

TITAN PHARMACEUTICALS INC
Form DEF 14A
July 20, 2015

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

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a party other than the Registrant o
Check the appropriate box:

o Preliminary proxy statement
 o Confidential, For use of the Commission only (as permitted by Rule 14a-6(e)(2))
 x Definitive proxy statement
 o Definitive additional materials
 o Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

Titan 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):

x No fee required.
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**TITAN PHARMACEUTICALS, INC.
400 Oyster Point Boulevard, Suite 505
South San Francisco, California 94080**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held August 24, 2015**

To the Stockholders of Titan Pharmaceuticals, Inc.:

The annual meeting of stockholders of Titan Pharmaceuticals, Inc. (our company, Titan, we, our, or us) will be held at our executive offices at 400 Oyster Point Boulevard, Suite 505, South San Francisco, California 94080 on Monday, August 24, 2015 at 9:00 a.m. local time for the following purposes:

- to elect a board of eight directors;
- to approve our 2015 Omnibus Equity Incentive Plan;
- to approve an amendment to our certificate of incorporation to effect a reverse split of our common stock within a range from 1-for-3 to 1-for-8, with the exact ratio to be determined by our board of directors;
- to ratify the appointment of OUM & Co. LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
- to consider a non-binding advisory vote on executive compensation;
- to consider a non-binding advisory vote on the desired frequency of future non-binding advisory votes on executive compensation; and
- to consider and take action upon such other matters as may properly come before the meeting or any adjournment thereof.

The close of business on July 17, 2015 has been fixed as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting or any adjournment thereof.

You are cordially invited to attend the meeting in person. However, to assure your representation at the meeting, please mark, sign, date and return the enclosed proxy as promptly as possible in the enclosed postage-prepaid envelope. If you attend the meeting you may vote in person, even if you returned a proxy.

Our proxy statement and proxy are enclosed, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. These materials are also available on our website: www.titanpharm.com.

IMPORTANT

Please note, if your shares are held in street name, your broker, trust, bank or other nominee holder cannot vote your shares on the approval of the amendment of the certificate of incorporation to effect the reverse stock split unless you direct the nominee holder how to vote by marking your form of proxy and returning it as instructed.

By Order of the Board of Directors,

Marc Rubin, M.D.
Executive Chairman of the Board

July 20, 2015

**TITAN PHARMACEUTICALS, INC.
400 Oyster Point Boulevard, Suite 505
South San Francisco, California 94080**

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

We are furnishing this proxy statement to the holders of our common stock in connection with the solicitation of proxies on behalf of our board of directors (Board) for use at our annual meeting of stockholders to be held at our executive offices at 400 Oyster Point Boulevard, Suite 505, South San Francisco, California 94080 on Monday, August 24, 2015 at 9:00 a.m. local time, and any adjournment thereof. We will bear the cost of soliciting proxies. In addition to solicitation of proxies by mail, our employees, without extra remuneration, may solicit proxies personally or by telephone. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials to beneficial owners and seeking instruction with respect thereto. If necessary, we may engage a third party proxy solicitor, in which event we may pay up to \$15,000 plus expenses of such solicitation agent.

We mailed these proxy materials on or about July 20, 2015 to our stockholders of record and beneficial owners as of July 17, 2015, the record date for the meeting

Annual Report on Form 10-K

Our Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the SEC (the 2014 10-K) is accessible free of charge on our website at <http://www.titanpharm.com>. It contains audited financial statements covering our fiscal years ended December 31, 2014 and 2013. You can request a copy of the 2014 10-K free of charge by calling 1-650-989-2268 or sending an e-mail to bcrowley@titanpharm.com. Please include your contact information with the request. The 2014 10-K, without exhibits, accompanies this proxy statement.

GENERAL INFORMATION ABOUT VOTING

Record Date

Only the holders of record of our common stock at the close of business on the record date, July 17, 2015 (the Record Date), are entitled to notice of and to vote at the meeting. On the Record Date, there were 110,327,707 shares of our common stock outstanding. Stockholders are entitled to one vote for each share of common stock held on the record date.

