UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2014

OR

☐ 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 000-30929

TG THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-3898269**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3 Columbus Circle, 15th Floor
New York, New York 10019
(Address including zip code of principal executive offices)

(212) 554-4484
(Registrant's telephone number, including area code)

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 ☐

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

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☒

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes £ No ☒

There were 43,964,350 shares of the registrant's common stock, $0.001 par value, outstanding as of November 13, 2014.

TG THERAPEUTICS, INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report, including matters discussed under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended, or the Securities Act, and the Securities Exchange Act of 1934, as amended, or the Exchange Act, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The words "anticipate," "believe," "estimate," "may," "expect" and similar expressions are generally intended to identify forward-looking statements. Our actual results may differ materially from the results anticipated in these forward-looking statements due to a variety of factors, including, without limitation, those discussed under the captions “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this report, as well as other factors which may be identified from time to time in our other filings with the Securities and Exchange Commission, or the SEC, or in the documents where such forward-looking statements appear. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements. Such forward-looking statements include, but are not limited to, statements about our:

- expectations for increases or decreases in expenses;
- expectations for the clinical and pre-clinical development, manufacturing, regulatory approval, and commercialization of our pharmaceutical product candidates or any other products we may acquire or in-license;
- use of clinical research centers and other contractors;
- expectations for incurring capital expenditures to expand our research and development and manufacturing capabilities;
- expectations for generating revenue or becoming profitable on a sustained basis;
- expectations or ability to enter into marketing and other partnership agreements;
- expectations or ability to enter into product acquisition and in-licensing transactions;
- expectations or ability to build our own commercial infrastructure to manufacture, market and sell our drug candidates;
- acceptance of our products by doctors, patients or payors;
- ability to compete against other companies and research institutions;
- ability to secure adequate protection for our intellectual property;
- ability to attract and retain key personnel;
- approval of reimbursement for our products;
- estimates of the sufficiency of our existing cash and cash equivalents and investments to finance our operating requirements, including expectations regarding the value and liquidity of our investments;
- volatility of stock price;
- expected losses; and
- expectations for future capital requirements.

The forward-looking statements contained in this report reflect our views and assumptions only as of the date this report is signed. Except as required by law, we assume no responsibility for updating any forward-looking statements.

We qualify all of our forward-looking statements by these cautionary statements. In addition, with respect to all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TG Therapeutics, Inc.
Condensed Consolidated Balance Sheets

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 53,225,799	$ 40,485,466
Short-term investment securities	14,009,644	—
Interest receivable	53,821	27,169
Prepaid research and development	9,117,863	1,742,824
Other current assets	258,721	47,804
Total current assets	76,665,848	42,303,263
Long-term investment securities	—	4,918,897
Equipment, net	7,763	5,718
Goodwill	799,391	799,391
Other assets	71,251	85,121
Total assets	$ 77,544,253	$ 48,112,390
Liabilities and equity		
Current liabilities:		
Notes payable, current portion	$ 183,144	$ 677,778
Accounts payable and accrued expenses	7,967,548	4,764,502
Accrued compensation	599,083	532,500
Current portion of deferred revenue	152,381	152,381
Interest payable	—	190,017
Total current liabilities	8,902,156	6,317,178
Deferred revenue, net of current portion	1,561,905	1,676,191
Notes payable, less current portion, at fair value	—	64,529
Total liabilities	10,464,061	8,057,898
Commitments and contingencies		
Equity:		
Preferred stock, $0.001 par value per share (10,000,000 shares authorized, 0 issued and outstanding as of September 30, 2014 and December 31, 2013)	—	—
Common stock, $0.001 par value per share (150,000,000 and 500,000,000 shares authorized, 41,481,047 and 34,336,235 shares issued, 41,439,738 and 34,294,926 shares outstanding at September 30, 2014 and December 31, 2013, respectively)	41,481	34,336
Contingently issuable shares	6	6
Additional paid-in capital	143,661,893	79,658,490
Treasury stock, at cost, 41,309 shares at September 30, 2014 and December 31, 2013	(234,337)	(234,337)
Accumulated deficit	(76,388,851)	(39,404,003)
Total equity	67,080,192	40,054,492
Total liabilities and equity	$ 77,544,253	$ 48,112,390

The accompanying notes are an integral part of the condensed consolidated financial statements.

TG Therapeutics, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
License revenue	$ 38,096	$ 38,096	$ 114,286	$ 114,286
Costs and expenses:				
Research and development:				
Noncash stock expense associated with in- licensing agreements	4,138,844	—	5,350,094	—
Noncash compensation	1,200,575	171,442	6,402,296	892,313
Other research and development	8,352,154	3,138,119	13,197,183	9,014,776
Total research and development	13,691,573	3,309,561	24,949,573	9,907,089
General and administrative:				
Noncash compensation	2,895,997	825,313	9,664,560	3,363,687
Other general and administrative	889,872	550,639	2,500,121	1,833,733
Total general and administrative	3,785,869	1,375,952	12,164,681	5,197,420
Total costs and expenses	17,477,442	4,685,513	37,114,254	15,104,509
Operating loss	(17,439,346)	(4,647,417)	(36,999,968)	(14,990,223)
Other (income) expense:				
Interest income	(12,107)	(12,375)	(38,308)	(15,054)
Other income	—	—	(95,427)	—
Interest expense	234,787	240,530	695,914	712,016
Change in fair value of notes payable	(210,857)	(319,377)	(577,299)	(872,827)
Total other expense (income)	11,823	(91,222)	(15,120)	(175,865)
Consolidated net loss	$ (17,451,169)	$ (4,556,195)	$ (36,984,848)	$ (14,814,358)
Basic and diluted net loss per common share	$ (0.51)	$ (0.16)	$ (1.14)	$ (0.62)
Weighted average shares used in computing basic and diluted net loss per common share	34,188,108	27,684,802	32,436,420	24,057,200

The accompanying notes are an integral part of the condensed consolidated financial statements.

TG Therapeutics, Inc.
Condensed Consolidated Statement of Equity
for the nine months ended September 30, 2014 (Unaudited)

	Preferred stock		Common stock		Contingently issuable	Additional paid-in	Treasury Stock		Accumulated	
	Shares	Amount	Shares	Amount	shares	capital	Shares	Amount	Deficit	Total
Balance at January 1, 2014	—	$ —	34,336,235	$ 34,336	$ 6	$ 79,658,490	41,309	$ (234,337)	$ (39,404,003)	$ 40,054,492
Issuance of common stock in connection with exercise of warrants			1,272,340	1,272		2,889,033				2,890,305
Issuance of common stock in connection with exercise of options			33,000	33		145,167				145,200
Issuance of restricted stock			310,690	311		(311)				—
Issuance of common stock in public offering (net of offering costs of $1,344,440)			2,702,809	2,703		16,788,705				16,791,408
Issuance of common stock in At the Market offering (net of offering costs of $565,191)			2,329,443	2,329		22,764,356				22,766,685
Compensation in respect of restricted stock and options granted to employees, directors and consultants						16,066,856				16,066,856
Common stock issued in connection with in-licensing agreements			496,530	497		5,349,597				5,350,094
Net loss									(36,984,848)	(36,984,848)
Balance at September 30, 2014	—	$ —	41,481,047	$ 41,481	$ 6	$ 143,661,893	41,309	$ (234,337)	$ (76,388,851)	$ 67,080,192

The accompanying notes are an integral part of the condensed consolidated financial statements.

TG Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine months ended September 30,	
	2014	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net loss	$ (36,984,848)	$ (14,814,358)
Adjustments to reconcile consolidated net loss to net cash used in operating activities:		
Gain on settlement of notes payable	(95,427)	—
Noncash stock compensation expense	16,066,856	4,256,000
Noncash stock expense associated with in-licensing agreements	5,350,094	—
Depreciation	2,454	634
Amortization of premium on investment securities	127,260	—
Change in fair value of notes payable	118,615	(210,052)
Changes in assets and liabilities, net of effects of acquisition:		
(Increase) decrease in other current assets	(7,585,956)	1,589,950
Increase in accrued interest receivable	(26,652)	—
Decrease (increase) in other assets	13,870	(85,121)
Increase in accounts payable and accrued expenses	3,269,629	3,412,916
(Decrease) increase in interest payable	(94,590)	49,240
Decrease in deferred revenue	(114,286)	(114,286)
Net cash used in operating activities	(19,952,981)	(5,915,077)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(4,498)	(3,299)
Investment in held-to-maturity short-term securities	(9,218,008)	—
Net cash used in investing activities	(9,222,506)	(3,299)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercise of warrants	2,890,305	1,997,498
Proceeds from the exercise of options	145,200	—
Payment of notes payable	(677,778)	—
Proceeds from sale of common stock, net	39,558,093	37,648,280
Net cash provided by financing activities	41,915,820	39,645,778
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,740,333	33,727,402
Cash and cash equivalents at beginning of period	40,485,466	16,455,995
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 53,225,799	$ 50,183,397

The accompanying notes are an integral part of the condensed consolidated financial statements.

Unless the context requires otherwise, references in this report to "TG" "Company," "we," "us" and "our" refer to TG Therapeutics, Inc. (formerly known as Manhattan Pharmaceuticals, Inc., or Manhattan) and our subsidiaries.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

We are a biopharmaceutical company focused on the acquisition, development and commercialization of novel treatments for cancer and autoimmune diseases. We acquire rights to these technologies by licensing or otherwise acquiring an ownership interest, funding their research and development, and eventually either out-licensing or bringing the technologies to market. Currently, we are developing two therapies targeting hematological malignancies:

- TG-1101 (ublituximab) a novel, glycoengineered monoclonal antibody that targets a specific and unique epitope on the CD20 antigen found on mature B-lymphocytes; and
- TGR-1202, an orally available PI3K delta inhibitor.

