

MANHATTAN PHARMACEUTICALS INC
Form PRE 14A
March 05, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.____)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

MANHATTAN PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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MANHATTAN PHARMACEUTICALS, INC.

787 Seventh Avenue, 48th Floor

New York, New York 10019

Dear Stockholder:

You are cordially invited to the Annual Meeting of Stockholders (the “Annual Meeting”) of Manhattan Pharmaceuticals, Inc. (“Manhattan” or the “Company”), to be held at 10:00 a.m. local time, on Monday, April 16, 2012, at the offices of our legal counsel, Alston & Bird LLP, located at 90 Park Avenue, New York, New York 10016. At the meeting, the stockholders will be asked to (i) elect five directors for a term of one year, (ii) authorize our Board of Directors (the “Board”), at its discretion, to amend our Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”), to effect up to two reverse stock splits of our issued and outstanding shares of common stock, par value \$0.001 per share (“Common Stock”), (iii) authorize the Board, at its discretion, to amend our Certificate of Incorporation, to change Manhattan’s name to “TG Therapeutics, Inc.,” (iv) authorize the adoption of the 2012 Incentive Plan, and (v) ratify the appointment of J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012. You will also have the opportunity to ask questions and make comments at the meeting.

It is important that your stock be represented at the meeting regardless of the number of shares you hold. You are encouraged to specify your voting preferences by marking our proxy card and returning it as directed. If you do attend the meeting and wish to vote in person, you may revoke your proxy at the meeting.

If you have any questions about the proxy statement or the accompanying 2011 Annual Report, please contact Sean A. Power, our Chief Financial Officer at (212) 554-4305.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Michael S. Weiss
Executive Chairman, Interim Chief Executive Officer and President

March 15, 2012

New York, New York

MANHATTAN PHARMACEUTICALS, INC.

787 Seventh Avenue, 48th Floor

New York, New York 10019

NOTICE OF Annual Meeting OF STOCKHOLDERS

The Annual Meeting of Stockholders of Manhattan Pharmaceuticals, Inc. will be held at the offices of our legal counsel, Alston & Bird LLP, located at 90 Park Avenue, New York, New York 10016, on Monday, April 16, 2012, at 10:00 a.m., local time. At the meeting, stockholders will consider and act on the following items:

1. Elect five directors for a term of one year;
2. To authorize our Board, at its discretion, to amend our Certificate of Incorporation to effect up to two reverse stock splits of our issued and outstanding shares of Common Stock;
3. To authorize the Board, at its discretion, to amend our Certificate of Incorporation, to change Manhattan's name to "TG Therapeutics, Inc.";
4. To authorize the adoption of the 2012 Incentive Plan;
5. Ratify the appointment of J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012
6. The transaction of any other business that may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

Only those stockholders of record as of the close of business on March 9, 2012, are entitled to vote at the Annual Meeting or any postponements or adjournments thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be available for your inspection beginning March 10, 2012, at our offices located at 787 Seventh Avenue, New York, New York 10019, between the hours of 10:00 a.m. and 5:00 p.m., local time, each business day.

YOUR VOTE IS IMPORTANT!

You may vote your shares by completing and returning the enclosed proxy card, or by logging onto www.proxyvote.com and with your proxy card in hand, follow the instructions.

Submitting your proxy does not affect your right to vote in person if you decide to attend the Annual Meeting. You are urged to submit your proxy as soon as possible, regardless of whether or not you expect to attend the Annual Meeting. You may revoke your proxy at any time before it is exercised at the Annual Meeting by (i) delivering written notice to our Corporate Secretary, Sean Power, at our address above, (ii) submitting a later dated proxy card, or (iii) attending the Annual Meeting and voting in person. No revocation under (i) or (ii) will be effective unless written notice or the proxy card is received by our Corporate Secretary at or before the Annual Meeting.

When you submit your proxy, you authorize Michael Weiss and Sean Power to vote your shares at the Annual Meeting and on any adjournments of the Annual Meeting in accordance with your instructions.

By Order of the Board of Directors,

Sean A. Power
Corporate Secretary

March 15, 2012

New York, New York

MANHATTAN PHARMACEUTICALS, INC.

787 Seventh Avenue, 48th Floor

New York, New York 10019

Phone: (212) 554-4305

Fax: (212) 554-4531

PROXY STATEMENT

This proxy statement and the accompanying proxy card are being mailed beginning on or about March 15, 2012, to the owners of shares of common and Series A Preferred Stock of Manhattan as of March 9, 2012, in connection with the solicitation of proxies by our Board for the Annual Meeting.

The Annual Meeting will take place at the offices of our legal counsel, Alston & Bird LLP, located at 90 Park Avenue, New York, New York 10016 on Monday, April 16, 2012, at 10:00 a.m., local time. Our Board encourages you to read this document thoroughly and take this opportunity to vote, via proxy, on the matters to be decided at the Annual Meeting. As discussed below, you may revoke your proxy at any time before your shares are voted at the Annual Meeting.

