional products into this Agreement through amendment or to negotiate in good faith a new agreement. With respect to additional generic products, such an agreement shall be on substantially similar terms and with substantially similar financial terms as those relating to the Generic Products and/or Sumatriptan Products, as applicable, set forth in this Agreement, with the understanding that such terms and conditions may be different from those described herein.

2.4.3. Any information or materials shared by either Party during the course of any discussions or negotiations relating to the collaboration on any additional products shall be deemed Confidential Information and subject to Article 10 of this Agreement.

ARTICLE 3. REGULATORY

3.1. **ANDA Ownership**. The ANDA for each Product shall be owned exclusively by

Spectrum. Spectrum shall maintain all Regulatory Approvals during the term of this Agreement.

3.2. ANDA Prosecution.

3.2.1. The Parties acknowledge that Spectrum has filed a number of ANDAs for the Products prior to the Effective Date and with respect to such Products Spectrum shall diligently continue to pursue Regulatory Approval of such Product.

3.2.2. With respect to the Products not covered under Section 3.2.1, Spectrum shall use Commercially Reasonable Efforts to file ANDAs for such Products as soon as possible and shall thereafter continue to diligently pursue Regulatory Approval.

3.2.3. Par shall be provided with the opportunity to review and comment on all future material submissions to the FDA, including any ANDAs, relating to the Products.

3.2.4. Spectrum will provide copies of all material information related to the Products in its possession or control and all submissions made to the FDA related to the Products, including any accompanying material data, to Par upon Par's request. Notwithstanding the foregoing, regarding Third Party information, Spectrum shall use Commercially Reasonable Efforts to obtain consent from such Third Parties to provide such information to Par. For future agreements with Third Parties regarding Products, Spectrum shall use Commercially Reasonable Efforts to negotiate a three-way CDA with Spectrum, Par and the Third Party to allow Spectrum to share the Third Party's confidential information with Par.

3.3. **Expenses**. Spectrum shall bear all costs and expenses associated with gaining and maintaining Regulatory Approval for each Product.

3.4. **Progress Updates**. Spectrum shall keep Par informed of the progress of the prosecution of each ANDA, including providing good faith projections of the approximate time at which approval of the ANDA may be expected and providing notice of any negative communications from the FDA which could affect approval timing or otherwise affect the supply of Product.

ARTICLE 4. COLLABORATION COMMITTEE

4.1. **Establishment of the Committee**. The Parties each hereby agree to work together in good faith in the collaboration under this Agreement and to keep each other reasonably informed of its activities under this Agreement. Additionally, and in support of the foregoing, promptly after the Effective Date, the Parties will form a committee comprised of six (6) people in total to facilitate communication between the Parties and to administer the collaboration (the "Committee"). Each Party shall have equal representation in the Committee. Each Party shall have the right from time to time to substitute new members, on a permanent or temporary basis, for any of its previously designated members of the Committee. Each Party

shall bear its own costs associated with participation in the Committee.

4.2. **Purpose and Responsibilities of the Collaboration Committee**. The Committee shall generally oversee the development and the commercialization of the Products and facilitate communication between the Parties, including as follows:

4.2.1. The Committee shall coordinate the exchange of information, technology and know-how as applicable to the collaboration;

4.2.2. The Committee shall establish approximate timelines for the development of the Products including timing of bioequivalence or bioavailability studies and the filing of the ANDAs;

4.2.3. The Committee shall establish approximate timelines associated with the commercialization of the Products including the timing of supply and manufacturing commitments, the timing of the Commercial Launch, and marketing of the Products such as achieving certain sales targets;

4.2.4. The Committee shall oversee the development of each formulation and the associated legal assessments including those of risks associated with Third Party Intellectual Property;

4.2.5. The Committee shall facilitate communication regarding, and resolution of, any disputes between the Parties;

4.2.6. The Committee shall also address such other matters as are referred to the Committee from time to time by mutual agreement of the Parties;

4.2.7. The Committee shall discuss and the Parties shall mutually agree to add new products as set forth in Section 2.4;

4.2.8. The Committee shall discuss and the Parties shall mutually agree to add new dosage strengths and Packaging forms for the Products to the appropriate Schedule; and

4.2.9. The Committee shall discuss pricing of the Products, and in addition, Spectrum may request pricing information from a representative of Par on the Committee at any time.

4.3. **Decision-Making; Limitations on Authority**. Decisions of the Committee shall be made by unanimous agreement. In the event that unanimity is not achieved within the Committee, the matter will be referred to Par's and Spectrum's CEOs, who shall promptly meet and endeavor in good faith to resolve such matter in a timely manner. The Committee shall not have any authority to impose financial, cost or other obligations on either Party in excess of those expressly set forth in this Agreement, unless expressly consented to in writing by such Party.

4.4. **Collaboration Committee Meetings**. During the term of this Agreement, the Committee shall meet at least twice each calendar year or at such other frequency as the Committee determines. The Parties shall meet on a date and at a time and location determined by the Committee; the Parties anticipate alternating meetings between the Party's respective sites. Upon written notice by either Party to the other that a meeting is required or requested, a meeting will be held within thirty (30) calendar days of such notice on a date and time and at a location to be agreed upon by the Parties, or sooner if warranted by the circumstances. Notice requesting such a meeting shall include adequate information describing the activity to be reviewed. Any meetings of the Committee may be held in person at a location to be agreed to by the Parties, or by videoconference or teleconference. A reasonable number of additional representatives of either Party including outside consultants and legal counsel, subject to the other Party's reasonable consent, may attend meetings of the Committee in a non-voting capacity. At least one week prior to any meeting of the Committee, each Party shall provide the other with a proposed agenda of the matters to be discussed at such meeting. A Committee Chairperson shall be selected for a one-year term and shall alternate between designees of the Parties, commencing with a designee of Spectrum. Within thirty (30) days after each meeting, the Committee Chairperson will provide the Parties with a written report describing, in reasonable detail, a summary of the meeting and a summary of the results and progress to date, the issues requiring resolution and the agreed resolution of previously reported issues.

ARTICLE 5. COMMERCIALIZATION

5.1. **License Grant**. Spectrum hereby grants to Par an exclusive (even as to Spectrum) royalty-free, irrevocable license under its rights in and to the Regulatory Approvals and under its Intellectual Property rights associated with the Products to market, promote, distribute, sell and have sold the Products in the Territory. The foregoing license shall include the right for Par to grant sublicenses and appoint sub-contractors to market, distribute and sell the Products within the Territory on Par's behalf.

5.2. **Promotion, Marketing, Sales and Distribution Obligations**.

5.2.1. Par, at its sole expense, shall use Commercially Reasonable Efforts to launch, market, promote, distribute and sell the Products in the Territory consistent with Par's efforts in regards of the other generic products that it distributes, as applicable. Ultimate responsibility and decision-making control with regard to marketing and pricing of the Products shall belong solely to Par. Nothing in this Agreement shall require Par to sell any Product at a loss.

5.2.2. ***

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5.2.3. The label for the Products shall be a Par label in accordance with Par's customary practices and with the Applicable Law. However, Spectrum's name shall be included on the label in accordance with the Applicable Law.