We are also developing a portfolio of inhibitors of IRAK-4 (interleukin-1 receptor-associated kinase 4), which is currently in pre-clinical development.

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles, or GAAP, for interim financial information and with the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X of the Exchange Act. Accordingly, they may not include all of the information and footnotes required by GAAP for complete financial statements. All adjustments that are, in the opinion of management, of a normal recurring nature and are necessary for a fair presentation of the consolidated financial statements have been included. Nevertheless, these consolidated financial statements should be read in conjunction with the audited consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2013. The December 31, 2013 balance sheet has been derived from these statements. The results of operations for the three and nine months ended September 30, 2014 are not necessarily indicative of the results that may be expected for the entire fiscal year or any other interim period.

Liquidity and Capital Resources

We have incurred operating losses since our inception and expect to continue to incur operating losses for the foreseeable future and may never become profitable. As of September 30, 2014, we have an accumulated deficit of $76,388,851.

Our major sources of cash have been proceeds from the private placement and public offering of equity securities, the upfront payment from our Sublicense Agreement with Ildong Pharmaceutical Co. Ltd. ("Ildong"), and warrant and option exercises. We have not yet commercialized any of our drug candidates and cannot be sure if we will ever be able to do so. Even if we commercialize one or more of our drug candidates, we may not become profitable. Our ability to achieve profitability depends on many factors, including our ability to obtain regulatory approval for our drug candidates, to successfully complete any post-approval regulatory obligations and to successfully commercialize our drug candidates alone or in partnership. We may continue to incur substantial operating losses even if we begin to generate revenues from our drug candidates.

As of September 30, 2014, we had $67,289,264 in cash, cash equivalents, investment securities, and interest receivable. We currently anticipate that our cash and cash equivalents and investments will be sufficient to fund our anticipated operating cash requirements for more than 24 months from September 30, 2014. The actual amount of cash that we will need to operate is subject to many factors, including, but not limited to, the timing, design and conduct of clinical trials for our drug candidates. We are dependent upon significant future financing to provide the cash necessary to execute our current strategic plan, including the commercialization of any of our drug candidates.

Our common stock is quoted on the NASDAQ Capital Market and trades under the symbol "TGTX."

Recently Issued Accounting Standards

In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. This update to ASC 606 is effective for us beginning in fiscal 2017. We are currently evaluating the impact of this update on our consolidated financial statements.

On June 10, 2014, FASB issued Accounting Standards Update No. 2014-10, Development Stage Entities: Elimination of Certain Financial Reporting Requirements. The update removes the definition of a development stage entity from FASB ASC 915 and eliminates the requirement for development stage entities to present inception-to-date information on the statements of operations, cash flows and stockholders' deficit. We early adopted this standard for the period covered by this report.

Other pronouncements issued by the FASB or other authoritative accounting standards group with future effective dates are either not applicable or not significant to our consolidated financial statements.

Cash and Cash Equivalents

We treat liquid investments with original maturities of three months or less when purchased as cash and cash equivalents.

Revenue Recognition

We recognize license revenue in accordance with the revenue recognition guidance of the FASB Accounting Standards Codification, or Codification. We analyze each element of our licensing agreement to determine the appropriate revenue recognition. The terms of the license agreement may include payments to us of non-refundable up-front license fees, milestone payments if specified objectives are achieved, and/or royalties on product sales. We recognize revenue from upfront payments over the period of significant involvement under the related agreements unless the fee is in exchange for products delivered or services rendered that represent the culmination of a separate earnings process and no further performance obligation exists under the contract. We recognize milestone payments as revenue upon the achievement of specified milestones only if (1) the milestone payment is non-refundable, (2) substantive effort is involved in achieving the milestone, (3) the amount of the milestone is reasonable in relation to the effort expended or the risk associated with achievement of the milestone, and (4) the milestone is at risk for both parties. If any of these conditions are not met, we defer the milestone payment and recognize it as revenue over the estimated period of performance under the contract.

Research and Development Costs

Generally, research and development costs are expensed as incurred. Nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities are deferred and amortized over the period that the goods are delivered or the related services are performed, subject to an assessment of recoverability. We make estimates of costs incurred in relation to external clinical research organizations, or CROs, and clinical site costs. We analyze the progress of clinical trials, including levels of patient enrollment, invoices received and contracted costs when evaluating the adequacy of the amount expensed and the related prepaid asset and accrued liability. Significant judgments and estimates must be made and used in determining the accrued liability balance and expense in any accounting period. We review and accrue CRO expenses and clinical trial study expenses based on work performed and rely upon estimates of those costs applicable to the stage of completion of a study. Accrued CRO costs are subject to revisions as such trials progress to completion. Revisions are charged to expense in the period in which the facts that give rise to the revision become known. With respect to clinical site costs, the financial terms of these agreements are subject to negotiation and vary from contract to contract. Payments under these contracts may be uneven, and depend on factors such as the achievement of certain events, the successful recruitment of patients, the completion of portions of the clinical trial or similar conditions. The objective of our policy is to match the recording of expenses in our financial statements to the actual services received and efforts expended. As such, expense accruals related to clinical site costs are recognized based on our estimate of the degree of completion of the event or events specified in the specific clinical study or trial contract.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. If the likelihood of realizing the deferred tax assets or liability is less than "more likely than not," a valuation allowance is then created.

We, and our subsidiaries, file income tax returns in the U.S. Federal jurisdiction and in various states. We have tax net operating loss carryforwards that are subject to examination for a number of years beyond the year in which they were generated for tax purposes. Since a portion of these net operating loss carryforwards may be utilized in the future, many of these net operating loss carryforwards will remain subject to examination.

We recognize interest and penalties related to uncertain income tax positions in income tax expense.

Stock-Based Compensation

We recognize all share-based payments to employees and non-employee directors (as compensation for service) as compensation expense in the consolidated financial statements based on the fair values of such payments. Stock-based compensation expense recognized each period is based on the value of the portion of share-based payment awards that is ultimately expected to vest during the period. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

For share-based payments to consultants and other third-parties (including related parties), compensation expense is determined at the "measurement date." The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. We record compensation expense based on the fair value of the award at the reporting date. The awards to consultants and other third-parties (including related parties) are then revalued, or the total compensation is recalculated based on the then current fair value, at each subsequent reporting date.

Basic and Diluted Net Loss Per Share of Common Stock

Basic net loss per share of our common stock is calculated by dividing net loss applicable to the common stock by the weighted-average number of our common stock outstanding for the period. Diluted net loss per share of common stock is the same as basic net loss per share of common stock since potentially dilutive securities from stock options, stock warrants and convertible preferred stock would have an antidilutive effect either because we incurred a net loss during the period presented or because such potentially dilutive securities were out of the money and the Company realized net income during the period presented. The amounts of potentially dilutive securities excluded from the calculation were 9,100,404 and 9,994,297 at September 30, 2014 and 2013, respectively. During the three and nine months ended September 30, 2014 and 2013, we incurred a net loss; therefore, all of the dilutive securities are excluded from the computation of diluted earnings per share.

Long-Lived Assets and Goodwill

Long-lived assets are reviewed for an impairment loss when circumstances indicate that the carrying value of long-lived tangible and intangible assets with finite lives may not be recoverable. Management's policy in determining whether an impairment indicator exists, a triggering event, comprises measurable operating performance criteria as well as qualitative measures. If an analysis is necessitated by the occurrence of a triggering event, we make certain assumptions in determining the impairment amount. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized.

Goodwill is reviewed for impairment annually, or when events arise that could indicate that an impairment exists. We test for goodwill impairment using a two-step process. The first step compares the fair value of the reporting unit with the unit's carrying value, including goodwill. When the carrying value of the reporting unit is greater than fair value, the unit's goodwill may be impaired, and the second step must be completed to measure the amount of the goodwill impairment charge, if any. In the second step, the implied fair value of the reporting unit's goodwill is compared with the carrying amount of the unit's goodwill. If the carrying amount is greater than the implied fair value, the carrying value of the goodwill must be written down to its implied fair value. We will continue to perform impairment tests annually, at December 31, and whenever events or changes in circumstances suggest that the carrying value of an asset may not be recoverable.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following tables summarize our cash and cash equivalents at September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Money market funds	$ 6,445,474	$ 554,069
Checking and bank deposits	46,780,325	39,931,397
Total	$ 53,225,799	$ 40,485,466

NOTE 3 – INVESTMENT SECURITIES

We record our investments as either held-to-maturity or available-for-sale. Held-to-maturity investments are recorded at amortized cost.

The following tables summarize our investment securities at September 30, 2014 and December 31, 2013:

	September 30, 2014			
	Amortized cost, as adjusted	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
Short-term investments:				
Obligations of domestic governmental agencies (maturing between January 2015 and September 2015) (held-to-maturity)	$ 14,009,644	$ 5,827	$ —	$ 14,015,471

	December 31, 2013			
	Amortized cost, as adjusted	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
Long-term investments:				
Obligations of domestic governmental agencies (maturing between January 2015 and April 2015) (held-to-maturity)	$ 4,918,897	$ —	$ 650	$ 4,918,247

NOTE 4 – FAIR VALUE MEASUREMENTS

We measure certain financial assets and liabilities at fair value on a recurring basis in the financial statements. The hierarchy ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – quoted prices in active markets for identical assets and liabilities;
- Level 2 – inputs other than Level 1 quoted prices that are directly or indirectly observable; and
- Level 3 – unobservable inputs that are not corroborated by market data.

As of September 30, 2014 and December 31, 2013, the fair values of cash and cash equivalents, accounts payable, accrued expenses, and notes and interest payable approximate their carrying value.