Table of Contents

Proxy Statement	
Questions and Answers	3
What is the purpose of the Annual Meeting?	3
Who is entitled to vote at our Annual Meeting?	3
How do I vote?	3
What is a proxy?	3
How will my shares be voted if I vote by proxy?	3
How do I revoke my proxy?	4
Is my vote confidential?	4
How are votes counted?	4
What constitutes a quorum at the Annual Meeting?	4
What vote is required to elect our directors for a one-year term?	4
What vote is required to authorize our Board, at its discretion, to amend our Certificate of Incorporation, to effect up to two reverse stock splits of our issued and outstanding shares of Common Stock?	4
What vote is required to authorize the Board, at its discretion, to amend our Certificate of Incorporation, to change Manhattan’s name to “TG Therapeutics, Inc.”?	5
What vote is required to adopt the 2012 Incentive Plan?	5
What vote is required to ratify J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012?	5
What percentage of our outstanding common stock do our directors and executive officers own?	5
Who was our independent public accountant for the year ending December 31, 2011? Will they be represented at the Annual Meeting?	5
How can I obtain a copy of our annual report on Form 10-K?	5
Corporate Governance	6
Our Board of Directors	6
Communicating with the Board of Directors	8
Audit Committee	8
Compensation Committee	8
Nominating Process	9
Independent Registered Public Accounting Firm Fees and Other Matters	10
Audit Fees	10
Audit-Related Fees	10
Tax Fees	10
All Other Fees	10
Pre-Approval of Services	10
Report of the Audit Committee	12
Change of Control	13
Our Executive Officers	14
<i>Executive Officers</i>	14
Executive Compensation	15
Summary Compensation Table	15
Outstanding Equity Awards at 2011 Fiscal Year End	16
Employment Agreements	17

Director Compensation	19
Director Compensation Program	19
<i>2011 Director Compensation</i>	19
Section 16(a) Beneficial Ownership Reporting Compliance	21
Related-Person Transactions	22
Stock Ownership of Our Directors, Executive Officers, and 5% Beneficial Owners	23

Proposal One: Election of Directors; Nominees	25
Proposal Two: To authorize our Board, at its discretion, to amend our Amended and Restated Certificate of Incorporation, as amended (the “Certificate of Incorporation”), to effect up to two reverse stock splits of our issued and outstanding shares of common stock	26
Proposal Three: To authorize the Board, at its discretion, to amend our Certificate of Incorporation, to change Manhattan’s name to “TG Therapeutics, Inc.”	31
Proposal Four: To Authorize the Adoption of the 2012 Incentive Plan	32
Proposal Five: Ratification of Appointment Of J.H. Cohn LLP as our Independent Registered Public Accounting Firm	39
Additional Information	40
Householding of Annual Meeting Materials	40
Stockholder Proposals for Our Annual Meeting	40
Other Matters	40
Solicitation of Proxies	40
Incorporation of Information by Reference	40
Appendix A: Form of Certificate of Amendment to Effect Stock Split	41
Appendix B: Form of Certificate of Amendment to Effect Name Change	42
Appendix C: 2012 Incentive Plan	43

QUESTIONS AND ANSWERS

Q. What is the purpose of the Annual Meeting?

At the Annual Meeting, our stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders accompanying this proxy statement, including (i) electing five directors for a term of one year, (ii) to authorize our Board, at its discretion, to amend our Certificate of Incorporation to effect up to two reverse stock splits of our issued and outstanding shares of Common Stock, (iii) to authorize the Board, at its discretion, to amend our Certificate of Incorporation to change Manhattan's name to "TG Therapeutics, Inc.", (iv) to authorize the adoption of the 2012 Incentive Plan and (v) to ratify the appointment of J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012.

Q. Who is entitled to vote at our Annual Meeting?

The record holders of our Common Stock and our Series A Preferred Stock, par value \$0.001 per share ("Series A Preferred Stock") at the close of business on the record date, March 9, 2012, may vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. Each share of our Series A Preferred Stock is convertible into 500 shares of Common Stock, and votes on an as-converted basis with the Common Stock. There were [284,683,949] shares of Common Stock outstanding and [1,108,816] shares of Series A Preferred Stock (convertible into [554,408,000] shares of Common Stock) outstanding on the record date and entitled to vote at the Annual Meeting. A list of stockholders entitled to vote at the Annual Meeting, including the address of and number of shares held by each stockholder of record, will be available for your inspection beginning March 10, 2012, at our offices located at 787 Seventh Avenue, New York, New York 10019, between the hours of 10:00 a.m. and 5:00 p.m., local time, each business day.

Q. How do I vote?

A. You may vote in person at the Annual Meeting, by use of a proxy card, via Internet via www.proxyvote.com, or by telephone as indicated in the proxy card.