Quorum

Consistent with state law and our bylaws, the presence, in person or by proxy, of at least a majority of the shares entitled to vote at the annual meeting will constitute a quorum for purposes of voting on a particular matter at the annual meeting. Once a share is represented for any purpose at the annual meeting, it is deemed present for quorum purposes for the remainder of the meeting and any adjournment thereof unless a new record date is set for the adjournment. If a quorum is not present, the annual meeting will be adjourned until a quorum is obtained.

Voting

When a proxy is properly executed and returned (and not subsequently properly revoked), the shares it represents will be voted in accordance with the directions indicated thereon, or, if no direction is indicated thereon, it will be voted:

- 1) **FOR** the election of the eight director nominees identified therein;
- 2) **FOR** approval of our 2015 Omnibus Equity Incentive Plan (2015 Incentive Plan);
- 3) **FOR** approval of an amendment to our certificate of incorporation to effect a reverse split of our common stock, par value \$0.001, within a range from 1-for-3 to 1-for-8, with the exact ratio to be determined by our Board;

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- 4) **FOR** ratification of the appointment of OUM & Co. LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
- 5) **FOR** approval, on an advisory basis, of the compensation paid to our named executive officers;
- 6) **FOR** a non-binding advisory vote on executive compensation to be held every two years; and
- 7) in the discretion of the proxies with respect to any other matters properly brought before the stockholders at the meeting.

Votes Required for Approval

Assuming the presence of a quorum at the annual meeting:

The election of directors will be determined by a plurality of the votes cast. This means that the eight nominees receiving the highest number of **FOR** votes will be elected as directors. Withheld votes and broker non-votes, if any, are not treated as votes cast, and therefore will have no effect on the proposal to elect directors.

The approval of our 2015 Incentive Plan, the ratification of the appointment of OUM & Co. LLP and the advisory approval of our executive compensation require the affirmative vote of the holders of a majority of the shares of our common stock present or represented and entitled to vote on the proposal. Abstentions and broker non-votes are not treated as votes cast, and therefore will have no effect on these proposals.

The approval of the amendment to our certificate of incorporation to effect a reverse stock split of our common stock requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to be voted at the meeting. Abstentions and broker non-votes are not treated as votes cast, and therefore will have the effect of a vote against these proposals.

The determination of the frequency with which future advisory votes on executive compensation will take place will be determined by the preference (either every one, two or three years) that receives the highest number of votes cast.

Broker Non-Votes

A broker non-vote occurs when a broker, bank, or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder (i) has not received instructions from the beneficial owner and (ii) does not have discretionary voting power for that particular item.

If you are a beneficial owner and you do not give instructions to your broker, bank, or other holder of record, such holder of record will be entitled to vote the shares with respect to routine items but will not be permitted to vote the shares with respect to non-routine items (those shares are treated as broker non-votes). If you are a beneficial owner, your broker, bank, or other holder of record has discretion to vote your shares on the proposal to ratify the appointment of OUM & Co. LLP as our independent registered public accounting firm if the holder of record does not receive voting instructions from you. However, such holder of record may not vote your shares on the election of directors or the proposals to approve the 2015 Incentive Plan, amend our certificate of incorporation to effect a reverse stock split, or the advisory resolutions regarding say-on-pay without your voting instructions on those proposals.

Accordingly, without your voting instructions on those proposals, a broker non-vote will occur.

We encourage you to provide instructions to your bank, brokerage firm, or other nominee by voting your proxy. This action ensures that your shares will be voted in accordance with your wishes at the annual meeting.

Revocability of Proxies

You may revoke any proxy given in response to this solicitation by notifying the Company in writing at the above address, attention: Corporate Secretary by 5 p.m. on August 22, 2015, or by voting a subsequent proxy or in person at the annual meeting. Attendance by a stockholder at the meeting does not alone serve to revoke a proxy. If a broker,

trust, bank or other nominee holds your shares, please follow the instructions you receive from that person.