Upon the merger between the Company (then known as Manhattan Pharmaceuticals, Inc., "Manhattan") and Ariston Pharmaceuticals, Inc. ("Ariston") in March 2010, Ariston issued $15,452,793 of five-year 5% notes payable (the "5% Notes") in satisfaction of several note payable issuances. The 5% Notes and accrued and unpaid interest thereon are convertible at the option of the holder into common stock at the conversion price of $1,125 per share. Ariston agreed to make quarterly payments on the 5% Notes equal to 50% of the net product cash flow received from the exploitation or commercialization of Ariston's product candidates, AST-726 and AST-915. We have no obligations under the 5% Notes aside from a) 50% of the net product cash flows from Ariston's product candidates, if any, payable to noteholders; and b) the conversion feature, discussed above.

In connection with the exchange transaction with TG Biologics, Inc. ("TGBio") in December 2011, we performed a valuation of the assets and liabilities of Manhattan immediately prior to the transaction. The cumulative liability including accrued and unpaid interest of the 5% Notes was approximately $16,876,000 immediately prior to the transaction, and $18,614,000 at December 31, 2013 and $19,310,000 at September 30, 2014. As the 5% Notes are tied directly to net product cash flows derived from the preexisting products of Ariston, the 5% Notes and accrued interest were recorded at fair value of $3,287,700 as of the date of the transaction. No payments have been made on the 5% Notes as of September 30, 2014.

We elected the fair value option for valuing the 5% Notes upon the transaction with TGBio. We elected the fair value option in order to reflect in our financial statements the assumptions that market participants use in evaluating these financial instruments.

As of December 31, 2013, as a result of expiring intellectual property rights and other factors, it was determined that net product cash flows from AST-726 were unlikely. As we have no other obligations under the 5% Notes aside from the net product cash flows and the conversion feature, the conversion feature was used to estimate the 5% Notes' fair value as of September 30, 2014 and December 31, 2013. The assumptions, assessments and projections of future revenues are subject to uncertainties, difficult to predict, and require significant judgment. The use of different assumptions, applying different judgment to inherently subjective matters and changes in future market conditions could result in significantly different estimates of fair value and the differences could be material to our consolidated financial statements.

The following table provides the fair value measurements of applicable financial liabilities as of September 30, 2014 and December 31, 2013:

	Financial liabilities at fair value as of September 30, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
5% Notes	$ —	$ —	$ 183,144	$ 183,144
Totals	$ —	$ —	$ 183,144	$ 183,144

	Financial liabilities at fair value as of December 31, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
5% Notes	$ —	$ —	$ 64,529	$ 64,529
Totals	$ —	$ —	$ 64,529	$ 64,529

The Level 3 amounts above represent the fair value of the 5% Notes and related accrued interest.

The following table summarizes the changes in Level 3 instruments during the nine months ended September 30, 2014:

Fair value at December 31, 2013	$ 64,529
Interest accrued on face value of 5% Notes	695,914
Change in fair value of Level 3 liabilities	(577,299)
Fair value at September 30, 2014	$ 183,144

The change in the fair value of the Level 3 liabilities is reported in other (income) expense in the accompanying condensed consolidated statements of operations.

NOTE 5 - STOCKHOLDERS' EQUITY

Preferred Stock

Our amended and restated certificate of incorporation authorizes the issuance of up to 10,000,000 shares of preferred stock, $0.001 par value, with rights senior to those of our common stock, issuable in one or more series. Upon issuance, we can determine the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock.

Stockholder Rights Plan

On July 18, 2014, we adopted a stockholder rights plan. The stockholder rights plan is embodied in the Stockholder Protection Rights Agreement dated as of July 18, 2014 (the “Rights Agreement”), between us and American Stock Transfer & Trust Company, LLC, as rights agent (the “Rights Agent”).

Accordingly, the Board of Directors declared a distribution of one right (a “Right”) for each outstanding share of common stock, to stockholders of record at the close of business on July 28, 2014, for each share of common stock issued (including shares distributed from treasury) by us thereafter and prior to the Separation Time (as defined in the Rights Agreement), and for certain shares of common stock issued after the Separation Time. Following the Separation Time, each Right entitles the registered holder to purchase from us one one-thousandth (1/1,000) of a share of Series A Junior Participating Preferred Stock, par value $0.001 per share (the "Preferred Stock"), at a purchase price of $100.00 (the "Exercise Price"), subject to adjustment. The description and terms of the Rights are set forth in the Rights Agreement. Each one one-thousandth of a share of Preferred Stock has substantially the same rights as one share of common stock. Subject to the terms and conditions of the Rights Agreement, Rights become exercisable ten days after the public announcement that a “Person” has become an “Acquiring Person” (as each such term is defined in the Rights Agreement). Any Rights held by an Acquiring Person are void and may not be exercised.

If a Person becomes an Acquiring Person, all holders of Rights, except the Acquiring Person, may purchase at the Right’s then-current exercise price, common stock having a market value equal to twice the exercise price. Moreover, at any time after a Person becomes an Acquiring Person (unless such Person acquires 50 percent or more of our common stock then outstanding, as more fully described in the Rights Agreement), the Board of Directors may exchange all (but not less than all) of the then outstanding Rights (other than rights owned by such Person, which would have become void) for shares of common stock at an exchange ratio of one share of common stock per Right, appropriately adjusted in order to protect the interests of holders of Rights.

The Rights Agreement was approved by our Board of Directors on July 18, 2014. The Rights will expire at the close of business on its ten year anniversary, unless earlier exchanged or terminated by us.

Common Stock

Our amended and restated certificate of incorporation authorizes the issuance of up to 150,000,000 shares of $0.001 par value common stock. At the annual shareholder meeting on June 6, 2014, an amendment to the Company's Certificate of Incorporation to decrease its authorized share capital by 350,000,000 shares from 500,000,000 to 150,000,000 was approved.

On March 11, 2014, we announced the pricing of an underwritten sale of 2,702,809 shares of our common stock at a price of $6.71 per share for gross proceeds of approximately $18.1 million. Net proceeds from this offering were approximately $16.8 million, net of underwriting discounts and offering expenses of approximately $1.3 million. The shares were sold under a shelf registration statement on Form S-3 (File No. 333-189015) that was previously filed and declared effective by the SEC on June 17, 2013.

On June 21, 2013, we entered into an At-the-Market Issuance Sales Agreement (the "ATM") with MLV & Co. LLC ("MLV") under which we may issue and sell shares of our common stock, having an aggregate offering price of up to $50.0 million, from time to time through MLV, acting as the sales agent. Under the agreement we will pay MLV a commission rate of up to 3.0% of the gross proceeds from the sale of any shares of common stock sold through MLV.

In August and September 2014, we sold an aggregate of 2,329,443 shares of common stock pursuant to the ATM for an aggregate of approximately $23.4 million in gross proceeds at an average selling price of $10.03 per share. Net proceeds were approximately $22.8 million after deducting commissions and other transactions costs.

From October 1, 2014 through November 7, 2014, we sold an aggregate of 2,520,612 shares of common stock pursuant to the ATM for an aggregate of approximately $26.6 million in gross proceeds at an average selling price of $10.57 per share. Net proceeds were approximately $26.1 million after deducting commissions and other transactions costs.

During and subsequent to the quarter ended September 30, 2014, we sold a total of 4,850,055 shares of common stock for aggregate total gross proceeds of approximately $50.0 million at an average selling price of $10.31 per share. Net proceeds were approximately $48.9 million after deducting commissions and other transactions costs. We have fully utilized the capacity under the ATM and, accordingly, no further sales can or will be made under the ATM.

We currently have one shelf registration statement on Form S-3 filed and declared effective by the SEC (File No. 333-189015). Subsequent to the above, there remains available under this shelf registration statement up to approximately $67 million of common stock. We may offer the securities under our shelf registration statement from time to time in response to market conditions or other circumstances if we believe such a plan of financing is in the best interests of our stockholders. We believe that this shelf registration statement provides us with the flexibility to raise additional capital to finance our operations, as needed.

Equity Incentive Plans

Shares available for the issuance of stock options or other stock-based awards under our stock option and incentive plans were 797,103 shares at September 30, 2014.

Stock Options

The following table summarizes stock option activity for the nine months ended September 30, 2014:

	Number of shares	Weighted-average exercise price	Weighted-average Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2013	46,591	$ 46.37	8.50	$ —
Granted	—	—		
Exercised	(33,000)	4.40		
Forfeited	—	—		
Expired	(397)	4,457.57		
Outstanding at September 30, 2014	13,194	$ 18.62	7.78	$ 81,510
Vested and expected to vest at September 30, 2014	4,194	$ 49.14	7.65	$ 25,080
Exercisable at September 30, 2014	4,194	$ 49.14	7.65	$ 25,080

As of September 30, 2014, the total compensation cost related to unvested time-based option awards not yet recognized was $0. This amount does not include, as of September 30, 2014, 9,000 non-employee options outstanding which are milestone-based and vest upon certain corporate milestones. Stock-based compensation will be measured and recorded if and when a milestone occurs.

Restricted Stock

Certain employees, directors and consultants have been awarded restricted stock under the 2012 Incentive Plan. The restricted stock vesting consists of milestone and time-based vesting provisions. The following table summarizes restricted share activity for the nine months ended September 30, 2014:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2013	7,034,957	$ 4.60
Granted	310,690	8.28
Vested	(903,416)	7.34
Forfeited	—	—
Outstanding at September 30, 2014	6,442,231	$ 4.76

Total expense associated with restricted stock grants was $15,814,346 during the nine months ended September 30, 2014. As of September 30, 2014, there was approximately $10,213,000 of total unrecognized compensation cost related to unvested time based restricted stock, which is expected to be recognized over a weighted-average period of 1.1 years. This amount does not include, as of September 30, 2014, 2,017,250 shares of restricted stock outstanding issued to non-employees. The expense for these shares is determined at the "measurement date." The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. We record compensation expense based on the fair value of the award at the reporting date.