Q. What is a proxy?

A. A proxy is a person you appoint to vote your shares on your behalf. If you are unable to attend the Annual Meeting, our Board is seeking your appointment of a proxy so that your shares may be voted. If you vote by proxy, you will be designating Michael Weiss, our Executive Chairman, Interim Chief Executive Officer and President, and Sean

Power, our Chief Financial Officer, Treasurer and Corporate Secretary, as your proxies. Mr. Weiss and/or Mr. Power may act on your behalf and have the authority to appoint a substitute to act as your proxy.

Q. How will my shares be voted if I vote by proxy?

Your proxy will be voted according to the instructions you provide. **If you complete and submit your proxy but do not otherwise provide instructions on how to vote your shares, your shares will be voted (i) “FOR” the individuals nominated to serve as members of our Board of Directors, (ii) “FOR” authorizing our Board, at its discretion, to amend our Certificate of Incorporation, to effect up to two reverse stock splits of our issued and outstanding shares of Common Stock, (iii) “FOR” authorizing the Board, at its discretion, to amend our**
A. **Certificate of Incorporation, to change Manhattan’s name to “TG Therapeutics, Inc.”, (iv) “FOR” the adoption of the 2012 Incentive Plan, and (v) “FOR” the ratification of J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012.** Presently, our Board does not know of any other matter that may come before the Annual Meeting. However, your proxies are authorized to vote on your behalf, using their discretion, on any other business that properly comes before the Annual Meeting.

Q. *How do I revoke my proxy?*

A. You may revoke your proxy at any time before your shares are voted at the Annual Meeting by:

- delivering written notice to our Corporate Secretary, Sean Power, at our address above;
- submitting a later dated proxy card or voting again via the Internet; or
- attending the Annual Meeting and voting in person.

Q. *Is my vote confidential?*

A. Yes. All votes remain confidential, unless you provide otherwise.

Q. *How are votes counted?*

Before the Annual Meeting, our Board of Directors will appoint one or more inspectors of election for the meeting. The inspector(s) will determine the number of shares represented at the meeting, the existence of a quorum and the validity and effect of proxies. The inspector(s) will also receive, count, and tabulate ballots and votes and determine the results of the voting on each matter that comes before the Annual Meeting.

Abstentions and votes withheld, and shares represented by proxies reflecting abstentions or votes withheld, will be treated as present for purposes of determining the existence of a quorum at the Annual Meeting. They will not be considered as votes “for” or “against” any matter for which the stockholder has indicated their intention to abstain or withhold their vote. Broker or nominee non-votes, which occur when shares held in “street name” by brokers or nominees who indicate that they do not have discretionary authority to vote on a particular matter, will not be considered as votes “for” or “against” that particular matter. Broker and nominee non-votes will be treated as present for purposes of determining the existence of a quorum, and may be entitled to vote on certain matters at the Annual Meeting.

Q. *What constitutes a quorum at the Annual Meeting?*

In accordance with Delaware law (the law under which we are incorporated) and our amended and restated bylaws, the presence at the Annual Meeting, by proxy or in person, of the holders of a majority of the outstanding shares of the capital stock entitled to vote at the Annual Meeting constitutes a quorum, thereby permitting the stockholders to
A. conduct business at the Annual Meeting. Abstentions, votes withheld, and broker or nominee non-votes will be included in the calculation of the number of shares considered present at the Annual Meeting for purposes of determining the existence of a quorum.

If a quorum is not present at the Annual Meeting, a majority of the stockholders present in person and by proxy may adjourn the meeting to another date. If an adjournment is for more than 30 days or a new record date is fixed for the adjourned meeting by our Board, we will provide notice of the adjourned meeting to each stockholder of record entitled to vote at the adjourned meeting. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the originally called meeting.

Q. What vote is required to elect our directors for a one-year term?

The affirmative vote of a plurality of the votes of the shares present, in person or by proxy, at the Annual Meeting is required for the election of each of the nominees for director. “Plurality” means that the nominees receiving the
A. largest number of votes up to the number of directors to be elected at the Annual Meeting will be duly elected as directors. Abstentions, votes withheld, and broker or nominee non-votes will not affect the outcome of director elections.

Q. What vote is required to authorize our Board, at its discretion, to amend our Certificate of Incorporation, to effect up to two reverse stock splits of our issued and outstanding shares of Common Stock?

The affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. Abstentions and votes withheld will have the same effect as a negative vote.
A. However, broker or nominee non-votes, and shares represented by proxies reflecting broker or nominee non-votes, will not have the effect of a vote against this proposal as they are not considered to be present and entitled to vote on this matter.

Q. What vote is required to authorize the Board, at its discretion, to amend our Certificate of Incorporation, to change Manhattan's name to "TG Therapeutics, Inc."?

The affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. Abstentions and votes withheld will have the same effect as a negative vote.

A. However, broker or nominee non-votes, and shares represented by proxies reflecting broker or nominee non-votes, will not have the effect of a vote against this proposal as they are not considered to be present and entitled to vote on this matter.

Q. What vote is required to adopt the 2012 Incentive Plan?

The affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. Abstentions and votes withheld will have the same effect as a negative vote.