5.3. **Launch Timing**. Subject to Par's evaluation of any legal issues, regulatory issues, and any supply problems not resulting from a breach of Par's supply obligations under this Agreement (a "Launch Problem"), the Commercial Launch of each Product shall take place no later than *** after receipt of the Regulatory Approvals necessary to sell, market and distribute such Product. The above notwithstanding, with regards to Products that have received Regulatory Approval prior to the Effective Date, or receive Regulatory Approval within one hundred and twenty (120) days of the Effective Date, the Parties agree to work together to set an appropriate time for the Commercial Launch of such Products. Nothing in this Section shall be construed as requiring Par to launch any Product it determines in good faith infringes any Third Party Intellectual Property or to sell any Product at a loss. In the event the Commercial Launch of a Product is delayed due to a Launch Problem, Par shall use Commercially Reasonable Efforts to resolve such Launch Problem, to the extent resolvable, and go forward with the Commercial Launch as soon as reasonably practical.

5.4. **Exclusivity**. Spectrum agrees that during the term of this Agreement it will develop the Products in the Territory solely for Par's marketing, promotion, sale and distribution in the Territory and will not sell, have sold, manufacture or have manufactured any Product or any Competing Product for purposes of use, distribution or sale in the Territory or license or enter an agreement with any Third Party to do any of the foregoing. Par agrees during the term of this Agreement (i) to source the development of the Products solely and exclusively from Spectrum, (ii) to manufacture or have manufactured, market, promote, sell and distribute the Products solely and exclusively in accordance with this Agreement, and (ii) not to develop, manufacture or have manufactured, market, promote, sell or distribute a Competing Product.

5.5. **Adverse Event Reporting**.

5.5.1. Serious Adverse Events (defined below) for the Products of which either Party becomes aware shall be submitted by such Party to the other Party within three (3) business days but no later than five (5) calendar days after the date the first-mentioned Party first became aware of such Serious Adverse Event. Non-Serious Adverse Events (defined below) for the Products that are reported to one Party shall be submitted to the other Party no more than one (1) month from the date received by the first-mentioned Party.

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5.5.2. A “Serious Adverse Event” for the Products is defined as any untoward medical occurrence that at any dose for any of the Products (a) results in death, (b) is life-threatening, (c) requires inpatient hospitalization or prolongation of existing hospitalization, (d) results in persistent or significant disability/incapacity, (e) is a congenital anomaly/birth defect, (f) results in drug dependency or drug abuse, (g) causes cancer, or (h) results in an overdose. A “Non-Serious Adverse Event” for the Products is defined as an untoward medical occurrence at any dose for any of the Products that is not a Serious Adverse Event

5.6. **Recall**. In the event that either Party believes it may be necessary to conduct a recall, field correction, market withdrawal, stock recovery, or other similar action with respect to any Product which was sold under this Agreement (a “Recall”), Spectrum and Par shall promptly consult with each other as to how best to proceed; it being understood and agreed that the final decision as to any Recall of any Product shall be made by Par; provided, that neither Party be prohibited hereunder from taking any action that it is required to take by Applicable Law and respective national laws. The cost of any Recall of any Product occasioned or required as part of a general Recall of the products of either Party shall be borne by that Party. Any Recall required because of the breach of this Agreement by Spectrum, shall be at Spectrum’s sole expense. Any Recall required because of a negligent act or omission in the manufacture, handling, storage, marketing, promotion, sale or distribution of Product or other breach of this Agreement by Par shall be at Par’s sole expense.

5.7. **Marketing Compliance**. Par shall comply with, and shall require compliance by its Third Party contractors with, all Applicable Laws in the conduct of all activities associated with the marketing of the Products.

5.8. **Expenses**. Par shall bear all costs and expenses associated with marketing each Product.

ARTICLE 6. SUPPLY AND PURCHASE

6.1. **General Obligations with Regard to Subcontracting**. To the extent that either Party contracts with any Third Parties in relation to its obligations under this Agreement, such Party agrees to remain fully responsible to the other Party for such obligations and agrees that the terms of such agreements will be consistent with the pertinent terms herein, including without limitation, obligations regarding timing of Product delivery, sales, contractual restrictions regarding Competing Product competitive activities, inspections, audits, confidentiality obligations, and obligations of cooperation and communication of information.

6.2. **Commercial Supply Obligation**. Par shall be responsible for providing for the commercial supply of Product for its marketing efforts. Par shall be responsible for executing the necessary binding supply agreements with a Third Party or Third Parties that obligate such Third Party or Parties to supply Par with adequate amounts of finished Product and API in order for Par to carry out its obligations under Section 5.2. Par shall use Commercially Reasonable Efforts to negotiate supply of Products at a Transfer Price that allows Par to competitively

market the Products. At Par's request, Spectrum shall assist Par in finding such Third Parties and entering into such commercial supply agreements.

6.3. **Notice to Par.** During the term of this Agreement, both Parties shall (i) advise the other Party of any Governmental Authority visits to, or written inquiries about, any facilities or procedures for the manufacture, Packaging, storage, or handling of any Product within two (2) business days after notice of such visit or inquiry (or if no advance notice is given, then within three (3) business days after occurrence of such visit or inquiry), and (ii) furnish the other Party with copies of any report or correspondence issued by or provided to any Governmental Authority in connection with such visit or inquiry and reasonably related to the Product. Both Parties shall furnish notice and a summary of the interaction to the other Party within a reasonable time period after receipt of any such report or correspondence issued by or provided to the Governmental Authority in connection with such visit or inquiry. Both Parties shall permit the relevant Governmental Authorities to inspect its facilities and records in connection with the activities contemplated by this Agreement with assistance of the other Party where applicable under the same terms provided hereunder.

6.4. **Inspection by the Parties.** Each Party shall permit quality assurance representatives of the other Party to inspect the manufacturing, distribution and storage facilities and all books and records of this Party relating to the production of the Product at all times upon thirty (30) days prior written notice, during normal business hours and on a confidential basis; provided, however, that such inspections shall be limited to twice annually in the absence of a breach of this Agreement by the respective Party.

6.5. **Quality Control Agreement**. In the event Par enters into an intercompany quality agreement (whether as a separately executed agreement or as part of a commercial supply agreement) which will appropriately address regulatory, operational and quality obligations and responsibilities related to a Product (a "Quality Agreement"), Par shall give Spectrum a copy of such Quality Agreement.

6.6. **Product Representations, Warranties and Covenants**.

6.6.1. Par represents, warrants and covenants that:

6.6.1.1. The Products shall materially conform to the applicable Product Specifications and Quality Agreement, and Par shall not modify the Product Specifications in a way that requires FDA notice or consent, unless required by Applicable Law or in order to retain Regulatory Approvals, without the prior written approval of Spectrum, which approval shall not be unreasonably delayed or withheld.

6.6.1.2. The Products shall be manufactured, Labeled and Packaged in accordance with all Applicable Laws and applicable Regulatory Approvals and that all components of Products and the primary Packaging materials shall be supplied by bona fide suppliers meeting FDA requirements with regard to drug master files, certificates of analysis, and the like.

6.6.1.3. All Product shall be released for sale by Par in accordance with the applicable ANDA and all Applicable Laws.

6.6.1.4. Par will comply with all Applicable Laws and applicable Regulatory Approvals in handling, storage and distribution of the Products as well as in marketing, distribution, promoting and selling the Products.

6.6.1.5. Par will continuously market, promote, distribute and sell the Products to the extent required by this Agreement within the Territory.

6.6.1.6. PAR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 7. FINANCIAL PROVISIONS

7.1. **Net Profits**.

7.1.1. Net Profits for each Generic Product shall be split *** percent (***%) to Spectrum and *** percent (***%) to Par.

7.1.2. Net Profits for the Sumatriptan Products shall be split *** percent (***%) to Spectrum and *** percent (***%) to Par.