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Delivery of Documents to Stockholders Sharing an Address

The SEC has adopted rules that permit companies to deliver a single Notice of Internet Availability or a single copy of proxy materials to multiple stockholders sharing an address unless a company has received contrary instructions from one or more of the stockholders at that address. Upon request, we will promptly deliver a separate Notice of Internet Availability or separate copy of proxy materials to one or more stockholders at a shared address to which a single Notice of Internet Availability or a single copy of proxy materials was delivered. Stockholders may request a separate Notice of Internet Availability or separate copy of proxy materials by contacting our Corporate Controller either by calling 1-650-989-2268 or by mailing a request to 400 Oyster Point Boulevard, Suite 505, South San Francisco, California 94080. Stockholders at a shared address who receive multiple Notices of Internet Availability or multiple copies of proxy materials may request to receive a single Notice of Internet Availability or a single copy of proxy materials in the future in the same manner as described above.

CORPORATE GOVERNANCE

Independence of Directors

The following members of our Board meet the independence requirements and standards currently established by the NASDAQ: Joseph A. Akers, Victor J. Bauer, Eurelio M. Cavalier, M. David MacFarlane, James R. McNab, Jr. and Ley S. Smith.

Board Committees

Our Board has established the following three standing committees: audit committee; compensation committee; and nominating and governance committee, or governance committee.

The audit committee was formed in compliance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the Exchange Act) and consists of Joseph A. Akers, Ley S. Smith, M. David MacFarlane and Victor J. Bauer, each of whom meets the independence requirements and standards currently established by the NASDAQ and the SEC. In addition, the Board has determined that Mr. Akers is an audit committee financial expert and independent as defined under the relevant rules of the SEC and the NASDAQ. The audit committee assists the Board by overseeing the performance of the independent auditors and the quality and integrity of Titan's internal accounting, auditing and financial reporting practices. The audit committee is responsible for retaining (subject to stockholder ratification) and, as necessary, terminating, the independent auditors, annually reviewing the qualifications, performance and independence of the independent auditors and the audit plan, fees and audit results, and pre-approving audit and non-audit services to be performed by the auditors and related fees. During the fiscal year ended December 31, 2014, the audit committee met four times.

The compensation committee makes recommendations to the Board concerning salaries and incentive compensation for our officers, including our Principal Executive Officer, and employees and administers our stock option plans. The compensation committee consists of Victor J. Bauer and Eurelio M. Cavalier, each of whom meets the independence requirements and standards currently established by the NASDAQ. The compensation committee did not meet as a separate committee, but did take action by written consent one time during the fiscal year ended December 31, 2014.

The purpose of the governance committee is to assist the Board in identifying qualified individuals to become board members, in determining the composition of the Board and in monitoring the process to assess Board effectiveness. The governance committee consists of Eurelio M. Cavalier, M. David MacFarlane, James R. McNab, Jr. and Ley S. Smith, each of whom meets the independence requirements and standards currently established by the NASDAQ. The governance committee met two times as a separate committee and took action by written consent one time during the fiscal year ended December 31, 2014.

The charters for the audit, compensation and governance committees, which have been adopted by our Board, contain detailed descriptions of the committees' duties and responsibilities and are available in the About Titan section of our website at www.titanpharma.com.

Board Leadership Structure

Currently, our principal executive officer and chairman of the Board positions are held separately by Sunil Bhonsle and Marc Rubin, respectively.

Role of the Board in Risk Oversight

Our audit committee is primarily responsible for overseeing our risk management processes on behalf of the full Board. The audit committee receives reports from management at least quarterly regarding our assessment of risks. In addition, the audit committee reports regularly to the full Board, which also considers our risk profile. The audit committee and the full Board focus on the most significant risks we face and our general risk management strategies.

While the Board oversees our risk management, management is responsible for day-to-day risk management processes. Our Board expects management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the audit committee and the Board. We believe this division of responsibilities is the most effective approach for

addressing the risks we face and that our Board leadership structure, which also emphasizes the independence of the Board in its oversight of its business and affairs, supports this approach.

Board Meetings

Our business affairs are managed under the direction of our Board, which is currently composed of eight members. The primary responsibilities of the Board are to provide oversight, strategic guidance, counseling and direction to our management. During the fiscal year ended December 31, 2014, the Board met nine times and no director attended fewer than 75% of the meetings of the Board and board committees of which the director was a member.