A. However, broker or nominee non-votes, and shares represented by proxies reflecting broker or nominee non-votes, will not have the effect of a vote against this proposal as they are not considered to be present and entitled to vote on this matter.

Q. What vote is required to ratify J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012?

A. The affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote at the Annual Meeting is required to approve the ratification of J.H. Cohn LLP as our independent registered public accounting firm for the year ending December 31, 2012. Abstentions and votes withheld will have the same effect as a negative vote. However, broker or nominee non-votes, and shares represented by proxies reflecting broker or nominee non-votes, will not have the effect of a vote against this proposal as they are not considered to be present and entitled to vote on this matter.

Q. What percentage of our outstanding Common Stock and Series A Preferred Stock do our directors and executive officers own?

A. As of March 9, 2012, our directors and executive officers owned, or have the right to acquire, approximately 25.8% of our outstanding Common Stock (calculated on an as-converted basis with regard to the Series A Preferred Stock). See the discussion under the heading "Stock Ownership of Our Directors, Executive Officers, and 5% Beneficial Owners" on page 23 for more details.

Q. Who was our independent public accountant for the year ending December 31, 2011? Will they be represented at the Annual Meeting?

J.H. Cohn LLP is the independent registered public accounting firm that audited our financial statements for the A. year ending December 31, 2011. We expect a representative of J.H. Cohn LLP to be present at the Annual Meeting. The representative will have an opportunity to make a statement and will be available to answer your questions.

Q. How can I obtain a copy of our annual report on Form 10-K?

We have filed our annual report on Form 10-K for the year ended December 31, 2011, with the Securities and Exchange Commission (“SEC”). The annual report on Form 10-K is also included in the 2011 Annual Report to A. Stockholders. You may obtain, free of charge, a copy of our annual report on Form 10-K, including financial statements and exhibits, by writing to our corporate secretary, Sean Power, or by email at info@tgtxinc.com. Upon request, we will also furnish any exhibits to the annual report on Form 10-K as filed with the SEC.

CORPORATE GOVERNANCE

Our Board of Directors

Our amended and restated bylaws provide that the Board shall consist of one or more members, as determined from time to time by resolution of the Board. Currently, our Board consists of two members, with three members listed as Director-Nominees. The following individuals are being nominated to serve on our Board (See “Proposal 1 – Election of Directors; Nominees”):

Name	Age	Position	Director Since
Michael S. Weiss	45	Executive Chairman, Interim Chief Executive Officer and President	2011
Neil Herskowitz	[55]	Director	2004
Laurence N. Charney	[64]	Director-Nominee	2012
William J. Kennedy	[67]	Director-Nominee	2012
Mark Schoenebaum, M.D.	[38]	Director-Nominee	2012

The Board does not have a formal policy regarding the separation of the roles of Chief Executive Officer and Executive Chairman, as the Board believes that it is in the best interests of the Company to make that determination based on the direction of the Company and the current membership of the Board. The Board has determined that having a director who is an executive officer serve as the Chairman is in the best interest of the Company’s stockholders at this time.

Manhattan has a risk management program overseen by Michael Weiss, our Executive Chairman, Interim Chief Executive Officer and President. Mr. Weiss identifies material risks and prioritizes them for our Board. Our Board regularly reviews information regarding our credit, liquidity, and operations, as well as the risks associated with each.

Though not a listed company, Manhattan adheres to the corporate governance standards adopted by the Nasdaq Stock Market (“Nasdaq”). Nasdaq rules require our Board to make an affirmative determination as to the independence of each director. Consistent with these rules, our Board undertook its annual review of director independence on [March __, 2012]. During the review, our Board considered relationships and transactions during 2011 and during the past three fiscal years between each director or any member of his immediate family, on the one hand, and the Company and our subsidiaries and affiliates, on the other hand. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent. Based on this review, our Board determined that of the two current members of our Board, one, Neil Herskowitz, is independent under the criteria established by Nasdaq and by our Board.

The following biographies set forth the names of our director nominees, their ages, the year in which they first became directors, their positions with us, their principal occupations and employers for at least the past five years, any other directorships held by them during the past five years in companies that are subject to the reporting requirements of the Securities Exchange Act of 1934 (the “Exchange Act”), or any company registered as an investment company under the Investment Company Act of 1940, as well as additional information, all of which we believe sets forth each director nominee’s qualifications to serve on the Board. There is no family relationship between and among any of our executive officers or directors. There are no arrangements or understandings between any of our executive officers or directors and any other person pursuant to which any of them are elected as an officer or director.