Warrants

The following table summarizes warrant activity for the nine months ended September 30, 2014:

	Warrants	Weighted-average exercise price	Aggregate Intrinsic Value
Outstanding at December 31, 2013	5,718,947	$ 1.34	$ 14,809,030
Issued	—	—	
Exercised	(1,272,340)	2.27	
Expired	(9,795)	20.92	
Outstanding at September 30, 2014	4,436,812	$ 1.03	$ 42,811,487

Stock-Based Compensation

The fair value of stock options granted is estimated at the date of grant using the Black-Scholes pricing model. The expected term of options granted is derived from historical data and the expected vesting period. Expected volatility is based on the historical volatility of our common stock. The risk-free interest rate is based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. We have assumed no expected dividend yield, as dividends have never been paid to stock or option holders and will not be paid for the foreseeable future. We did not grant any stock options during the nine months ended September 30, 2014.

The following table summarizes stock-based compensation expense information about stock options and restricted stock for the three and nine months ended September 30, 2014:

	Three months ended September 30, 2014	Nine months ended September 30, 2014
Stock-based compensation expense associated with restricted stock	$ 4,096,572	$ 15,814,346
Stock-based compensation expense associated with option grants	—	252,510
	$ 4,096,572	$ 16,066,856

NOTE 6 – NOTES PAYABLE

The following is a summary of notes payable:

	September 30, 2014			December 31, 2013		
	Current portion, net	Non-current portion, net	Total	Current portion, net	Non-current portion, net	Total
Convertible 5% Notes Payable	$ 183,144	$ -	$ 183,144	$ -	$ 64,529	$ 64,529
ICON Convertible Note	-	-	-	677,778	-	677,778
Total	$ 183,144	$ -	$ 183,144	$ 677,778	$ 64,529	$ 742,307

We assumed the preceding notes payable as the result of the Exchange Transaction between the Company and TGBio. Accordingly, a valuation using the guidance in the accounting literature for business combinations (ASC 805) was performed and these notes were initially recorded at their fair value on the date of the transaction.

Convertible 5% Notes Payable

On March 8, 2010, Manhattan entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among Manhattan, Ariston and Ariston Merger Corp., a Delaware corporation and wholly-owned subsidiary of Manhattan (the "Merger Sub"). Pursuant to the terms and conditions of the Merger Agreement, on March 8, 2010, the Merger Sub merged with and into Ariston (the "Merger"), with Ariston being the surviving corporation of the Merger. As a result of the Merger, Ariston became a wholly-owned subsidiary of Manhattan.

The 5% Notes and accrued and unpaid interest thereon are convertible at the option of the holder into common stock at the conversion price of $1,125 per share. Ariston agreed to make quarterly payments on the 5% Notes equal to 50% of the net product cash flow received from the exploitation or commercialization of Ariston's product candidates, AST-726 and AST-915. We have no obligation under the 5% Notes aside from a) 50% of the net product cash flows from Ariston's product candidates, if any, payable to noteholders; and b) the conversion feature, discussed above. Interest accrues monthly, is added to principal on an annual basis, every March 8, and is payable at maturity, which is March 8, 2015.

In connection with the exchange transaction with TGBio in December 2011, we performed a valuation of the assets and liabilities of Manhattan immediately prior to the transaction. The cumulative liability including accrued and unpaid interest of these notes was approximately $16,876,000 immediately prior to the Exchange Transaction, and $19,310,000 at September 30, 2014 and $18,614,000 at December 31, 2013. As the 5% Notes are tied directly to net product cash flows derived from the preexisting products of Ariston, the 5% Notes and accrued interest were recorded at fair value of $3,287,700 as of the date of the Exchange Transaction (See Note 4 for further details). No payments have been made on the 5% Notes as of September 30, 2014.

ICON Convertible Note Payable

As of December 31, 2013 the principal amount of the Amended ICON Note was $677,778, of which the entire balance had been classified as current and was reflected as notes payable, current portion, in the accompanying consolidated balance sheets. Interest payable on the Amended ICON Note was $190,017 as of December 31, 2013, and was reflected as interest payable in the accompanying consolidated balance sheets. In January 2014, we entered into a settlement and release agreement with ICON related to this note, under which we agreed to pay $772,369 in full settlement of the principal and interest due on this note, resulting in a gain of $95,427.

NOTE 7 – LICENSE AGREEMENTS

TGR-1202

On September 22, 2014, we exercised our option to license the global rights to TGR-1202, thereby entering into an exclusive licensing agreement (the "TGR-1202 License") with Rhizen Pharmaceuticals, S A ("Rhizen") for the development and commercialization of TGR-1202. Prior to this, we had been jointly developing TGR-1202 in a 50:50 joint venture with Rhizen.

Under the terms of the TGR-1202 License, Rhizen received a $4.0 million cash payment and 371,530 shares of our common stock as an upfront license fee. With respect to TGR-1202, Rhizen will be eligible to receive regulatory filing, approval and sales based milestone payments in the aggregate of approximately $175 million, a small portion of which will be payable on the first New Drug Application (NDA) filing and the remainder on approval in multiple jurisdictions for up to two oncology indications and one non-oncology indication and attaining certain sales milestones. In addition, if TGR-1202 is co-formulated with another drug to create a new product (a "New Product"), Rhizen will be eligible to receive similar regulatory approval and sales based milestone payments for such New Product. Additionally, Rhizen will be entitled to tiered royalties on our future net sales of TGR-1202 and any New Product. In lieu of sales milestones and royalties on net sales, Rhizen shall also be eligible to participate in sublicensing revenue, if any, based on a percentage that decreases as a function of the number of patients treated in clinical trials following the exercise of the license option. Rhizen will retain global manufacturing rights to TGR-1202, provided that they are price competitive with alternative manufacturers.

In connection with the TGR-1202 License, we recognized $4.1 million of noncash research and development expense during the three and nine months ended September 30, 2014 related to the issuance of the above mentioned common stock. In addition, we recognized $4.0 million of other research and development expense during the three and nine months ended September 30, 2014 related to the cash milestone payment. The cash milestone payment was paid in October 2014. Accordingly, as of September 30, 2014 this amount was included in accounts payable and accrued expenses.

IRAK-4

On June 23, 2014, we entered into an exclusive licensing agreement with Ligand Pharmaceuticals Incorporated ("Ligand") for the development and commercialization of Ligand's interleukin-1 receptor associated kinase-4 ("IRAK-4") inhibitor technology, which currently is in preclinical development for potential use against certain cancers and autoimmune diseases. IRAK-4 is a serine/threonine protein kinase that is a key downstream signaling component of the interleukin-1 receptor and multiple toll-like receptors.

Under the terms of the license agreement, Ligand received 125,000 shares of our common stock as an upfront license fee. Ligand will also be eligible to receive maximum potential milestone payments of approximately $207 million upon the achievement of specific clinical, regulatory and commercial milestone events. Additionally, Ligand will be entitled to royalties on our future net sales of licensed products containing IRAK-4 inhibitors. The basic royalty rate for licensed products covered by Ligand's issued patents will be 6% for annual sales of up to $1 billion and 9.5% for annual sales in excess of that threshold.

In connection with the license agreement, we recognized $1,211,250 of noncash research and development expense during the nine months ended September 30, 2014 in connection with the issuance of the above mentioned common stock.

Additionally, Opus Point Partners, LLC, who identified the opportunity and advised us on the transaction, will also be entitled to receive a 1% royalty for annual sales of up to $1 billion. Michael S. Weiss, our Executive Chairman and Interim Chief Executive Officer, is a Managing Member of Opus Point Partners, LLC.

TG-1101

In November 2012, we entered into an exclusive (within the territory) sublicense agreement with Ildong relating to the development and commercialization of TG-1101 in South Korea and Southeast Asia. Under the terms of the sublicense agreement, Ildong has been granted a royalty bearing, exclusive right, including the right to grant sublicenses, to develop and commercialize TG-1101 in South Korea, Taiwan, Singapore, Indonesia, Malaysia, Thailand, Philippines, Vietnam, and Myanmar.

An upfront payment of $2,000,000, which was received in December 2012 net of $330,000 of income tax withholdings, is being recognized as license revenue on a straight-line basis over the life of the agreement, which is through the expiration of the last licensed patent right or 15 years after the first commercial sale of a product in such country, unless the agreement is earlier terminated, and represents the estimated period over which we will have certain ongoing responsibilities under the sublicense agreement. We recorded license revenue of approximately $114,000 for each of the nine months ended September 30, 2014 and 2013, and, at September 30, 2014 and December 31, 2013, have deferred revenue of approximately $1,714,000 and $1,829,000, respectively, associated with this $2,000,000 payment (approximately $152,000 of which has been classified in current liabilities at September 30, 2014 and December 31, 2013).

We may receive up to an additional $5.0 million in payments upon the achievement of pre-specified milestones. In addition, upon commercialization, Ildong will make royalty payments to us on net sales of TG-1101 in the sublicense territory.

NOTE 8 – RELATED PARTY TRANSACTIONS

On January 30, 2012, we entered into an exclusive license agreement with LFB Biotechnologies, GTC Biotherapeutics and LFB/GTC LLC, all wholly-owned subsidiaries of LFB Group, relating to the development of ublituximab (the "LFB License Agreement"). In connection with the LFB License Agreement LFB Group was issued 5,000,000 shares of common stock, and a warrant to purchase 2,500,000 shares of common stock at a purchase price of $0.001 per share. In addition, on November 9, 2012, we nominated Dr. Yann Echelard to our Board of Directors as LFB Group's nominee. LFB Group maintains the right to nominate a board member until such time as LFB Group owns less than 10% of the outstanding common stock.