Code of Ethics

We adopted a Code of Business Conduct and Ethics (the Code) in February 2013 that applies to all directors, officers and employees. The Code was filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2012 and is available on our website at www.titanpharm.com as part of that report. A copy of the Code will also be provided to any person without charge, upon written request sent to us at our offices located at 400 Oyster Point Blvd, Suite 505, South San Francisco, California 94080.

Communications with the Board

Stockholders can mail communications to the Board, c/o Titan Pharmaceuticals, Inc., 400 Oyster Point Blvd, Suite 505, South San Francisco, California 94080, who will forward the correspondence to each addressee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of the Record Date, the number of shares of our common stock beneficially owned by (i) each person who is known by us to be the beneficial owner of more than five percent of our common stock; (ii) each director and director nominee; (iii) each of the named executive officers in the Summary Compensation Table; and (iv) all directors and executive officers as a group. As of the Record Date, we had 110,327,707 shares of common stock issued and outstanding.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the SEC) and generally includes voting or investment power with respect to securities. Unless otherwise indicated, the stockholders listed in the table have sole voting and investment power with respect to the shares indicated.

Name and Address of Beneficial Owner ⁽¹⁾	Shares Beneficially Owned ⁽²⁾	Percent of Shares Beneficially Owned
Joseph A. Akers	12,500 ⁽³⁾	*
Victor J. Bauer, Ph.D.	321,144 ⁽⁴⁾	*
Sunil Bhonsle	2,335,310 ⁽⁵⁾	2.1 %
Eurelio M. Cavalier	432,500 ⁽⁶⁾	*
M. David MacFarlane, Ph.D.	332,500 ⁽⁷⁾	*
James R. McNab, Jr.	362,500 ⁽⁸⁾	*
Marc Rubin, M.D.	2,742,200 ⁽⁹⁾	2.4 %
Ley S. Smith	362,500 ⁽¹⁰⁾	*
Braeburn Pharmaceuticals BVBA SPRL	9,650,000 ⁽¹¹⁾	8.7 %
Broadfin Capital, LLC	10,872,500 ⁽¹²⁾	9.9 %
Robert E. Mead	6,377,885 ⁽¹³⁾	5.8 %
All executive officers and directors as a group (6) persons	6,901,154	6.0 %

* Less than one percent.

(1) Unless otherwise indicated, the address of such individual is c/o Titan Pharmaceuticals, Inc., 400 Oyster Point Boulevard, Suite 505, South San Francisco, California 94080.

(2) In computing the number of shares beneficially owned by a person and the percentage ownership of a person, shares of our common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the Record Date are deemed outstanding. Such shares, however, are not deemed outstanding for purposes of computing the percentage ownership of each other person. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock.

(3) Includes 12,500 shares issuable upon exercise of outstanding options.

(4) Includes 285,000 shares issuable upon exercise of outstanding options.

(5) Includes (i) 1,603,053 shares issuable upon exercise of outstanding options and (ii) 300,757 shares held in a family trust for which he serves as trustee.

(6) Includes 250,000 shares issuable upon exercise of outstanding options.

(7) Includes 210,000 shares issuable upon exercise of outstanding options.

(8) Includes 12,500 shares issuable upon exercise of outstanding options.

(9) Includes 1,960,000 shares issuable upon exercise of outstanding options.

(10) Includes 250,000 shares issuable upon exercise of outstanding options.

(11) Derived from a Schedule 13D filed by Braeburn, Apple Tree Consolidated BVBA Sprl (ATC), Apple Tree Investments S.a.r.l (ATI), Apple Tree Partners IV, L.P. (ATP IV), ATP III GP, Ltd. (ATP GP) and Seth L. Harrison (Harrison). ATP GP is the sole general partner of ATP IV. Harrison is the sole owner and director of ATP GP. As the sole owner of Braeburn, ATC may be deemed to own beneficially such shares. As the sole owner of ATC, ATI may be deemed to own beneficially such shares. As the sole owner of ATI, ATP IV may be deemed to own beneficially such

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shares. As the sole general partner of ATP IV, ATP GP may be deemed to own beneficially such shares. As the sole owner and director of ATP GP, Harrison may be deemed to own beneficially such shares. Each of the foregoing persons except Braeburn, disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein, if any. The address of the principal business office of Braeburn is Brugmannlaan 147, 1190 Vorst, Belgium.