Michael S. Weiss, 45, has served as Manhattan's Executive Chairman, Interim Chief Executive Officer and President since December 2011. Mr. Weiss is co-founder, managing partner and principal of Opus Point Partners since 2008. He has also served as a director and the non-executive chairman of the board of directors of National Holdings Corporation since January 19, 2011 and is one of the principal stockholders of National Holdings Corporation. Mr. Weiss earned his J.D. from Columbia Law School and his B.S. in Finance from the University at Albany. He began his professional career as a lawyer with Cravath, Swaine & Moore. In 1999, Mr. Weiss founded Access Oncology which was later acquired by Keryx Biopharmaceuticals (NASDAQ: KERX) in 2004. Following the merger, Mr. Weiss remained as CEO of Keryx and grew the company to close to a \$1BB market capitalization company at its peak. While at Keryx, he raised over \$150MM in equity capital through public and private offerings, executed a \$100MM+ strategic alliance, negotiated multiple Special Protocol Assessments agreements with the FDA and managed multiple large clinical trials.

Neil Herskowitz, 55, has served on our Board since July 2004. He has served as the Managing Member of ReGen Partners LLC, an investment fund located in New York, and as the President of its affiliate, Riverside Claims LLC since June 2004. Mr. Herskowitz has previously served as a director and Audit Committee Chairman of Chelsea Therapeutics (CHTP) a publicly traded pharmaceutical development company. He also serves on the board of directors of Starting Point Services for Children, a not-for-profit corporation. Mr. Herskowitz received a B.B.A. in Finance from Bernard M. Baruch College in 1978.

Laurence N. Charney, 64, was nominated to our Board in March 2012. Since 2007, Mr. Charney has served as a business strategist and financial advisor to Boards, CEOs and investors. Previously, from 1970 through June 2007, Mr. Charney was a senior audit partner at Ernst & Young, LLP, a registered public accounting firm, retiring as a practice leader in the Americas Quality and Risk Management Group. Mr. Charney currently serves as a director and audit committee member of Iconix Brand Group, Inc., and as a director and audit committee chairman of Pacific Drilling S.A. In addition, Mr. Charney previously served as a director and audit committee member of Marvel Entertainment, Inc., Mrs. Fields Original Cookies, and Pure Biofuels, Inc. In addition to his extensive experience on the boards of various corporate entities, Mr. Charney is also very active on the boards of several non-profit organizations. Mr. Charney graduated with a B.B.A. degree from Hofstra University and completed the Executive MBA in Business program at Columbia University.

William J. Kennedy, PhD., 67, was nominated to our Board in March 2012. Dr. Kennedy is a regulatory affairs professional with over 27 years of domestic and international experience. Prior to his retirement, Dr. Kennedy was Vice President for Regulatory Affairs for Zeneca Corporation. Dr. Kennedy has successfully managed the development, preparation, submission and approval of dozens of NDAs and major SNDAs. Dr. Kennedy has helped shape regulatory policy in the United States continuously since 1988, as a member and Chairman of PhRMA's Regulatory Affairs Coordinating Committee, as PhRMA's Chief Negotiator with Congress and FDA for FDAMA, and as the Co-Chairman of PhRMA's PDUFA III Steering Committee. Before joining the pharmaceutical industry, Dr. Kennedy was an Associate Research Professor at Yale Medical School. Dr. Kennedy is the author of several articles and is an often sought after speaker for his insight into the regulatory process. He co-founded the website PDUFADate.com which provides regulatory opinions to the financial community. Dr. Kennedy was the recipient of RAP's prestigious Special Recognition Award in 1998. Dr. Kennedy has been an independent consultant to the Pharmaceutical Industry since 1999.

Mark Schoenebaum, M.D., 38, was nominated to our Board in March 2012. Mr. Schoenebaum is a Senior Managing Director and heads ISI's Health Care Research Team. He is also ISI's Biotechnology & Pharmaceuticals major analyst. He has been ranked Institutional Investor #1 biotechnology analyst for the past seven years. In addition, Mr. Schoenebaum has been highly ranked in the Greenwich Associates survey for several years. Prior to joining ISI in 2010, Mr. Schoenebaum spent two years at Deutsche Bank as a Managing Director and Senior Biotechnology Analyst. Prior to that, he held a similar position at Bear Stearns. Mr. Schoenebaum graduated from Indiana University with highest distinction in 1996 with a B.A. and received an M.D. from the Johns Hopkins University School of Medicine in 2000.

During 2011, our Board held three meetings. During 2011, the only nominee serving at the time of those meetings attended at least 75% of the meetings of the Board and the meetings of those committees on which he served. It is our expectation that all of the directors standing for election will attend this year's Annual Meeting.

On December 28, 2011 the Board held a meeting and resolved to enter into an Exchange Transaction Agreement (the "Exchange Transaction Agreement") with Opus Point Partners, LLC, a Delaware limited liability company ("Opus") and TG Therapeutics, Inc., a Delaware corporation ("TG"). Under the Exchange Transaction Agreement, Opus exchanged its shares of common stock in TG for shares of Series A Preferred Stock. The exchange ratio was \$2.25, divided by \$.04 divided by 500. As a result, Opus received 281,250 shares of Series A Preferred Stock. Furthermore, the Exchange Transaction Agreement provided that each holder of restricted TG common stock outstanding on December 29, 2011 receive restricted shares of Series A Preferred Stock using the same exchange ratio, and such shares would carry the same restrictions that existed prior to the execution of the Exchange Transaction Agreement.