Under the terms of the LFB License Agreement, we utilize LFB Group for certain development and manufacturing services. We incurred approximately $1,845,000 and $6,068,000 in expenses for such services during the nine months ended September 30, 2014 and 2013, respectively, which have been included in other research and development expenses in the accompanying consolidated statements of operations. As of September 30, 2014 and December 31, 2013, we had approximately $0 and $1,745,000, respectively, recorded in accounts payable related to the LFB License Agreement. In conjunction with the development and manufacturing services discussed above, certain agreements between us and LFB Group require payments in advance of services performed or goods delivered. Accordingly, as of September 30, 2014 and December 31, 2013, we recorded $3,055,345 and $1,629,340, respectively, in prepaid research and development for such advance payments.

In March 2014, we entered into a shared services agreement with Opus Point Partners Management, LLC ("Opus") in which the parties agreed to share a rented facility and costs for certain other services. Michael S. Weiss, our Executive Chairman and Interim Chief Executive Officer, is a Managing Member of Opus. During the nine months ended September 30, 2014, we incurred expenses of approximately $80,000, principally for rent, related to this agreement. See discussion in Note 9 for a related party transaction subsequent to September 30, 2014.

As discussed in Note 7 above, in connection with the licensing agreement with Ligand, Opus Point Partners, LLC, who identified the opportunity and advised us on the transaction, will be entitled to receive a 1% royalty for annual sales of up to $1 billion. Michael S. Weiss, our Executive Chairman and Interim Chief Executive Officer, is a Managing Member of Opus Point Partners, LLC.

NOTE 9 – SUBSEQUENT EVENTS

From October 1, 2014 through November 7, 2014, we sold an aggregate of 2,520,612 shares of common stock pursuant to the ATM for an aggregate of approximately $26.6 million in gross proceeds at an average selling price of $10.57 per share. Net proceeds were approximately $26.1 million after deducting commissions and other transactions costs.

On October 3, 2014, we entered into a Desk Space Agreement (the "Desk Agreement") with Coronado Biosciences, Inc. ("CNDO"), to occupy approximately 40% of the New York, NY office space recently leased by CNDO. This Desk Agreement requires us to pay our respective share of the average annual rent and other costs of the 15 year lease. Based on the percentage, we approximate we will have average annual rental obligations of $1.1 million. CNDO does not expect to take possession of the space until late 2015 or early 2016. Michael S. Weiss, our Executive Chairman and Interim Chief Executive Officer, is on the board of directors and is Executive Vice Chairman, Strategic Development of CNDO.

In connection with the Desk Agreement, we paid $80,000, which was recorded in other current assets in the accompanying Condensed Consolidated Balance Sheet as of September 30, 2014. Also in connection with this lease, in October 2014 we agreed to pledge $0.6 million to secure a line of credit as a security deposit for the Desk Agreement.

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

The following discussion and analysis contains forward-looking statements about our plans and expectations of what may happen in the future. Forward-looking statements are based on a number of assumptions and estimates that are inherently subject to significant risks and uncertainties, and our results could differ materially from the results anticipated by our forward-looking statements as a result of many known or unknown factors, including, but not limited to, those factors discussed in "Risk Factors." See also the "Special Cautionary Notice Regarding Forward-Looking Statements" set forth at the beginning of this report.

You should read the following discussion and analysis in conjunction with the unaudited condensed consolidated financial statements, and the related footnotes thereto, appearing elsewhere in this report, and in conjunction with management's discussion and analysis and the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.

OVERVIEW

We are a biopharmaceutical company focused on the acquisition, development and commercialization of novel treatments for cancer and autoimmune diseases. We aim to acquire rights to these technologies by licensing or otherwise acquiring an ownership interest, funding their research and development and eventually either out-licensing or bringing the technologies to market. Currently, we are developing two therapies for hematologic malignancies: TG-1101 (ublituximab), a novel, glycoengineered monoclonal antibody that targets a specific and unique epitope on the CD20 antigen found on mature B-lymphocytes; and TGR-1202, an orally available PI3K delta inhibitor. We are also developing a portfolio of inhibitors of IRAK4 (interleukin-1 receptor-associated kinase 4), which is currently in pre-clinical development.

We also actively evaluate complementary products, technologies and companies for in-licensing, partnership, acquisition and/or investment opportunities. To date, we have not received approval for the sale of any of our drug candidates in any market and, therefore, have not generated any product sales from our drug candidates.

TG-1101 (ublituximab)

Overview

TG-1101 (ublituximab) is a chimeric, glycoengineered monoclonal antibody that targets a unique epitope on the CD20 antigen found on the surface of B-lymphocytes developed to aid in the depletion of circulating B-cells. We hold exclusive worldwide rights to develop and commercialize TG-1101 for all indications, except for the territories of France and Belgium which have been retained by LFB Biotechnologies, and South Korea and Southeast Asia which were licensed to Ildong in November 2012.

Generally, anti-CD20 antibodies are believed to exert their B-cell depleting effects through three primary mechanisms: antibody dependent cell-mediated cytotoxicity ("ADCC"), complement dependent cytotoxicity ("CDC"), and direct or programmed cell death ("DCD" or "PCD"). TG-1101 has been specifically glycoengineered to enhance ADCC activity, which should enhance its ability to deplete B-cells and may improve its anti-cancer effects when compared to Rituxan®, the leading anti-CD20 monoclonal antibody, which had worldwide sales in 2013 of approximately $8 billion.

Two single-agent, dose-escalation, Phase I studies were undertaken with TG-1101 to establish an optimal dose in patients with Non-Hodgkin's Lymphoma ("NHL") and Chronic Lymphocytic Leukemia ("CLL"). A two part first-in-human Phase I clinical trial was first completed in France in which TG-1101 was evaluated in relapsed or refractory CLL patients at doses as high as 450mg per infusion. Preliminary results from Part 2 of this study were presented at the 53rd Annual American Society of Hematology Meeting in December 2011 and again at the 2013 European Hematology Annual Meeting. Subsequently, a single-agent Phase I study was undertaken in the US enrolling patients with both NHL and CLL, dosing patients up to 1200mg per infusion. In both studies, single agent therapy with TG-1101 was deemed well tolerated by treating investigators and displayed promising clinical activity in relapsed and refractory patients. In oncology settings, anti-CD20 therapy is generally used in combination with other anti-cancer agents where it demonstrates maximum activity as opposed to single agent usage. As a result, subsequent clinical development for TG-1101 has focused on combination therapy. Currently, our priority combination trials for TG-1101 are:

- TG-1101 in combination with ibrutinib (trade name IMBRUVICA™), a BTK inhibitor, for patients with CLL and Mantle Cell Lymphoma (MCL); and
- TG-1101 in combination with TGR-1202, our development stage PI3Kδ inhibitor, for patients with CLL and NHL.

Prior to commencing the above combination trials, we studied the combination of TG-1101 and lenalidomide. Additional combinations studies with novel agents may be undertaken in the future.

Additionally, in September 2014, we announced our first Phase 3 registration study for TG-1101, which will evaluate TG-1101 in combination with ibrutinib compared to ibrutinib alone in patients with high-risk CLL and is being conducted under Special Protocol Assessment (SPA) with the U.S. Food and Drug Administration ("FDA"), as described further below.

Manufacturing of ublituximab is currently performed by our partner, LFB Biotechnologies.

Four Phase I/II trials with TG-1101 are currently ongoing, as follows:

Single Agent TG-1101 in Relapsed/Refractory NHL & CLL

Our first US based trial, entitled "An Open Label Phase I/II Trial of the Efficacy and Safety of TG-1101 in Patients with B-cell Non-Hodgkin Lymphoma who have Relapsed or are Refractory After CD20 Directed Antibody Therapy," was launched in the 3rd quarter of 2012. As of July 2014, this trial has completed enrollment of 35 patients, including 12 patients in the dose escalation component and 23 patients in various expansion cohorts. All enrolled patients were relapsed or refractory to Rituxan® or a Rituxan® containing regimen, and in most cases multiple other lines of therapy. Dr. Owen O'Connor, Professor of Medicine and Director, Center for Lymphoid Malignancies at New York Presbyterian Columbia Medical Center is the Principal Investigator for the multi-center study.

Data from this study was presented at the 50th American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago, IL.

TG-1101 in Combination with Lenalidomide for Relapsed/Refractory NHL & CLL

In December of 2012, we initiated our second US based clinical trial entitled "TG-1101-102: A Phase I/II Study of Ublituximab in Combination with Lenalidomide (Revlimid®) in Patients with B-Cell Lymphoid Malignancies who have Relapsed or are Refractory After CD20 Directed Antibody Therapy".

The trial was designed as a Phase I dose escalation study with the potential to enroll one or more expansion cohorts once the optimal dose was determined. All enrolled patients were relapsed or refractory to a prior anti-CD20 antibody containing regimen. The patients enrolled into this study were heavily pre-treated, most of which were refractory to Rituxan or a Rituxan-containing regimen. This multicenter trial was being led by Dr. Marshall Schreeder of the Clearview Cancer Institute in Huntsville, AL.

Enrollment in this study has been completed, with updated data from this study presented in June 2014 at the 19th Annual Congress of the European Hematology association (EHA) in Milan, Italy.

TG-1101 in Combination with TGR-1202 for Relapsed/Refractory NHL & CLL

In November 2013, we initiated a multi-center, Phase I study to evaluate the safety and efficacy of the combination of TG-1101 and TGR-1202, our novel, once per day, PI3Kδ inhibitor, for patients with relapsed and/or refractory CLL and NHL. This is the first clinical trial evaluating the combination of TG-1101 and TGR-1202. In this study, dosing of TGR-1202 was commenced at 800mg once per day (QD) with dose escalation proceeding in a 3+3 design.