Derived from a Schedule 13G filed by Broadfin Capital, LLC, Broadfin Healthcare Master Fund, Ltd. And Kevin (12) Kotler. The address of the principal business office of Broadfin Capital, LLC is 237 Park Avenue, Suite 900, New York, New York 10017. Includes 4,500,000 shares issuable upon exercise of outstanding warrants.

(13) Derived from a Schedule 13G filed by Mr. Mead. The address of Mr. Mead's principal business office is 3653 Maplewood Ave., Dallas, TX 75205.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

At the meeting, eight directors will be elected by the stockholders to serve until the next annual meeting of stockholders or until their successors are elected and shall qualify. It is intended that the accompanying proxy will be voted for the election, as directors, of Marc Rubin, Sunil Bhonsle, Joseph A. Akers, Victor Bauer, Eurelio Cavalier, M. David MacFarlane, James R. McNab, Jr. and Ley Smith unless the proxy contains contrary instructions. We have no reason to believe that any of the nominees will not be a candidate or will be unable to serve. In the event that any of the nominees should become unable or unwilling to serve as a director, however, the persons named in the proxy have advised that they will vote for the election of such person or persons as shall be designated by the directors.

Our directors are appointed for a one-year term to hold office until the next annual meeting of our stockholders or until they resign or are removed from office in accordance with our bylaws. Set forth below are the respective principal occupations or brief employment histories of the eight nominees.

Marc Rubin, M.D. served as our President and Chief Executive from October 2007 until December 2008 and was re-engaged as our Executive Chairman in May 2009. Until February 2007, Dr. Rubin served as Head of Global Research and Development for Bayer Schering Pharma, as well as a member of the Executive Committee of Bayer Healthcare and the Board of Management of Bayer Schering Pharma. Prior to the merger of Bayer Pharmaceuticals and Schering AG in June 2006, Dr. Rubin was a member of the Executive Board of Schering AG since joining the Company in October 2003, as well as Chairman of Schering Berlin Inc. and President of Berlex Pharmaceuticals, a division of Schering AG. From 1990 until August 2003, Dr. Rubin was employed by GlaxoSmithKline where he held positions of increasing responsibility in global clinical and commercial development overseeing programs in the United States, Europe, Asia and Latin America. From 2001 through 2003, he was Senior Vice President of Global Clinical Pharmacology & Discovery Medicine. Dr. Rubin holds an M.D. from Cornell University Medical College. Dr. Rubin currently serves on the board of directors of Curis Inc. and Galectin Therapeutics. Based on Dr. Rubin's position as the executive chairman, his extensive senior management experience and service on boards of directors in the biotechnology and pharmaceutical industries and his medical background, our Board believes that Dr. Rubin has the appropriate set of skills to serve as a member of the Board.

Sunil Bhonsle served as our Executive Vice President and Chief Operating Officer from September 1995 until December 2008 and was re-engaged as our President in May 2009. Mr. Bhonsle served in various positions in financial and operations management, including Vice President and General Manager Plasma Supply and Manager Inventory and Technical Planning, at Bayer Corporation from July 1975 until April 1995. Mr. Bhonsle holds an M.B.A. from the University of California at Berkeley and a B.Tech. in chemical engineering from the Indian Institute of Technology. Based on Mr. Bhonsle's position as the president and his substantial experience in the pharmaceutical industry, particularly in the areas of product development, manufacturing operations and financial management, our Board believes that Mr. Bhonsle has the appropriate set of skills to serve as a member of the Board.