Each share of Series A Preferred Stock is convertible into 500 shares of Common Stock provided that such conversion rights are subject to sufficient available authorized shares of Common Stock.

The Exchange Transaction Agreement permitted Opus the unilateral right to set the number of members of the Board of the Company at six members at any time and then appoint an additional three members of the Board of the Company to the vacant seats, until the later of (x) two years from December 29, 2011, or (y) the date on which Opus owns less than 10% of the equity securities of the Company on an aggregate basis.

Communicating with the Board of Directors

Our Board has established a process by which stockholders can send communications to the Board. You may communicate with the Board as a group, or to specific directors, by writing to Sean Power, our Corporate Secretary, at our offices located at 787 Seventh Avenue, 48th Floor, New York, New York 10019. The Corporate Secretary will review all such correspondence and regularly forward to the Board a summary of all correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, deals with the functions of the Board or committees thereof or that he otherwise determines requires their attention. Directors may at any time review a log of all correspondence we receive that is addressed to members of our Board and request copies of any such correspondence. Concerns relating to accounting, internal controls, or auditing matters may be communicated in this manner, or may be submitted on an anonymous basis via e-mail at info@tgtxinc.com. These concerns will be immediately brought to the attention of our Board and handled in accordance with procedures established by our Board.

Audit Committee

The Board of Directors did not have a formally constituted Audit Committee in 2011, so the entire Board currently acts as the Audit Committee.

The Audit Committee held four meetings during the fiscal year ended December 31, 2011. At this time, the Company's Audit Committee has no formal charter, but following the election of the current slate of directors at the Annual Meeting, we intend to adopt a charter setting forth the duties and responsibilities of the Audit Committee. Currently, such duties and responsibilities include reviewing and monitoring our financial statements and internal accounting procedures, selecting our independent registered public accounting firm and consulting with and reviewing the services provided by our independent registered public accounting firm. Our Audit Committee has sole discretion over the retention, compensation, evaluation and oversight of our independent registered public accounting firm.

The SEC requires that at least one member of the Audit Committee have a “heightened” level of financial and accounting sophistication. Such a person is known as the “audit committee financial expert” under the SEC’s rules. Our Board has determined that Neil Herskowitz is an “audit committee financial expert,” as the SEC defines that term, and is an independent member of our Board of Directors and our Audit Committee. Please see Mr. Herskowitz’s biography on page 7 for a description of his relevant experience.

The report of the Audit Committee can be found on page 12 of this proxy statement.

Compensation Committee

The Company does not currently have a standing Compensation Committee, but upon election of the current slate of directors we intend to establish a Compensation Committee and adopt a charter therefor. Currently, the duties of a formal Compensation Committee are fulfilled by the entire Board, with such duties including evaluation of the performance of the Chief Executive Officer and our other executive officers, determining the overall compensation of the Chief Executive Officer and our other executive officers and administering all executive compensation programs, including, but not limited to, our incentive and equity-based plans. The Board also evaluates the performance of the Chief Executive Officer and our other executive officers on an annual basis and reviews and approves on an annual basis all compensation programs and awards relating to such officers. The Board applies discretion in the determination of individual executive compensation packages to ensure compliance with the Company’s compensation philosophy. The Chief Executive Officer makes recommendations to the Board with respect to the compensation packages for officers other than himself. The Board may engage a compensation consultant to conduct a review of its executive compensation programs in 2012. The Committee did not engage a compensation consultant in 2011.

Nominating Process

We do not currently have a nominating committee or any other committee serving a similar function. Director nominations are approved by a vote of a majority of our independent directors as required under the Nasdaq rules and regulations. Although we do not have a written charter in place to select director nominees, our Board intends to adopt resolutions regarding the director nomination process following the Annual Meeting. It is our intention that the process to be adopted will function to select director nominees who will be valuable members of our Board.

Our independent directors currently identify potential nominees to serve as directors through a variety of business contacts, including current executive officers, directors, community leaders and stockholders. The independent directors may, to the extent they deem appropriate, retain a professional search firm and other advisors to identify potential nominees.

Our independent directors will also consider candidates recommended by stockholders for nomination to our Board. A stockholder who wishes to recommend a candidate for nomination to our Board must submit such recommendation to our Corporate Secretary, Sean Power, at our offices located at 787 Seventh Avenue, 48th Floor, New York, New York 10019. Any recommendation must be received not less than 60 calendar days nor more than 90 calendar days before the anniversary date of the previous year's annual meeting. All stockholder recommendations of candidates for nomination for election to our Board must be in writing and must set forth the following: (i) the candidate's name, age, business address, and other contact information, (ii) the number of shares of Common Stock and Series A Preferred Stock beneficially owned by the candidate, (iii) a complete description of the candidate's qualifications, experience, background and affiliations, as would be required to be disclosed in the proxy statement pursuant to Schedule 14A under the Exchange Act, (iv) a sworn or certified statement by the candidate in which he or she consents to being named in the proxy statement as a nominee and to serve as director if elected, and (v) the name and address of the stockholder(s) of record making such a recommendation.