The trial, entitled "A Multi-center Phase I/Ib Study Evaluating the Efficacy and Safety of TG-1101 (Ublituximab), a novel Glycoengineered Anti-CD20 Monoclonal Antibody, in Combination with TGR-1202, a Novel PI3k Delta Inhibitor, in Patients with B-cell Malignancies," is enrolling CLL and NHL patients whose disease is relapsed from or refractory to prior therapies, including prior anti-CD20 monoclonal antibodies, PI3Kδ inhibitors, and/or BTK inhibitors. The MD Anderson Cancer Center is the lead center for the trial. Susan O'Brien, MD, Professor in the Department of Leukemia, is the Study Chair for the CLL patient group, and Nathan Fowler, MD, Assistant Professor and Co-Director of Clinical Research in the Department of Lymphoma, is the Study Chair for the NHL patient group.

Preliminary data from this study was presented at the 2014 Pan Pacific Lymphoma Conference in Kohala Coast, Hawaii.

In August 2014, we announced an additional cohort added to the existing study which will evaluate the triple combination of TG-1101 plus TGR-1202 plus ibrutinib (IMBRUVICA®). The study is ongoing with patients being enrolled into the doublet (TG-1101 + TGR-1202) and the triple cohorts, with additional data updates expected at the American Society of Hematology (ASH) meeting in December of 2014.

TG-1101 in Combination with Ibrutinib for Relapsed/Refractory MCL & CLL

In December 2013, we initiated a multi-center Phase 2 clinical trial to evaluate the safety and efficacy of the combination of TG-1101 and ibrutinib (IMBRUVICA™) for patients with CLL and mantle cell lymphoma (MCL). This is the first clinical trial evaluating the combination of TG-1101 and ibrutinib, an oral Bruton's Tyrosine Kinase (BTK) inhibitor which was recently granted approval by the FDA.

The trial, entitled "A Multi-center Phase 2 Study with Safety Run-in Evaluating the Efficacy and Safety of Ublituximab in Combination with Ibrutinib in Patients with Select B-Cell Malignancies," is enrolling patients with CLL and MCL who are eligible to receive ibrutinib. Jeff Sharman, MD, Medical Director for Hematology Research, US Oncology Network, is the Study Chair for the CLL patient group, while Owen A. O'Connor, MD, PhD, Professor and Director of the Center for Lymphoid Malignancies, Columbia University Medical Center is the Study Chair for the MCL patient group.

Preliminary data from this study was presented at the 19th Annual Congress of the European Hematology association (EHA) in Milan, Italy.

We expect additional data updates to be presented at the American Society of Hematology (ASH) meeting in December of 2014.

Phase 3: TG-1101 in Combination with Ibrutinib vs. Ibrutinib alone in High-Risk CLL

In September 2014, we announced that we had reached an agreement with the FDA regarding an SPA on the design, endpoints and statistical analysis approach of a Phase 3 clinical trial for TG-1101, in combination with ibrutinib (IMBRUVICA®) for the treatment of CLL in patients with high-risk cytogenetics. The SPA provides agreement that the Phase 3 trial design adequately addresses objectives that would support the regulatory submission for drug approval.

In this randomized controlled trial, which is expected to launch before the end of 2014, patients will receive either TG-1101 plus ibrutinib or ibrutinib alone. The trial will enroll approximately 330 patients, with approximately the first two-thirds of the patients included in an assessment of overall response rate (ORR). As per the SPA, we plan to use the ORR data from the trial as the basis for submission of a Biologics License Application (BLA) for accelerated approval for TG-1101. All patients will then be followed for progression free survival (PFS) assessment, which is designed to support full approval.

TGR-1202

The phosphoinositide-3-kinases ("PI3Ks") are a family of enzymes involved in various cellular functions, including cell proliferation and survival, cell differentiation, intracellular trafficking, and immunity. There are four isoforms of PI3K (alpha, beta, delta, and gamma), of which the delta isoform is strongly expressed in cells of hematopoietic origin, and often implicated in B-cell related lymphomas.

TGR-1202 is an orally available PI3K delta inhibitor with nanomolar potency to the delta isoform and high selectivity over the alpha, beta, and gamma isoforms. TGR-1202 has demonstrated activity in several pre-clinical models and primary cells from patients with hematologic malignancies.

We hold exclusive worldwide rights to develop and commercialize TGR-1202 for all indications, except for India which has been retained by our licensor, Rhizen Pharmaceuticals S A. Rhizen holds rights to manufacture and supply the product, while we have responsibility for all clinical and regulatory development for TGR-1202 globally.

Initial clinical development of TGR-1202 was focused on establishing preliminary safety and efficacy in a wide variety of hematologic malignancies. Upon identification of safe and active doses of TGR-1202, a combination clinical trial program was opened, exploring TGR-1202 in combination with a variety of agents. Our current combination clinical trials for TGR-1202 are:

- TGR-1202 in combination with TG-1101 (ublituximab) in patients with relapsed or refractory NHL and CLL;
- TGR-1202 in combination with the anti-CD20 antibody, obinutuzumab (GAZYVA™) and chlorambucil in patients with previously untreated CLL; and
- TGR-1202 in combination with the anti-CD30 antibody drug conjugate, brentuximab vedotin (Adcetris®), in patients with relapsed or refractory Hodgkin's lymphoma.

Single Agent TGR-1202 in Patients with Relapsed/Refractory Hematologic Malignancies

In January 2013, we initiated a Phase I, open label, multi-center, first-in-human clinical trial of TGR-1202 in patients with hematologic malignancies. The study entitled TGR-1202-101, "A Phase I Dose Escalation Study Evaluating the Safety and Efficacy of TGR-1202 in Patients with Relapsed or Refractory Hematologic Malignancies," is being run in collaboration with the Sarah Cannon Research Institute in Nashville, TN. Enrollment is open to patients with relapsed or refractory NHL, CLL, Peripheral T-Cell Lymphoma, and Hodgkin's Lymphoma.

Interim data from this ongoing study was presented at the 50th American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago, IL in May 2014 with updated data presented again at the 19th Annual Congress of the European Hematology Association (EHA). As of the data cutoff for this presentation, 40 patients had been evaluated with single agent TGR-1202 at doses ranging from 50 mg to 1800 mg QD, including expansion cohorts evaluating fed state dosing of TGR-1202 opened at doses of 800 mg and 1200 mg QD.

In May 2014, we announced that a micronized (smaller particle size) formulation of TGR-1202 had demonstrated improved absorption in healthy human testing. A second healthy human study also demonstrated improved absorption with fed-state dosing over dosing in the fasting state, which has to date been utilized in this ongoing study. Subsequently, the dose escalation portion of this study has been reinitiated at a dose of 200 mg of the micronized form of TGR-1202 in the fed state. Enrollment into the dose escalation portion of the study is ongoing, dosing patients at 1200 mg of the micronized form of TGR-1202 as of November 2014.

We expect additional data updates on the single agent TGR-1202 study to be presented at the American Society of Hematology (ASH) meeting in December of 2014.

TGR-1202 Combination Trials

TGR-1202 is being evaluated in combination with the anti-CD20 antibody, obinutuzumab and chlorambucil in patients with previously untreated CLL, and in combination with the anti-CD30 antibody drug conjugate, brentuximab vedotin, in patients with relapsed or refractory Hodgkin's lymphoma. It is anticipated that preliminary results from these studies will be presented at future medical conferences.

GENERAL CORPORATE

Our license revenues currently consist of license fees arising from our agreement with Ildong. We recognize upfront license fee revenues ratably over the estimated period in which we will have certain significant ongoing responsibilities under the sublicense agreement, with unamortized amounts recorded as deferred revenue.

We have not earned any revenues from the commercial sale of any of our drug candidates.

Our research and development expenses consist primarily of expenses related to in-licensing of new product candidates, fees paid to consultants and outside service providers for clinical and laboratory development, facilities-related and other expenses relating to the design, development, manufacture, testing and enhancement of our drug candidates and technologies. We expense our research and development costs as they are incurred.

Our general and administrative expenses consist primarily of salaries and related expenses for executive, finance and other administrative personnel, recruitment expenses, professional fees and other corporate expenses, including investor relations, legal activities and facilities-related expenses.

Our results of operations include non-cash compensation expenses as a result of the grants of stock options and restricted stock. Compensation expense for awards of options and restricted stock granted to employees and directors represents the fair value of the award recorded over the respective vesting periods of the individual awards. The expense is included in the respective categories of expense in the consolidated statements of operations. We expect to continue to incur significant non-cash compensation expenses.

For awards of options and restricted stock to consultants and other third-parties, compensation expense is determined at the "measurement date." The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. We record compensation expense based on the fair value of the award at the reporting date. The awards to consultants and other third-parties are then revalued, or the total compensation is recalculated based on the then current fair value, at each subsequent reporting date. This results in a change to the amount previously recorded in respect of the equity award grant, and additional expense or a reversal of expense may be recorded in subsequent periods based on changes in the assumptions used to calculate fair value, such as changes in market price, until the measurement date is reached and the compensation expense is finalized.

In addition, certain restricted stock issued to employees vest upon the achievement of certain milestones; therefore, the total expense is uncertain until the milestone is probable.