Joseph A. Akers was employed in various capacities by Bayer Corporation, Bayer Healthcare and certain related entities, including as president of the Hematology/Cardiology Business Unit from 2004 to 2007, president and chief executive officer of Bayer Business and Corporate Services from July 2002 through 2003 and executive vice president and chief administrative and financial officer from 1999 to July 2002. Mr. Akers received a B.S. in marketing and an M.B.A. in finance from the University of California at Berkeley. Based on Mr. Akers' extensive management experience in the pharmaceutical industry, particularly in the areas of administration and finance, our Board believes

that Mr. Akers has the appropriate set of skills to serve as a member of the Board

Victor J. Bauer, Ph.D. serves as the President of Concordia Pharmaceuticals, LLC, a biopharmaceutical company he co-founded in 2004. From February 1997 through March 2003, Dr. Bauer was employed by Titan, most recently as our Executive Director of Corporate Development. From April 1996 until its merger into Titan, Dr. Bauer also served as a director and Chairman of Theracell. Since December 1992, Dr. Bauer has been a self-employed consultant to companies in the pharmaceutical and biotechnology industries. Prior to

that time, Dr. Bauer was with Hoechst-Roussel Pharmaceuticals Inc., where he served as President from 1988 through 1992. Dr. Bauer holds an SB from MIT and a Ph.D. from the University of Wisconsin, and served as a Research Fellow at Harvard University. Based on Dr. Bauer's extensive management and consulting experience in the biotechnology and pharmaceutical industries, particularly in the areas of research and product development, our Board believes that Dr. Bauer has the appropriate set of skills to serve as a member of the Board.

Eurelio M. Cavalier was employed in various capacities by Eli Lilly & Co. from 1958 until his retirement in 1994, serving as Vice President Sales from 1976 to 1982 and Group Vice President U.S. Pharmaceutical Business Unit from 1982 to 1993. Based on Mr. Cavalier's management experience in the pharmaceutical industry, particularly in the area of sales and marketing, our Board believes that Mr. Cavalier has the appropriate set of skills to serve as a member of the Board.

M. David MacFarlane, Ph.D. served as Vice President and Responsible Head of Regulatory Affairs of Genentech, Inc. from 1989 until his retirement in August 1999. Prior to joining Genentech, Inc., he served in various positions with Glaxo Inc., last as Vice President of Regulatory Affairs. Based on Dr. MacFarlane's management experience in the pharmaceutical industry, particularly in the area of clinical and regulatory affairs, our Board believes that Dr. MacFarlane has the appropriate set of skills to serve as a member of the Board.

James R. McNab, Jr. has served since 1998 as chief executive officer and chairman of Palmetto Pharmaceuticals, Inc., a privately-held drug discovery company he founded. He has been a chairman of the board of directors of Curis, Inc. (Nasdaq:CRIS), an oncology focused biotechnology company, since May 2002. Since 2009, Mr. McNab has served as executive chairman of FirstString Research, Inc., a privately-held biopharmaceutical company, and as chief executive officer of JT Pharmaceuticals, Inc., a privately-held drug discovery company. Mr. McNab has co-founded several privately-held companies, including Sontra Medical Corporation, a drug delivery company, and Parker Medical Associates, a manufacturer and worldwide supplier of orthopedic and sports-related products. He received a B.A. in economics from Davidson College and an M.B.A. from the University of North Carolina at Chapel Hill. Based on Mr. McNab's extensive management experience in the pharmaceutical industry, our Board believes that Mr. McNab has the appropriate set of skills to serve as a member of the Board.

Ley S. Smith served in various positions with The Upjohn Company and Pharmacia & Upjohn from 1958 until his retirement in November 1997. From 1991 to 1993, he served as Vice Chairman of the Board of The Upjohn Company, and from 1993 to 1995 he was President and Chief Operating Officer of The Upjohn Company. At the time of his retirement, Mr. Smith was Executive Vice President of Pharmacia & Upjohn, and President of Pharmacia & Upjohn's U.S. Pharma Product Center. Based on Mr. Smith's management experience in the pharmaceutical industry, our Board believes that Mr. Smith has the appropriate set of skills to serve as a member of the Board.

As indicated above, each of our directors has extensive management and operational experience in one or more facets of the pharmaceutical industry, including research, product development, clinical and regulatory affairs, manufacturing and sales and marketing, providing our company with the leadership needed by a biotechnology company in all stages of its development.