We believe that our Board as a whole should encompass a range of talent, skill, and expertise enabling it to provide sound guidance with respect to our operations and interests. Our independent directors evaluate all candidates to our Board by reviewing their biographical information and qualifications. If the independent directors determine that a candidate is qualified to serve on our Board, such candidate is interviewed by at least one of the independent directors and our Chief Executive Officer. Members of the Board also have an opportunity to interview qualified candidates. The independent directors then determine, based on the background information and the information obtained in the interviews, whether to recommend to the Board that the candidate be nominated for approval by the stockholders to fill a directorship. With respect to an incumbent director whom the independent directors are considering as a potential nominee for re-election, the independent directors review and consider the incumbent director's service during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Board. The manner in which the independent directors evaluate a potential nominee will not differ based on whether the candidate is recommended by our directors or stockholders.

We consider the following qualifications, among others, when making a determination as to whether a person should be nominated to our Board: the independence of the director nominee; the nominee's character and integrity; financial literacy; level of education and business experience, including experience relating to biopharmaceutical companies; whether the nominee has sufficient time to devote to our Board; and the nominee's commitment to represent the long-term interests of our stockholders. We review candidates in the context of the current composition of the Board and the evolving needs of our business. We believe that each of the current members of our Board (who are also our director nominees) has the requisite business, biopharmaceutical, financial or managerial experience to serve as a member of the Board, as described above in their biographies under the heading "Our Board of Directors." We also believe that each of the current members of our Board has other key attributes that are important to an effective board, including integrity, high ethical standards, sound judgment, analytical skills, and the commitment to devote significant time and energy to service on the Board and its committees.

We do not have a formal policy in place with regard to the consideration of diversity in considering candidates for our Board, but the Board strives to nominate candidates with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee our business.

INDEPENDENT registered public accounting firm FEES AND OTHER MATTERS

J.H. Cohn LLP, the independent registered public accounting firm that audited our financial statements for the years ended December 31, 2011, and December 31, 2010 has served as our independent registered public accounting firm since 2002. We expect a representative of J.H. Cohn LLP to be present at the Annual Meeting. The representative will have an opportunity to make a statement and will be available to answer your questions.

Our Board has asked the stockholders to ratify the selection of J.H. Cohn LLP as our independent registered public accounting firm. See Proposal Five: Ratification of Appointment of J.H. Cohn LLP as Our Independent Registered Public Accounting Firm on page 39 of this proxy statement. The Board has reviewed the fees described below and concluded that the payment of such fees is compatible with maintaining J.H. Cohn LLP's independence. All proposed engagements of J.H. Cohn LLP, whether for audit services, audit-related services, tax services, or permissible non-audit services, were pre-approved by our Board.

Audit Fees

For the fiscal years ended December 31, 2011 and December 31, 2010, J.H. Cohn LLP billed us an aggregate of approximately \$105,322 and \$97,542, respectively, in fees for the professional services rendered in connection with the audits of our annual financial statements included in our Annual Reports on Form 10-K for those two fiscal years and the review of our financial statements included in our Quarterly Reports on Form 10-Q during those two fiscal years.

Audit-Related Fees

During the fiscal years ended December 31, 2011 and December 31, 2010, J.H. Cohn LLP billed us an aggregate of approximately \$0 and \$13,785, respectively, in fees for audit-related services reasonably related to the performance of the audits and reviews for those two fiscal years, in addition to the fees described above under the heading "Audit Fees." These fees include review of registration statements.

Tax Fees

During the fiscal years ended December 31, 2011 and December 31, 2010, J.H. Cohn LLP billed us an aggregate of approximately \$0 and \$7,500, respectively, for professional services rendered for tax compliance, tax advice, and tax planning services. These professional services consisted of general consultation from time to time regarding compliance with and planning for federal, state, local, and international tax matters.

All Other Fees

During the fiscal years ended December 31, 2011 and December 31, 2010, we were not billed by J.H. Cohn LLP for any fees for services, other than those described above, rendered to us and our affiliates for those two fiscal years.

Pre-Approval of Services

Our Board has established a policy setting forth the procedures under which services provided by our independent registered public accounting firm will be pre-approved by our Board. The potential services that might be provided by our independent registered public accounting firm fall into two categories:

Services that are permitted, including the audit of our annual financial statements, the review of our quarterly financial statements, related attestations, benefit plan audits and similar audit reports, financial and other due diligence on acquisitions, and federal, state, and non-US tax services; and

Services that may be permitted, subject to individual pre-approval, including compliance and internal-control reviews, indirect tax services such as transfer pricing and customs and duties, and forensic auditing.

Services that our independent registered public accounting firm may not legally provide include such services as bookkeeping, certain human resources services, internal audit outsourcing, and investment or investment banking advice.