7.1.3. Par shall pay to Spectrum its share of Net Profits within *** (***) days of the end of each calendar quarter in which sales of such Product have been made by Par (a “Reporting Period”).

7.1.4. In the event that Net Profits is a negative amount for any Reporting Period, no payment or refund shall be due from Spectrum to Par, in respect thereof and the Net Profits with respect to the subsequent Reporting Period, shall be reduced by such negative amount for purposes of determining Spectrum’s share of the Net Profits for such subsequent Reporting Period**.**

7.2. **Milestone Payments**.

7.2.1. Par shall pay to Spectrum the amounts listed on Schedule 7.2.1 upon the FDA granting approval (tentative or otherwise) for marketing of each ***

7.2.2. ***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

7.2.3. Par's obligation to pay the above milestones for each *** shall be subject to Par entering into commercial supply agreements for API and finished Product, for such ***

7.2.4. All milestone payments due under this Section 7.2, shall be made by Par within *** of the date they become payable.

7.3. **Records and Audits**. Each Party shall have the right once per calendar year, at its own expense, during the term of this Agreement and for one (1) year thereafter, to have an independent public accountant, reasonably acceptable to the Party being audited, audit the relevant financial books and records of account of the other Party at normal business hours, upon reasonable demand, to determine or verify the amounts due and payable and/or any applicable costs and expenses hereunder. If errors of *** percent (***%) or more in the auditing Party's favor are discovered as a result of such audit, the Party being audited shall reimburse the auditing Party for the expense of such audit and pay the deficiency with interest immediately. As a condition to such examination, the independent public accountant selected by the auditing Party may not be hired on a contingency basis and shall execute a written agreement, reasonably satisfactory in form and substance to the Party being audited, to maintain in confidence all information obtained during the course of any such examination except for disclosure to the auditing Party as necessary for the above purpose.

7.4. **Equity Investment**. Subject to Spectrum's good faith assistance in Par's due diligence and Par not identifying a Material Adverse Event during such due diligence, at Spectrum's request at any time in the period twenty-four (24) months following the Effective date, Par shall purchase directly from Spectrum in a private placement transaction up to *** dollars ($***) worth of shares of Spectrum common stock at a purchase price equal to the fair market value of Spectrum's common stock. Prior to the transaction, the Parties shall in good faith negotiate the terms of the purchase agreement (and other associated documents) which shall include ***

7.5. **Characterization of Payments**. Each Party agrees that the payments made to Spectrum hereunder are not royalty payments.

ARTICLE 8. INTELLECTUAL PROPERTY

8.1. **General ownership**. Each Party shall own its own Intellectual Property consistent with U.S. patent, trademark, and copyright law. Each Party agrees to promptly and fully disclose any and all Intellectual Property relating to the Products to the other Party. In the event the Parties jointly develop Intellectual Property related to a Product then the Parties shall own such Intellectual Property.

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ARTICLE 9.LITIGATION

9.1. **Sumatriptan Litigation**.

9.1.1. ***

9.1.2. Par shall assume all expenses of the Sumatriptan Litigation incurred after the Effective Date, including those of Spectrum's current counsel to the extent relating directly to requested actions or assistance of Par or Par's designated counsel.

9.1.3. ***

9.1.4. ***

9.2. Except as to the Sumatriptan Litigation or any Proceeding subject to either Party's indemnification under Article 12, if, at any time on or after the Effective Date, any Party shall become aware of any Proceeding or threat of any Proceeding by a Third Party alleging that the manufacture, use or sale of the Products in the Territory infringes the Intellectual Property rights of any Third Party or otherwise seeking to prevent, or seek damages in relation to, the marketing of the Product in the Territory (including any product liability claims), then the Party having such knowledge shall give notice thereof to the other Party as soon as reasonably practicable. If, at any time on or after the Effective Date, any Party shall become aware of any Proceeding or threat of any Proceeding by a Third Party or a Governmental Authority related to any Regulatory Approval (including any citizen's petitions to the FDA), then the Party having such knowledge shall give notice thereof to the other Party as soon as reasonably practicable.

9.3. ***

9.3.1. ***

ARTICLE 10. CONFIDENTIALITY

10.1. The terms of that certain Confidentiality Agreement by and between the Parties, dated January 12, 2005 (the "Confidentiality Agreement") (to the extent such Confidentiality Agreement is not inconsistent to this Agreement) shall be in addition to the provisions of this Article 10.

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10.2. Neither Party shall disclose to any Third Party (other than its parent company which is to be advised in writing of the confidentiality obligations herein) any Confidential Information received by it hereunder or use any such Confidential Information for its own benefit (except as expressly set forth above) or that of any Third Party without the written consent of the Party that disclosed such Confidential Information. Each Party agrees to protect Confidential Information received from the other Party at least as well as it would its own proprietary and confidential information.

10.3. Each Party shall bind all persons having access through it to any Confidential Information to take no steps inconsistent with or preventing such Party from carrying out the terms of this Agreement. Each Party hereby represents to the other that the receiving Party will be responsible for the acts of any officer and/or employee receiving the Confidential Information.

10.4. Each Party, at the request of the other, shall return all Confidential Information disclosed to it hereunder, in whatever form contained, including all notes or memoranda made by its employees, agents, or representatives obtained or derived from any such Confidential Information, including any listing which identifies the documents which were provided, except that one copy of this Agreement may be retained at each Party's Office of Counsel, to maintain a record of the same.

ARTICLE 11. REPRESENTATIONS AND WARRANTIES

11.1. Spectrum here hereby represents and warrants that:

11.1.1. Spectrum is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

11.1.2. Spectrum has the power and authority to enter into and be bound by the terms and conditions of this Agreement and to perform its obligations hereunder;

11.1.3. Spectrum has taken all necessary action on its part to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered on behalf of Spectrum and constitutes a legal, valid, binding obligation, enforceable against Spectrum in accordance with its terms;

11.1.4. Spectrum is not, and shall not be during the term of this Agreement be, subject to any legal, contractual or other restrictions, limitations or conditions which conflict with its rights and obligations under this Agreement or which might affect adversely its ability to perform hereunder; and

11.1.5. Except as set forth in Schedule 11.1.5, Spectrum owns the Regulatory Approvals or any pending Regulatory Approvals related to the Products clear of all encumbrances and the marketing, licensing, sale,

import, manufacturing or importation of any Product will not subject Spectrum to any royalties or fees.

11.1.6. Spectrum's designated counsel on the Sumatriptan Litigation is not compensated on a contingency or incentive basis.

11.2. Par hereby represents and warrants that:

11.2.1. Par is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

11.2.2. Par has the power and authority to enter into and be bound by the terms and conditions of this Agreement and to perform its obligations hereunder;

11.2.3. Par has taken all necessary action on its part to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered on behalf of Par and constitutes a legal, valid, binding obligation, enforceable against Par in accordance with its terms; and,

11.2.4. Par is not, and shall not be during the term of this Agreement be, subject to any legal, contractual or other restrictions, limitations or conditions which conflict with its rights and obligations under this Agreement or which might affect adversely its ability to perform hereunder

11.2.5. Par by reason of its business or financial expertise, has the capacity to protect its own interests in connection with its acquisition of shares of the Spectrum common stock under Section 7.4 and Par is an "accredited investor" as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act").