Our clinical trials will be lengthy and expensive. Even if these trials show that our drug candidates are effective in treating certain indications, there is no guarantee that we will be able to record commercial sales of any of our drug candidates in the near future. In addition, we expect losses to continue as we continue to fund in-licensing and development of new drug candidates. As we continue our development efforts, we may enter into additional third-party collaborative agreements and may incur additional expenses, such as licensing fees and milestone payments. In addition, we may need to establish the commercial infrastructure required to manufacture, market and sell our drug candidates following approval, if any, by the FDA, which would result in us incurring additional expenses. As a result, our quarterly results may fluctuate and a quarter-by-quarter comparison of our operating results may not be a meaningful indication of our future performance.

RESULTS OF OPERATIONS

Three months ended September 30, 2014 and September 30, 2013

License Revenue. License revenue was $38,096 for the three months ended September 30, 2014 and 2013. License revenue for the three months ended September 30, 2014 and 2013 was related to the amortization of an upfront payment of $2.0 million received in 2012 associated with our license agreement with Ildong. The upfront payment from Ildong will be recognized as license revenue on a straight-line basis through December 2025, which represents the estimated period over which the Company will have certain ongoing responsibilities under the sublicense agreement.

*Noncash Stock Expense Associated with In-Licensing Agreements (Research and Development).*Noncash stock expense associated with an in-licensing agreement (research and development) amounted to $4,138,844 for the three months ended September 30, 2014, as compared to $0 during the comparable period in 2013. The expense during the three months ended September 30, 2014 was recorded in conjunction with the stock issued to Rhizen to exercise our option to license TGR-1202.

Noncash Compensation Expense (Research and Development). Noncash compensation expense (research and development) related to equity incentive grants equaled $1,200,575 for the three months ended September 30, 2014, as compared to $171,442 during the comparable period in 2013. The increase in noncash compensation expense was primarily related to milestone-based vesting of restricted stock grants to personnel during the period ended September 30, 2014.

Other Research and Development Expenses. Other research and development expenses increased by $5,214,035 to $8,352,154 for the three months ended September 30, 2014, as compared to $3,138,119 for the three months endedSeptember 30, 2013. The increase in other research and development expenses was due primarily to the upfront cash milestone payment to Rhizen of $4,000,000 to exercise the license option for TGR-1202. In addition, due to increased clinical trials and patients on study, research and development expenses related to TG-1101 and TGR-1202 increased by approximately $591,000, and $543,000, respectively. We expect our other research and development costs to increase modestly for the remainder of 2014 due primarily to the enrollment of additional patients on our clinical trials.

Noncash Compensation Expense (General and Administrative). Noncash compensation expense (general and administrative) related to equity incentive grants increased by $2,070,684 to $2,895,997 for the three months ended September 30, 2014, as compared to $825,313 for the three months endedSeptember 30, 2013. The increase in noncash compensation expense was primarily related to milestone-based vesting of restricted stock grants to personnel during the period ended September 30, 2014.

Other General and Administrative Expenses. Other general and administrative expenses increased by $339,233 to $889,872 for the three months ended September 30, 2014, as compared to $550,639 for the three months endedSeptember 30, 2013. The increase was due primarily to Delaware franchise taxes, Nasdaq listing fees and legal fees. We expect our other general and administrative expenses to remain at a comparable level for the remainder of 2014.

Other (Income) Expense. Other income decreased by $103,045 to $11,823 of expense for the three months endedSeptember 30, 2014, as compared to $91,222 of income for the three months ended September 30, 2013. The decrease is mainly due to the decrease in the change in the fair value of notes payable.

Nine months ended September 30, 2014 and September 30, 2013

License Revenue. License revenue was $114,286 for the nine months endedSeptember 30, 2014 and 2013. License revenue for the nine months ended September 30, 2014 and 2013 was related to the amortization of an upfront payment of $2.0 million received in 2012 associated with our license agreement with Ildong. The upfront payment from Ildong will be recognized as license revenue on a straight-line basis through December 2025, which represents the estimated period over which we will have certain ongoing responsibilities under the sublicense agreement.

*Noncash Stock Expense Associated with In-Licensing Agreements (Research and Development).*Noncash stock expense associated with in-licensing agreements (research and development) amounted to $5,350,094 for the nine months ended September 30, 2014, as compared to $0 during the comparable period in 2013. The expense during the nine months ended September 30, 2014 was recorded in conjunction with the stock issued to Rhizen of approximately $4,100,000 to exercise our option to license TGR-1202, and approximately $1,200,000 associated the common stock issued to Ligand as an upfront payment for the license to the IRAK-4 inhibitors program.

Noncash Compensation Expense (Research and Development). Noncash compensation expense (research and development) related to equity incentive grants equaled $6,402,296 for the nine months ended September 30, 2014, as compared to $892,313 during the comparable period in 2013. The increase in noncash compensation expense was primarily related to milestone-based vesting of restricted stock grants to personnel during the period ended September 30, 2014.

Other Research and Development Expenses. Other research and development expenses increased by $4,182,407 to $13,197,183 for the nine months ended September 30, 2014, as compared to $9,014,776 for the nine months endedSeptember 30, 2013. The increase in other research and development expenses was due primarily to the upfront cash milestone payment to Rhizen of $4,000,000 to exercise the license option for TGR-1202. In addition, research and development expenses associated with TGR-1202 increased by approximately $2,090,000, offset by a decrease of approximately $1,930,000 for research and development expenses related to TG-1101. The decrease in other research and development expenses related to TG-1101 was related to the timing of manufacturing costs. We expect our other research and development costs to increase modestly for the remainder of 2014 as enrollment of additional patients increases on our clinical trials.

Noncash Compensation Expense (General and Administrative). Noncash compensation expense (general and administrative) related to equity incentive grants increased by $6,300,873 to $9,664,560 for the nine months ended September 30, 2014, as compared to $3,363,687 for the nine months endedSeptember 30, 2013. The increase in noncash compensation expense was primarily related to milestone-based vesting of restricted stock grants to personnel during the period ended September 30, 2014.

Other General and Administrative Expenses. Other general and administrative expenses increased by $666,388 to $2,500,121 for the nine months ended September 30, 2014, as compared to $1,833,733 for the nine months endedSeptember 30, 2013. The increase was due primarily to Delaware franchise taxes and Nasdaq listing fees. We expect our other general and administrative expenses to remain at a comparable level for the remainder of 2014.

Other (Income) Expense. Other income decreased by $160,745 to $15,120 for the nine months ended September 30, 2014, as compared to $175,865 for the nine months ended September 30, 2013. The decrease is mainly due to the decrease in the change in the fair value of notes payable, partially offset by $95,000 of gain on settlement of notes payable.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of cash has been proceeds from the private placement and public offering of equity securities and from the upfront payment from our Sublicense Agreement with Ildong. We have not yet commercialized any of our drug candidates and cannot be sure if we will ever be able to do so. Even if we commercialize one or more of our drug candidates, we may not become profitable. Our ability to achieve profitability depends on a number of factors, including our ability to obtain regulatory approval for our drug candidates, successfully complete any post-approval regulatory obligations and successfully commercialize our drug candidates alone or in partnership. We may continue to incur substantial operating losses even if we begin to generate revenues from our drug candidates.

On March 11, 2014, we announced the pricing of an underwritten sale of 2,702,809 shares of our common stock at a price of $6.71 per share for gross proceeds of approximately $18.1 million. Total net proceeds from this offering were approximately $16.8 million, net of underwriting discounts and offering expenses of approximately $1.3 million. The shares were sold under a shelf registration statement on Form S-3 (File No. 333-189015) that was previously filed and declared effective by the SEC on June 17, 2013.

On June 21, 2013, we entered into an ATM with MLV under which we may issue and sell shares of our common stock having an aggregate offering price of up to $50.0 million from time to time through MLV, acting as the sales agent. Under the agreement we will pay MLV a commission rate of up to 3.0% of the gross proceeds from the sale of any shares of common stock sold through MLV as agent under the ATM.

In August and September 2014, the Company sold an aggregate of 2,329,443 shares of common stock pursuant to the ATM for an aggregate of approximately $23.4 million in gross proceeds at an average selling price of $10.03 per share. Net proceeds were approximately $22.8 million after deducting commissions and other transactions costs.

From October 1, 2014 through November 7, 2014, we sold an aggregate of 2,520,612 shares of common stock pursuant to the ATM for an aggregate of approximately $26.6 million in gross proceeds at an average selling price of $10.57 per share. Net proceeds were approximately $26.1 million after deducting commissions and other transactions costs.

As of September 30, 2014, we had $67,289,264 in cash, cash equivalents, investment securities, and interest receivable. We currently anticipate that our cash and cash equivalents and investments as of September 30, 2014 will be sufficient to fund our anticipated operating cash requirements for more than 24 months from September 30, 2014. The actual amount of cash that we will need to operate is subject to many factors, including, but not limited to, the timing, design and conduct of clinical trials for our drug candidates. We are dependent upon significant financing to provide the cash necessary to execute our current operations, including the commercialization of any of our drug candidates.

Cash used in operating activities for the nine months ended September 30, 2014 was $19,952,981, as compared to $5,915,077 for the nine months ended September 30, 2013. The increase in cash used in operating activities was due primarily to increased expenditures associated with our clinical development programs for TG-1101 and TGR-1202, and the upfront cash milestone payment of $4.0 million to exercise the license for TGR-1202.

For the nine months ended September 30, 2014, net cash provided by financing activities of $41,915,820 related to net proceeds from the issuance of common stock as part of our underwritten public offering in March 2014 and our ATM program, as well as proceeds from the exercise of warrants, net of payment of notes payable of $677,778. For the nine months ended September 30, 2013, net cash provided by financing activities of $39,645,778 related to net proceeds from the issuance of common stock as part of our underwritten public offering in July 2013, as well as proceeds from the exercise of warrants.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any transactions with unconsolidated entities whereby we have financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose us to material continuing risks, contingent liabilities, or any other obligations under a variable interest in an unconsolidated entity that provides us with financing, liquidity, market risk or credit risk support.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities and related disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the applicable period. Actual results may differ from these estimates under different assumptions or conditions.