All proposed engagements of our independent registered public accounting firm, whether for audit services or permissible non-audit services, are pre-approved by the Board. We jointly prepare a schedule with our independent registered public accounting firm that outlines services that we reasonably expect we will need from our independent registered public accounting firm, and categorize them according to the classifications described above. Each service identified is reviewed and approved or rejected by the Board.

Report of THE Audit Committee

In monitoring the preparation of our financial statements, the Audit Committee met with both management and J.H. Cohn LLP, our independent registered public accounting firm for the year ended December 31, 2011, to review and discuss all financial statements prior to their issuance and to discuss any and all significant accounting issues. Management and our independent registered public accounting firm advised the Audit Committee that each of the financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee's review included a discussion of the matters required to be discussed pursuant to the Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended, (Codification of Statements on Auditing Standards, AU Section 380) as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T, or SAS 61. SAS 61 requires our independent registered public accounting firm to discuss with the Audit Committee, among other things, the following:

- Methods used to account for significant or unusual transactions;

• The effect of any accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

• The process used by management to formulate sensitive accounting estimates and the basis for the independent registered public accounting firm's conclusion regarding the reasonableness of any such estimates; and

• Any disagreements with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures necessary in the financial statements.

The Audit Committee has discussed the independence of J.H. Cohn LLP, our independent registered public accounting firm for the year ended December 31, 2011, including the written disclosures made by J.H. Cohn LLP to the Audit Committee, as required PCAOB Rule 3526, "Communication with Audit Committees Concerning Independence." PCAOB Rule 3526 requires the independent registered public accounting firm to (i) disclose in writing all relationships that, in the independent registered public accounting firm's professional opinion, may reasonably be thought to bear on independence, (ii) confirm their perceived independence, and (iii) engage in a discussion of independence with the Audit Committee.

Finally, the Audit Committee continues to monitor the scope and adequacy of our internal controls and other procedures, including any and all proposals for adequate staffing and for strengthening internal procedures and controls where appropriate and necessary.

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On the basis of these reviews and discussions, the Audit Committee recommended to the Board that it approve the inclusion of our audited financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, for filing with the SEC.

By the Audit Committee of the Board of Directors

Michael Weiss

Neil Herskowitz

Dated [March 1, 2012]

12

CHANGE OF CONTROL

On December 29, 2011 the Company completed a reverse acquisition of privately held TG. The acquisition was effected pursuant to the Exchange Transaction Agreement. In accordance with the terms of the Exchange Transaction Agreement, 95% of the holders of common shares of TG (one (1) minority stockholder of TG holding in aggregate 132,000 common shares of TG did not participate) surrendered their TG common shares. In exchange for their TG common shares, The Exchange Transaction Agreement provided for the Company to issue to TG's stockholders 281,250 shares of Series A Preferred Stock. Each share of Series A Preferred Stock is convertible into 500 shares of Common Stock provided that such conversion rights are subject to sufficient available authorized shares of Common Stock. The Series A Preferred Stock has the same voting rights (on an as-converted basis), and other attributes as Common Stock. The Series A Preferred Stock will automatically be exchanged for Common Stock when sufficient authorized shares are available to allow for such conversion.

The shares of Series A Preferred Stock (and the underlying Common Stock once converted) are not registered for resale and, therefore, shall remain subject to the rights and restrictions of Rule 144.

The Series A Preferred Stock issued in connection with the Exchange Transaction Agreement provided the former TG stockholders with direct and/or indirect ownership of approximately 95% of the Company's outstanding equity as of December 29, 2011. Based on the fair value of the Common Stock of \$0.04 per share, the purchase price approximated was \$295,933, plus the fair value of restricted stock assumed of \$82,305. In connection with the Exchange Transaction, the Company incurred \$231,580 of acquisition related costs.

OUR EXECUTIVE OFFICERS

Executive Officers

Our current executive officers are as follows:

Name	Age	Position
Michael S. Weiss	45	Executive Chairman, Interim Chief Executive Officer and President
Sean A. Power	30	Chief Financial Officer, Treasurer and Corporate Secretary

No executive officer is related by blood, marriage or adoption to any other director or executive officer. The biography of Mr. Weiss is presented in connection with “Corporate Governance” beginning on [page 4] of this proxy statement.

Sean A. Power, 30, has served as our Chief Financial Officer since December 2011 and currently serves as the CFO of Opus Point Partners. Mr. Power joined the Company from Keryx Biopharmaceuticals, Inc. (KERX), where he served as Corporate Controller from 2006 to 2011. During his tenure there, Mr. Power was involved in all capital raising and licensing transactions. He was also responsible for leading Keryx’s compliance with SEC rules and regulations. Prior to joining Keryx, he was with KPMG, LLP, independent certified public accountants, where he served as a senior associate. Mr. Power received a B.B.A in accounting from Siena College and is a member of the American Institute of Certified Public Accountants.