11.2.6. Par represents, warrants and covenants that if it acquires the shares of Spectrum common stock under Section 7.4 it shall do so for its own account and not for the account or on behalf of others, and it shall do so with the intent of retaining the shares of Spectrum common stock for a period as an investment and without the present intent to redistribute the shares of Spectrum common stock.

11.2.7. Par acknowledges that (i) it must and shall bear the economic risk of holding the shares of Spectrum common stock for an indefinite period of time because at the time such shares are issued they will not have been registered under the Securities Act or any other securities law and, therefore, cannot be sold unless they are subsequently registered under applicable federal and state securities laws or an exemption from such registration is available; (ii) the shares may not be resold or transferred on the official stock transfer records of Spectrum without furnishing to

Spectrum an opinion of counsel reasonably acceptable to Spectrum that such sale or transfer of the shares will not violate the registration provisions of applicable federal and state securities laws; and (iii) certificates representing the shares shall have endorsed on them a restrictive legend to this effect.

ARTICLE 12. INDEMNIFICATION

12.1. **Par Indemnification**. Par shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold Spectrum, its officers, directors, employees and agents and Affiliates, and the successors and assigns of the foregoing ("Spectrum Indemnified Parties"), harmless from and against all expenses, damages, costs and liabilities of any kind whatsoever, including legal expenses and reasonable attorneys' fees as a result of a Third Party claim, suit, or cause of action (collectively, "Losses"), (i) arising out of any breach by Par of any representation, warranty or obligation of Par under this Agreement, (ii) by a failure of Par, or its Affiliates, to comply with all Applicable Laws during the term of this Agreement, or (iii) the negligence or willful misconduct of Par, except to the extent that such Losses arise solely out of the negligence or willful misconduct or illegal acts of Spectrum Indemnified Parties.

12.2. **Spectrum Indemnification**. Spectrum shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold Par, its officers, directors, employees and agents and Affiliates, and the successors and assigns of the foregoing ("Par Indemnified Parties"), harmless from any and all Losses (i) arising from the negligent or willful misconduct of Spectrum; or (ii) a breach of Spectrum's representations and warranties under this Agreement; all except to the extent such Losses arise solely out of the willful misconduct or negligence or illegal acts of Par Indemnified Parties.

12.3. **No-Fault Liability**. In the event either Party suffers Losses, for which such Party is not entitled to indemnification under Sections 12.1 or 12.2, arising from or based upon the death of, or bodily injury to, any person on account of the ingestion, injection or use of any Product, such Party may seek and shall be entitled to indemnification from the other Party for the percentage of such Losses equal to the other Party's share of Net Profits for such Product.

12.4. **Obligations of the Indemnified Party**. Each indemnified party under this Agreement shall give the indemnifying Party prompt written notice of any claim it receives. The indemnifying Party shall not be liable for attorneys' fees or expenses of litigation of the indemnified party unless the indemnified Party gives the indemnifying Party the opportunity to assume full control of the defense or settlement (subject to the paragraph below). In addition, if the indemnifying Party assumes such control, it shall only be responsible for the legal fees and litigation expenses of the attorneys it designates to assume control of the litigation.

12.5. **Settlement**. In no event shall the indemnified Party be entitled to settle any of the above-mentioned claims without the consent of the indemnifying Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the indemnifying Party shall not settle any claim without the indemnified Party's written consent, which shall not be

unreasonably withheld or delayed, unless such settlement is solely monetary. This Section shall not apply to any Proceeding contemplated under Article 9.

ARTICLE 13. LIMITATION OF LIABILITY

13.1. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCEPT WITH RESPECT TO A BREACH OF ARTICLE 10 (CONFIDENTIALITY) HEREOF AND EXCEPT WITH RESPECT TO THIRD PARTY CLAIMS PURSUANT TO THE INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE 12, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING FOR LOST PROFITS, OR LOSS OF OPPORTUNITY OR USE OF ANY KIND SUFFERED BY THE OTHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE.

ARTICLE 14. TERM AND TERMINATION

14.1. **Term**. Unless earlier terminated pursuant to this Article 14, the term of this Agreement shall continue in force and effect on Product by Product basis from the Effective Date until the date that is ten (10) years following the Commercial Launch of such Product. This Agreement may be renewed upon mutual written agreement on an annual basis thereafter.

14.2. **Termination for Breach**. Either Party may, on a Product by Product basis, terminate this Agreement or suspend performance under this Agreement upon written notice to the other Party at any time during the term of this Agreement if the other Party is in material breach of any material term of this Agreement and has not cured such material breach, if capable of cure, within *** (***) days after notice requesting cure of the breach, if not capable of cure, upon *** (***) days notice. In the event of a termination by Par of this Agreement as it relates to any Product due to a material breach by Spectrum, Spectrum shall transfer to Par, at no cost, the Regulatory Approvals (or pending Regulatory Approvals is the event an ANDA is not yet approved by the FDA) and shall retain its exclusive license under Section 5.1, for such Product.

14.3. **Termination by Mutual Consent**. This Agreement may be terminated as a whole or on a product-by-product basis by mutual written consent of both Parties.

14.4. **Unilateral Product Termination**. Prior to the filing of an ANDA for a Product, Spectrum shall have the unilateral right to terminate this Agreement as it applies to a specific Product upon *** (***) days notice to Par. In the event of such a termination by Spectrum, the exclusivity provisions set forth in Section 5.4 shall remain in effect for such terminated Product, solely as they apply to Spectrum, for a period of *** following a termination by Spectrum under this Section, provided, however, that Spectrum's obligations with regard to such ANDA shall terminate completely. Between the time period of the filing of an ANDA and approval of such ANDA for a Product, Spectrum shall have the unilateral right to terminate this Agreement as it applies to such Product upon *** (***) days notice to Par. In the event of such a termination by

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Spectrum, Spectrum's obligations with regard to such ANDA shall terminate completely and Spectrum shall, at no cost, transfer all information regarding the ANDA and all rights to the ANDA to Par to allow Par to seek Regulatory Approval for and market such Product. However, if Par does obtain Regulatory Approval for such Product, Par shall pay Spectrum the milestone payment for such Product as described in Sections 7.2.1 and 7.2.2.

14.5. **Termination for Lack of Regulatory Approval**. In the event that within *** following the Effective Date, or some other date as is agreed to by the Parties, Spectrum has failed to file an ANDA for a particular Product listed on Schedule 1.18, 1.19, 1.20 or 1.37 as of the Effective Date, Par may at its discretion terminate this Agreement with respect to such Product. In the event that within *** (or some other date as is agreed to by the Parties) following the date that the Parties, through the Committee, agree to develop a future Product not on Schedule 1.18, 1.19, 1.20 and 1.37 as of the Effective Date, Spectrum has failed to file an ANDA for such Product, Par may at its discretion terminate this Agreement with respect to such Product.

14.6. **Termination for Lack of Market Share**. In the event that within *** following Commercial Launch by Par of a ***, Par has been supplied by Spectrum with all its requested quantities of such Product in a timely manner and is unable to gain a (i) *** percent (***%) share of the total units sold in the Territory for the prior calendar quarter for a given ***, or (ii) *** percent (***%) share of the total units sold in the Territory for the prior calendar quarter for a given ***, Spectrum may change Par's exclusive license to market such Product under Section 5.1 to a non-exclusive license. All other obligations between the Parties with regard to such Product shall remain in force.

14.7. **Termination for a Par Acquisition**. In the event that after the Effective Date Par gains Control over a Third Party or otherwise purchases substantially all of a Third Party's assets or Drug Products (a "Par Acquisition"), Par may, at its discretion, on a Product-by-Product basis with respect to any Product pursue the development, marketing, manufacturing and selling of a corresponding Competing Product, if through such Par Acquisition, Par gains the right to develop, market, manufacture, sell or have sold a corresponding Competing Product. In the event Par so chooses, all of Par's obligations under this Agreement with respect to the corresponding Product shall cease and no longer be in effect and Spectrum may either (i) terminate this Agreement solely as it relates to such Product, or (ii) choose not to terminate this Agreement solely as it relates to such Product. If Spectrum chooses not to terminate this Agreement solely as it relates to such Product, Spectrum shall (a) continue to be bound to the exclusivity provisions of this Agreement set forth in Section 5.4**,** (b) reimburse Par, and Par shall invoice Spectrum, on a calendar *** basis, for *** percent (***%) of all costs and expenses incurred by Par the development, marketing, manufacturing and selling of a such Competing Product, including, legal fees and liabilities, payments, fees, milestones and royalties, and (c) receive from Par, on a calendar *** basis, *** percent (***%) of the consideration, including milestones, royalties, or a share of net profits or net sales, received by Par for the Competing Product.

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14.8. **First-to-File**. Notwithstanding anything to the contrary in this Agreement, Par shall be free to pursue, and enter into any agreement with a Third Party with respect to any First-to-File Opportunity (a "First-to-File Agreement"). In the event Par enters into a First-to-File Agreement all of Par's obligations under this Agreement with respect to the corresponding Product shall cease and no longer be in effect and Spectrum may either (i) terminate this Agreement solely as it relates to such Product, or (ii) choose not to terminate this Agreement solely as it relates to such Product. If Spectrum chooses not to terminate this Agreement solely as it relates to such Product, Spectrum shall (a) continue to be bound to the exclusivity provisions of this Agreement set forth in Section 5.4, (b) reimburse Par, and Par shall invoice Spectrum, on a calendar *** basis, for *** percent (***%) of all costs and expenses incurred by Par pursuant to such First-to-File Agreement, including, legal fees and liabilities, payments, fees, milestones and royalties, and (c) receive from Par, on a calendar *** basis, *** percent (***%) of all consideration received by Par pursuant to such First-to-File Agreement, including any royalty or share of net profits or net sales.

14.9. **Survival**. Articles 1, 8, 10, 12, 13, 14, 16 shall survive any expiration or termination of this Agreement. In addition, unless otherwise expressly set forth herein, no expiration or termination of this Agreement shall have any affect on any payment, obligation, representation or warranty under this Agreement accruing or arising prior to such expiration or termination.

ARTICLE 15. INSURANCE

15.1. Each Party shall maintain at all times during the term of this Agreement product liability coverage with an insurance company or companies having an A.M. Best rating of A — VII or better to cover its activities related to this Agreement. Each Party shall promptly deliver to the other a certificate evidencing such coverage. Additionally such insurance coverage shall be in place prior to the Commercial Launch and shall remain in full force for so long as any Product is being sold pursuant to this Agreement.

ARTICLE 16. MISCELLANEOUS

16.1. **Interpretation and Construction**. Unless the context of this Agreement otherwise requires, (i) the terms "include," "includes," or "including" shall be deemed to be followed by the words "without limitation" unless otherwise indicated; (ii) words using the singular or plural number also include the other; (ii) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Agreement; (iv) the terms "Article," "Section" and "Exhibit" refer to the specified Article, Section and Exhibit of this Agreement, and (v) words of any gender include each other gender . Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings and paragraph captions in this Agreement are for reference and convenience purposes only and shall not affect the meaning or interpretation of this Agreement. This Agreement shall not be interpreted or constructed in favor of or against either Party because of its effort in preparing it.

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16.2. **Independent Contractor Status**. It is understood and agreed that nothing in this Agreement or any agreements related hereto is intended to nor shall create a partnership between the Parties. The Parties hereto are independent contractors and are engaged in the operation of their own respective businesses, and neither Party hereto is to be considered the agent, partner, joint venturer or employee of the other Party for any purpose whatsoever and neither Party shall have any authority to enter into any contracts or assume any obligations for the other Party nor make any warranties or representations on behalf of that other Party.

16.3. **Waiver**. The waiver by either Party of a breach of any provisions contained herein shall be in writing and shall in no way be construed as a waiver of any succeeding breach of such provision or the waiver of the provision itself.

16.4. **Assignment**. This Agreement shall be binding upon and inure to the benefit of each of the Parties hereto and their respective successors and approved assigns, provided neither Party may assign this Agreement without the prior written consent of the other Party except that no consent shall be required if such assignment is in connection with a merger or sale of all or substantially all of the assets of the assigning Party.

16.5. **Modification**. This Agreement may not be changed, modified, amended or supplemented except by an express written instrument signed by both Parties.

16.6. **Severability**. If any provision of this Agreement shall be held illegal or unenforceable, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

16.7. **Further Assurances**. Each Party hereto agrees to execute, acknowledge and deliver such further instruments and documents, and to do all such other acts, as may be reasonably necessary or appropriate in order to carry out the purposes and intent of this Agreement.

16.8. **Use of Party's Name**. Except as to Labeling activities in connection with Section 5.2.3, no right, express or implied, is granted by this Agreement to either Party to use in any manner the name of the other or any other trade name or trademark of the other in connection with the performance of this Agreement.

16.9. **Notice and Reports**. All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be in writing and addressed to the address first set forth above with a copy to the legal department of the respective Party at the addresses set forth in the introductory paragraph to this agreement (or such other address as the Parties may designate by written notice in the manner aforesaid), and shall be deemed to be given when received if personally delivered; when transmitted if transmitted by telecopy, electronic or digital transmission method; the day after it is sent, if sent for next day delivery to a domestic address by recognized overnight delivery service (e.g., Federal Express); on the fourth day after it is sent, if sent for express delivery to a foreign address by recognized express delivery service (e.g. Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested.

16.10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of law. The Parties irrevocably agree that the federal district courts in the State of New York shall have exclusive jurisdiction to deal with any disputes arising out of or in connection with this Agreement and that, accordingly, any proceedings arising out of or in connection with this Agreement shall be brought in the U.S. District Court for the Southern District of New York. Notwithstanding the foregoing, if there is any dispute for which the federal district courts in the State of New York do not have subject matter jurisdiction, the state courts in New York shall have jurisdiction. In connection with any dispute arising out of or in connection with this Agreement, each Party hereby expressly consents and submits to the personal jurisdiction of the federal and state courts in the County, City and State of New York.

16.11. **Force Majeure**. A Party shall not be liable for nonperformance or delay in performance, except for defaulted obligations of payment, to the extent that such nonperformance or delay in performance is caused by any event reasonably beyond the control of such Party including, but not limited to wars, hostilities, revolutions, riots, civil commotion, national emergency, strikes, lockouts, unavailability of supplies, epidemics, fire, flood, earthquake, force of nature, explosion, terrorist act, embargo, or any other act of God, or any law, proclamation, regulation, ordinance, or other act or order of any court, government or governmental agency (each a "Force Majeure Event"). In the event of any such delay, the delayed Party may defer its performance for a period equal to the time of such delay, provided that the delayed Party gives the other Party written notice thereof promptly and, in any event, within thirty (30) calendar days of discovery thereof, and uses its good faith efforts to cure the excused breach.

16.12. **No Third Party Benefit**. This Agreement shall be binding upon and inure solely to the benefit of the Parties hereto, their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or Persons any right, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

16.13. **Entire Agreement**. This Agreement and any Schedules attached hereto and the Confidentiality Agreement, constitute the entire agreement between Spectrum and Par with respect to the Products and supersede all prior representations, understandings and agreements with respect to such Products. This Agreement and any Schedules attached hereto shall prevail over those of any purchase order, agreement, or other document or understanding any kind pertaining to such sale, except that to the extent there is a conflict between the standard shipping terms and this Agreement, the later shall control.

16.14. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall for all purposes are deemed to be an original and all of which shall constitute on instrument.

16.15. **Public Announcements**. Except as agreed to by the Parties, neither Party shall make any publicity releases, interviews or other dissemination of information concerning this Agreement or its terms, or either Party's performance hereunder, to communication media, financial analysts or others without the prior written approval of the other Party, which approval shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the

contrary in this Agreement, the Parties understand and agree that either Party, may, if so required, disclose some or all of the information included in this Agreement or other Confidential Information of the other Party (i) in order to comply with its obligations under the law, including the United States Securities Act of 1933, the United States Securities Exchange Act of 1934 ("SEC"), (ii) the listing standards or agreements of any national or international securities exchange or The NASDAQ Stock Market or other similar laws of a Governmental Authority, (iii) to respond to an inquiry of a Governmental Authority or regulatory authority as required by law, or (iv) in a judicial, administrative or arbitration proceeding. In any such event the Party making such disclosure shall (A) provide the other Party with as much advance notice as reasonably practicable of the required disclosure, (B) cooperate with the other Party in any attempt to prevent or limit the disclosure, and (C) limit any disclosure to the specific purpose at issue.

[Signature Page Follows]

[Signature Page to Development and Marketing Agreement]

IN WITNESS WHEREOF, the Parties hereto have executed this Development and Marketing Agreement to be effective as of the Effective Date.

SPECTRUM PHARMACEUTICALS, INC.

By: /s/ Rajesh C. Shrotriya, M.D.

Name: Rajesh C. Shrotriya, M.D.

Title: Chairman, CEO and President

PAR PHARMACEUTICAL, INC.

By: /s/ Scott L. Tarriff

Name: Scott L. Tarriff

Title: President and CEO

SCHEDULE 1.18

Group A Generic Products

NDA No.	Reference Listed Drug	Dosage Form; Route	Strength	Package Forms
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***

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SCHEDULE 1.19

Group B Generic Products

NDA No.	Reference Listed Drug	Dosage Form; Route	Strength	Package Form
019880	Paraplatin (carboplatin)	Injectable; Injection	10MG/ML	5ml multiple dose glass vial
019880	Paraplatin (carboplatin)	Injectable; Injection	10MG/ML	15ml fill in 20ml multiple dose glass vial
019880	Paraplatin (carboplatin)	Injectable; Injection	10MG/ML	45ml fill in 50ml multiple dose glass vial
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 1.20

Group C Generic Products

NDA No.	Reference Listed Drug	Dosage Form; Route	Strength	Package Form
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 1.37

Sumatriptan Products

NDA No.	Reference Listed Drug	Dosage Form; Route	Strength	Package Form
020080	Imitrex (sumatriptan succinate)	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 7.2.1

NDA No.	Reference Listed Drug	Dosage Form; Route	Strength	Milestone Amount
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 11.1.5

***

Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 10.2

VOTING AGREEMENT

BY AND AMONG
SPECTRUM PHARMACEUTICALS, INC.,

AND

CERTAIN STOCKHOLDERS OF TARGENT INC.

Dated as of March 17, 2006

VOTING AGREEMENT

This VOTING AGREEMENT (this "Agreement") is entered into as of March 17, 2006, by and among Spectrum Pharmaceuticals, Inc., a Delaware corporation ("Acquiror"), and the stockholders of Targent Inc., a Delaware corporation (the "Company") listed on Schedule A hereto (the "Stockholders").

W I T N E S S E T H:

WHEREAS, as of the date hereof, the Stockholders collectively "beneficially own" (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) and are entitled to dispose of (or to direct the disposition of) and to vote (or to direct the voting of) 932,000 shares of common stock, par value $0.001 per share (the "Common Stock"), of the Company, 20 shares of the Company's Class A Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock"), 260 shares of the Company's Class B Preferred Stock, par value $0.001 per share (the "Series B Preferred Stock"), 3,177,300 shares of the Company's Class C Preferred Stock, par value $0.001 per share (the "Series C Preferred Stock," and, together with the Series A Preferred Stock and Series B Preferred Stock, the "Preferred Stock"), warrants to purchase up to 449,246 shares of Common Stock (the "Common Stock Warrants"), warrants to purchase up to 139 shares of Series B Preferred stock (the "Series B Preferred Stock Warrants," and, together with the Common Stock Warrants, the "Warrants") and options to purchase up to 515,000 shares of Common Stock (the "Options") (such shares of Common Stock and Preferred Stock, together with any securities of the Company held by the Stockholders that are entitled to vote on a sale of assets by the Company, and any other shares of Common Stock, Preferred Stock or other securities of the Company the voting power over which is acquired by any Stockholder during the Voting Period (defined below), including, without limitation, any shares of Common Stock issuable upon conversion of Preferred Stock, or upon exercise of the Common Stock Warrants or Options, or any Series B Preferred Stock issuable upon exercise of the Series B Preferred Stock Warrants, are collectively referred to herein as the "Subject Shares");

WHEREAS, Acquiror and the Company propose to enter into an Asset Purchase Agreement, dated as of the date hereof (the "Asset Purchase Agreement"), pursuant to which Acquiror will acquire certain assets and liabilities of the Company (the "Asset Purchase"); and

WHEREAS, as a condition to the willingness of Acquiror to enter into the Asset Purchase Agreement, and as an inducement and in consideration therefor, Stockholders are executing this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.1 Capitalized Terms. For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Asset Purchase Agreement.

Section 1.2 Other Definitions. For purposes of this Agreement:

(a) "Affiliate" means, with respect to any specified Person, any Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. For purposes of this Agreement, with respect to the Stockholders, the term "Affiliate" shall not include the Company and the Persons that directly, or indirectly through one or more intermediaries, are controlled by the Company.

(b) "Person" means any individual, partnership, corporation, limited liability company, association, business, trust, government or political subdivision thereof, governmental agency or other entity.

(c) "Proposed Acquisition Transactions" means any sale of all or any portion of the Conveyed Assets or the Company's business (except in the ordinary course of business), or of any shares of capital stock of the Company, or any merger, consolidation, liquidation, dissolution or similar transaction involving the Company, to or with any Person or group, other than Acquiror and its Representatives.

(d) "Representative" means, with respect to any particular Person, any director, officer, employee, accountant, consultant, legal counsel, investment banker, advisor, agent or other representatives of such Person.

ARTICLE II.
VOTING AGREEMENT AND IRREVOCABLE PROXY

Section 2.1 Agreement to Vote the Subject Shares. Each Stockholder, in its capacity as such, hereby agrees that, during the period commencing on the date hereof and continuing until the termination of this Agreement (such period, the "Voting Period"), at any meeting (or any adjournment or postponement thereof) of the Company's stockholders, however called, or in connection with any written consent of the Company's stockholders, such Stockholder shall vote (or cause to be voted) its Subject Shares (x) in favor of the approval of the terms of the Asset Purchase Agreement, the Asset Purchase and the other transactions contemplated by the Asset Purchase Agreement (and any actions required in furtherance thereof), (y) against any action, proposal, transaction or agreement that would result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company contained in the Asset Purchase Agreement or of the Stockholders contained in this Agreement, and (z) except with the written consent of Acquiror, against the following actions or proposals (other than the transactions contemplated by the Asset Purchase Agreement): (i) any Proposed Acquisition Transaction; and (ii) (A) any change

in the persons who constitute the board of directors of the Company that is not approved in advance by at least a majority of the persons who were directors of the Company as of the date of this Agreement (or their successors who were so approved); (B) any material change in the present capitalization of the Company or any amendment of the Company's certificate of incorporation or bylaws; (C) any other material change in the Company's corporate structure or business; or (D) any other action or proposal involving the Company that is intended, or could reasonably be expected, to prevent, impede, interfere with, delay, postpone or adversely affect the transactions contemplated by the Asset Purchase Agreement; provided, however, that (i) nothing in this Agreement shall be interpreted as obligating the Stockholders to exercise any warrants or other rights to acquire shares of Common Stock or Preferred Stock and (ii) nothing in this Agreement shall restrict the Stockholders from voting to approve a plan of liquidation for the Company (provided such liquidation becomes effective after the Closing and such approval will not prevent, impede, interfere with, delay, postpone or adversely affect the transactions contemplated by the Asset Purchase Agreement). Any such vote shall be cast or consent shall be given in accordance with such procedures relating thereto so as to ensure that it is duly counted for purposes of determining that a quorum is present and for purposes of recording the results of such vote or consent. Each Stockholder agrees not to enter into any agreement or commitment with any Person the effect of which would be inconsistent with or violative of the provisions and agreements contained in this Article II.

Section 2.2 Grant of Irrevocable Proxy. The Stockholders hereby appoint Acquiror and any designee of Acquiror, and each of them individually, as the Stockholders' proxy and attorney-in-fact, with full power of substitution and resubstitution, to vote or act by written consent during the Voting Period with respect the Subject Shares in accordance with Section 2.1. This proxy is given to secure the performance of the duties of the Stockholders under this Agreement. The Stockholders shall promptly cause a copy of this Agreement to be deposited with the Company at its principal place of business. The Stockholders shall take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy.

Section 2.3 Revocation of Prior Proxies. The Stockholders represent and warrant that all proxies (if any) given in respect of the Subject Shares on or before the date hereof (other than the proxy granted hereunder) are not irrevocable and that all such proxies are hereby revoked.

Section 2.4 Nature of Irrevocable Proxy. The proxy and power of attorney granted pursuant to Section 2.2 by each Stockholder shall be irrevocable during the Voting Period, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy in accordance with the provisions of Section 212 of the Delaware General Corporation Law, as amended. The power of attorney granted by each Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of such Stockholder. The proxy and power of attorney granted hereunder shall terminate upon the termination of this Agreement.

Section 2.5 Agreement to Vote Spectrum Common Stock. For a period of one year after the Closing, each Stockholder agrees to vote each share of common stock of the Acquiror, par value $.001, that were issued by Acquiror pursuant to Section 2.3 of the Asset Purchase Agreement ("Spectrum Common Stock"), that such Stockholder then owns, as recommended by the Acquiror's board of directors in all matters submitted to the vote of the Acquiror's stockholders on which the holder of such Spectrum Common Stock is entitled to vote; *provided, however,* that such recommendation shall have been approved by a majority of the independent members of the board of directors, as defined by the rules of the NASDAQ Stock Market; and provided further that such recommendation would not affect any Stockholder disproportionally as compared to other holders of Spectrum Common Stock. This covenant shall survive the termination of this Agreement for the one year period set forth above.

ARTICLE III.
COVENANTS

Section 3.1 Generally.

(a) Except for pledges in existence as of the date hereof, each Stockholder agrees that during the Voting Period, except as contemplated by the terms of this Agreement, it shall not sell, transfer, tender, pledge, encumber, assign or otherwise dispose of (collectively, a "Transfer"), or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of, any or all of the Subject Shares; *provided*, *however*, that (i) each Stockholder may, with the consent of Acquiror, pledge or encumber any Subject Shares so long as such pledge or encumbrance would not impair any Stockholder's ability to perform its obligations under this Agreement; and (ii) nothing herein shall restrict a Stockholder from exercising any Options or Warrants or converting any shares of Preferred Stock into Common Stock or approving a plan of liquidation for the Company (provided such liquidation becomes effective after the Closing and such approval will not prevent, impede, interfere with, delay, postpone or adversely affect the transactions contemplated by the Asset Purchase Agreement).

(b) In the event of a stock dividend or distribution, or any change in the Common Stock by reason of any stock dividend or distribution, split-up, recapitalization, combination, exchange of shares or the like, the term "Subject Shares" shall be deemed to refer to and include the Subject Shares as well as all such stock dividends and distributions and any securities into which or for which any or all of the Subject Shares may be changed or exchanged or which are received in such transaction.

Section 3.2 Standstill Obligations of Stockholder. Each Stockholder covenants and agrees with Acquiror that, during the Voting Period:

(a) Each Stockholder shall not, nor shall any Stockholder permit any controlled Affiliate of such Stockholder to, nor shall any Stockholder act in concert with or permit any controlled Affiliate to act in concert with any Person to, deposit any shares of Common Stock or Preferred Stock in a voting trust or subject any shares of Common

Stock or Preferred Stock to any arrangement or agreement with any Person with respect to the voting of such shares, except as provided by Article II of this Agreement.

(b) Each Stockholder shall not, and shall cause its Representatives (including without limitation investment bankers, attorneys and accountants) not to, directly or indirectly, enter into, solicit, initiate or continue any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, or participate in any negotiations with, or provide any information to, or otherwise cooperate in any other way with, any Person, other than Acquiror and its Representatives, relating to any Proposed Acquisition Transaction. Each Stockholder hereby represents that it is not now engaged in discussions or negotiations with any party other than Acquiror with respect to any Proposed Acquisition Transaction. Each Stockholder shall not, directly or indirectly, through any officer, director, employee, representative, agent or otherwise, solicit, initiate or encourage the submission of any proposal or offer from any Person relating to any Proposed Acquisition Transaction, or participate in any negotiations regarding, or furnish to any other person any information with respect to the Company for the purposes of, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to seek or effect any Proposed Acquisition Transaction. Each Stockholder will notify Purchaser immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF EACH STOCKHOLDER

Each Stockholder hereby represents and warrants to Acquiror with respect to such Stockholder (and not with respect to any other Stockholder) as follows:

Section 4.1 Ownership of Shares. As of the date hereof, such Stockholder is the lawful owner of the Subject Shares denoted as being owned by such Stockholder on Schedule A and has the sole power to vote (or cause to be voted) such Subject Shares. Except as set forth on Schedule A to this Agreement, neither such Stockholder nor any Affiliate of such Stockholder owns or holds any right to acquire any additional shares of any class of capital stock of the Company or other securities of the Company or any interest therein or any voting rights with respect to any securities of the Company. Such Stockholder has good and valid title to the Subject Shares denoted as being owned by such Stockholder on Schedule A to this Agreement, free and clear of any and all pledges, mortgages, liens, charges, proxies, voting agreements, encumbrances, adverse claims, options, security interests and demands of any nature or kind whatsoever, other than those created by this Agreement or as could not reasonably be expected to impair any Stockholder's ability to perform its obligations under this Agreement.

Section 4.2 Authority; No Conflicts. Such Stockholder has all requisite power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms. (i) No filing with any governmental authority, and no authorization, consent or approval of any other Person is necessary for the execution of this Agreement by such

Stockholder and the consummation by such Stockholder of the transactions contemplated hereby and (ii) none of the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall (A) conflict with or result in any breach of the organizational documents of any such Stockholder, (B) result in, or give rise to, a violation or breach of or a default under any of the terms of any material contract, understanding, agreement or other instrument or obligation to which such Stockholder is a party or by which such Stockholder or any of its Subject Shares or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, statute, rule or regulation applicable to such Stockholder, except for any of the foregoing as could not reasonably be expected to impair such Stockholder's ability to perform its obligations under this Agreement.

Section 4.3 Reliance by Acquiror. Such Stockholder understands and acknowledges that Acquiror is entering into the Asset Purchase Agreement in reliance upon the execution and delivery of this Agreement by the Stockholders.

ARTICLE V.
TERMINATION

Section 5.1 Termination. This Agreement shall terminate, and none of Acquiror or the Stockholders shall have any rights or obligations hereunder and this Agreement shall become null and void and have no effect upon the earliest to occur of (i) the mutual consent of Acquiror and the Stockholders, (ii) the effective time of the Closing, and (iii) the date of termination of the Asset Purchase Agreement in accordance with its terms; provided, however, that termination of this Agreement shall not prevent any party hereunder from seeking any remedies (at law or in equity) against any other party hereto for such party's breach of any of the terms of this Agreement. Notwithstanding the foregoing, Section 2.5 and Sections 6.1 through 6.14, inclusive, of this Agreement shall survive the termination of this Agreement.

ARTICLE VI.
MISCELLANEOUS

Section 6.1 Further Assurances. Each Stockholder will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments as Acquiror may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement.

Section 6.2 Stockholder Capacity. Each Stockholder enters into this Agreement solely in such Stockholder's capacity as the record and beneficial owner of the Subject Shares. If any Stockholder is or becomes during the term hereof a director or officer of the Company, such Stockholder makes no agreement or understanding in this Agreement in Stockholder's capacity as such director or officer. Nothing in this Agreement shall limit or affect any actions taken by any Stockholder in such Stockholder's capacity as an officer or director of the Company.

Section 6.3 Fees and Expenses. Except as provided below, each of the parties shall be responsible for its own fees and expenses (including, without limitation, the fees and expenses of financial consultants, investment bankers, accountants and counsel) (collectively, "Fees") in connection with the entering into of this Agreement and the consummation of the transactions contemplated hereby and by the Asset Purchase Agreement.

Section 6.4 Amendments, Waivers, etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified, except upon the execution and delivery of a written agreement executed by each of the parties hereto. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

Section 6.5 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement were not to be performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof in addition to any other remedies at law or in equity.

Section 6.6 Notices. Any notices or other communications required or permitted under, or otherwise in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or upon confirmation of receipt when transmitted by facsimile transmission (with confirmation) or on receipt after dispatch by registered or certified mail, postage prepaid, addressed, or on the next Business Day if transmitted by national overnight courier, in each case as follows:

(a) if to the Company or the Stockholders, to:

Targent, Inc.
181 Cherry Valley Road
Princeton, NJ 08540
Telephone: (609) 683-9322 x22
Facsimile: (609) 683-7524
Attention: Robert F. Johnston

with a copy (which shall not constitute notice) to:

Drinker Biddle & Reath LLP
105 College Road East
Princeton, NJ 08542
Telephone: (609) 716-6504
Facsimile: (609) 799-7000
Attention: John E. Stoddard III, Esq.

(b) if to Acquiror, to:

Spectrum Pharmaceuticals, Inc.
157 Technology Drive
Irvine, California 92618
Telephone: (949) 788-6700
Facsimile: (949) 788-6706
Attention: William N. Pedranti, Esq.

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626-1925
Telephone: (714) 540-1235
Facsimile: (714) 755-8290
Attention: Cary K. Hyden, Esq.

Section 6.7 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 6.8 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Section 6.9 Entire Agreement. This Agreement (together with the Asset Purchase Agreement, to the extent referred to herein) constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

Section 6.10 Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of each of the parties.

Section 6.11 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer

upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 6.12 Mutual Drafting. Each party hereto has participated in the drafting of this Agreement, which each party acknowledges is the result of extensive negotiations between the parties.

Section 6.13 Governing Law. This Agreement and the transactions contemplated hereby, and all disputes between the parties under or related to the Agreement or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the application of Delaware principles of conflicts of laws.

Section 6.14 Counterparts. This Agreement may be executed in counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank]

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

SPECTRUM PHARMACEUTICALS INC.,
a Delaware corporation

By: /s/ Rajesh C. Shrotriya, M.D.
Name: Rajesh C. Shrotriya, M.D.
Title: Chairman, CEO and President

TARGENT PHARMACEUTICALS, LLC.,
a Delaware limited liability company

By: /s/ Seth Lederman
Name: Seth Lederman
Title: Managing Member

SETH LEDERMAN

By: /s/ Seth Lederman
Name: Seth Lederman

ROBERT F. JOHNSTON

By: /s/ Robert F. Johnston
Name: Robert F. Johnston

LYNN D. JOHNSTON

By: /s/ Lynn D. Johnston
Name: Lynn D. Johnston

HEPHAESTOS II TRUST

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

11/6/78 TRUST FBO WILLIAM M. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

11/6/78 TRUST FBO BRADFORD D. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

11/6/78 TRUST FBO ALEXANDRA F. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Trustee

PATRICK MAGUIRE

By: /s/ Patrick Maguire
Name: Patrick Maguire

WILLIAM M. JOHNSTON GST DATED 6/1/04

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ John Williams
Name: John Williams, Co-Trustee

BRADFORD D. JOHNSTON GST DATED 1/29/02

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ John Williams
Name: John Williams, Co-Trustee

ALEXANDRA F. JOHNSTON GST DATED 2/25/04

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ John Williams
Name: John Williams, Co-Trustee

7/15/99 TRUST AGREEMENT OF WILLIAM M. JOHNSTON

By: /s/ Richard Johnston
Name: Richard Johnston, Co-Trustee

By: /s/ William Johnston
Name: William Johnston, Co-Trustee

EXHIBIT 10.3

Summary of Director Compensation

Annual Retainer:	$ 20,000
In-Person Board of Director Meeting:	$ 2,000
Additional In-Person Board of Director Meetings held on the day following an In-Person Board Meeting:	$ 1,000
Telephonic Board of Director Meetings:	$ 1,000
Lead Director — Annual Retainer:	$ 1
Audit Committee Meeting — Chair:	$ 3,000
Audit Committee Meeting — Member:	$ 1,000
Compensation Committee Meeting — Chair:	$ 1,000
Compensation Committee Meeting — Member:	$ 500
Product Acquisition Committee Meeting — Half Day:	$ 1,000
Product Acquisition Committee Meeting — Full Day:	$ 2,000
Placement Committee Meeting or Consent:	$ 250

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Rajesh C. Shrotriya, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K/A of Spectrum Pharmaceuticals, 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: May 1, 2006

/s/ RAJESH C. SHROTRIYA

Rajesh C. Shrotriya, M.D.
Chairman, Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF VICE PRESIDENT FINANCE

I, Shyam K. Kumaria, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K/A of Spectrum Pharmaceuticals, 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: May 1, 2006

/s/ SHYAM K. KUMARIA

Shyam K. Kumaria
Vice President Finance
(Principal Financial Officer)