We define critical accounting policies as those that are reflective of significant judgments and uncertainties and which may potentially result in materially different results under different assumptions and conditions. In applying these critical accounting policies, our management uses its judgment to determine the appropriate assumptions to be used in making certain estimates. These estimates are subject to an inherent degree of uncertainty. Our critical accounting policies include the following:

Revenue Recognition. We recognize license revenue in accordance with the revenue recognition guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification, or Codification. We analyze each element of our licensing agreement to determine the appropriate revenue recognition. The terms of the license agreement may include payments to us of non-refundable up-front license fees, milestone payments if specified objectives are achieved, and/or royalties on product sales. We recognize revenue from upfront payments over the period of significant involvement under the related agreements unless the fee is in exchange for products delivered or services rendered that represent the culmination of a separate earnings process and no further performance obligation exists under the contract. We recognize milestone payments as revenue upon the achievement of specified milestones only if (1) the milestone payment is non-refundable, (2) substantive effort is involved in achieving the milestone, (3) the amount of the milestone is reasonable in relation to the effort expended or the risk associated with achievement of the milestone, and (4) the milestone is at risk for both parties. If any of these conditions are not met, we defer the milestone payment and recognize it as revenue over the estimated period of performance under the contract.

Stock-Based Compensation. We have granted stock options and restricted stock to employees, directors and consultants, as well as warrants to other third parties. For employee and director grants, the value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes model takes into account volatility in the price of our stock, the risk-free interest rate, the estimated life of the option, the closing market price of our stock and the exercise price. We base our estimates of our stock price volatility on the historical volatility of our common stock and our assessment of future volatility; however, these estimates are neither predictive nor indicative of the future performance of our stock. For purposes of the calculation, we assumed that no dividends would be paid during the life of the options and warrants. The estimates utilized in the Black-Scholes calculation involve inherent uncertainties and the application of management judgment. In addition, we are required to estimate the expected forfeiture rate and only recognize expense for those equity awards expected to vest. As a result, if other assumptions had been used, our recorded stock-based compensation expense could have been materially different from that reported. In addition, because some of the options and warrants issued to employees, consultants and other third-parties vest upon the achievement of certain milestones, the total expense is uncertain.

Total compensation expense for options and restricted stock issued to consultants is determined at the "measurement date." The expense is recognized over the vesting period for the options and restricted stock. Until the measurement date is reached, the total amount of compensation expense remains uncertain. We record stock-based compensation expense based on the fair value of the equity awards at the reporting date. These equity awards are then revalued, or the total compensation is recalculated based on the then current fair value, at each subsequent reporting date. This results in a change to the amount previously recorded in respect of the equity award grant, and additional expense or a reversal of expense may be recorded in subsequent periods based on changes in the assumptions used to calculate fair value, such as changes in market price, until the measurement date is reached and the compensation expense is finalized.

Accruals for Clinical Research Organization and Clinical Site Costs. We make estimates of costs incurred in relation to external clinical research organizations, or CROs, and clinical site costs. We analyze the progress of clinical trials, including levels of patient enrollment, invoices received and contracted costs when evaluating the adequacy of the amount expensed and the related prepaid asset and accrued liability. Significant judgments and estimates must be made and used in determining the accrued balance and expense in any accounting period. We review and accrue CRO expenses and clinical trial study expenses based on work performed and rely upon estimates of those costs applicable to the stage of completion of a study. Accrued CRO costs are subject to revisions as such trials progress to completion. Revisions are charged to expense in the period in which the facts that give rise to the revision become known. With respect to clinical site costs, the financial terms of these agreements are subject to negotiation and vary from contract to contract. Payments under these contracts may be uneven, and depend on factors such as the achievement of certain events, the successful recruitment of patients, the completion of portions of the clinical trial or similar conditions. The objective of our policy is to match the recording of expenses in our financial statements to the actual services received and efforts expended. As such, expense accruals related to clinical site costs are recognized based on our estimate of the degree of completion of the event or events specified in the specific clinical study or trial contract.

Accounting Related to Goodwill. As of September 30, 2014 and December 31, 2013, there was $799,391 of goodwill on our consolidated balance sheets. Goodwill is reviewed for impairment annually, or when events arise that could indicate that an impairment exists. We test for goodwill impairment using a two-step process. The first step compares the fair value of the reporting unit with the unit's carrying value, including goodwill. When the carrying value of the reporting unit is greater than fair value, the unit’s goodwill may be impaired, and the second step must be completed to measure the amount of the goodwill impairment charge, if any. In the second step, the implied fair value of the reporting unit’s goodwill is compared with the carrying amount of the unit’s goodwill. If the carrying amount is greater than the implied fair value, the carrying value of the goodwill must be written down to its implied fair value.

We are required to perform impairment tests annually, at December 31, and whenever events or changes in circumstances suggest that the carrying value of an asset may not be recoverable. For all of our acquisitions, various analyses, assumptions and estimates were made at the time of each acquisition that were used to determine the valuation of goodwill and intangibles. In future years, the possibility exists that changes in forecasts and estimates from those used at the acquisition date could result in impairment indicators.

Accounting For Income Taxes. In preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves management estimation of our actual current tax exposure and assessment of temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must include an expense within the tax provision in the consolidated statement of operations. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We have fully offset our deferred tax assets with a valuation allowance. Our lack of earnings history and the uncertainty surrounding our ability to generate taxable income prior to the reversal or expiration of such deferred tax assets were the primary factors considered by management in maintaining the valuation allowance.

Fair Value of 5% Notes Payable. We measure certain financial assets and liabilities at fair value on a recurring basis in the financial statements. The hierarchy ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of three categories.

We elected the fair value option for valuing the 5% Notes. We elected the fair value option in order to reflect in our financial statements the assumptions that market participants use in evaluating these financial instruments.

For the year ended December 31, 2012, the valuation method used to estimate the 5% Notes' fair value was a discounted cash flow model, where the expected cash flows of AST-726 and AST-915 were discounted to the present using a yield that incorporated compensation for the probability of success in clinical development and marketing, among other factors. The discount rate used in this discounted cash flow model approximated 20% at December 31, 2012. As of December 31, 2013, as a result of expiring intellectual property rights and other factors, it was determined that net product cash flows from AST-726 were unlikely. As we have no other obligations under the 5% Notes aside from the net product cash flows and the conversion feature, the conversion feature was used to estimate the 5% Notes' fair value as of December 31, 2013 and September 30, 2014. The assumptions, assessments and projections of future revenues are subject to uncertainties, are difficult to predict and require significant judgment. The use of different assumptions, applying different judgment to inherently subjective matters and changes in future market conditions could result in significantly different estimates of fair value and the differences could be material to our consolidated financial statements.

RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. This update to ASC 606 is effective for us beginning in fiscal 2017. We are currently evaluating the impact of this update on our consolidated financial statements.

On June 10, 2014, FASB issued Accounting Standards Update No. 2014-10, Development Stage Entities: Elimination of Certain Financial Reporting Requirements. The update removes the definition of a development stage entity from FASB ASC 915 and eliminates the requirement for development stage entities to present inception-to-date information on the statements of operations, cash flows and stockholders' deficit. We early adopted this standard for the period covered by this report.

Other pronouncements issued by the FASB or other authoritative accounting standards group with future effective dates are either not applicable or not significant to our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary objective of our investment activities is to preserve principal while maximizing our income from investments and minimizing our market risk. We invest in government and investment-grade corporate debt in accordance with our investment policy. Some of the securities in which we invest have market risk. This means that a change in prevailing interest rates, and/or credit risk, may cause the fair value of the investment to fluctuate. For example, if we hold a security that was issued with a fixed interest rate at the then-prevailing rate and the prevailing interest rate later rises, the fair value of our investment will probably decline. As of September 30, 2014, our portfolio of financial instruments consists of cash equivalents, including bank deposits, and investments. Due to the short-term nature of our investments, we believe there is no material exposure to interest rate risk, and/or credit risk, arising from our investments.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2014, management carried out, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2014, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We, and our subsidiaries, are not a party to, and our property is not the subject of, any material pending legal proceedings.

ITEM 1A. RISK FACTORS

You should carefully consider the following risks and uncertainties. If any of the following occurs, our business, financial condition or operating results could be materially harmed. These factors could cause the trading price of our common stock to decline, and you could lose all or part of your investment.

Risks Related to Our Business and Industry

Because we have in-licensed our product candidates from third parties, any dispute with or non-performance by our licensors will adversely affect our ability to develop and commercialize the applicable product candidates.

Our product candidates have been in-licensed from third parties. Under the terms of our license agreements, the licensors generally will have the right to terminate such agreement in the event of a material breach by us. The licensors will also have the right to terminate the agreement in the event we fail to use diligent and reasonable efforts to develop and commercialize the product candidate worldwide.

If there is any conflict, dispute, disagreement or issue of non-performance between us and our licensing partners regarding our rights or obligations under the license agreements, including any such conflict, dispute or disagreement arising from our failure to satisfy payment obligations under such agreement, our ability to develop and commercialize the affected product candidate and our ability to enter into collaboration or marketing agreements for the affected product candidate may be adversely affected. Any loss of our rights under these license agreements would delay or completely terminate its product development efforts for the affected product candidate.

We do not have full internal development capabilities, and are thus reliant upon our partners and third parties to generate clinical, preclinical and quality data necessary to support the regulatory applications needed to conduct clinical trials and file for marketing approval.

In order to submit and maintain an IND, Biologics License Application ("BLA"), or New Drug Application ("NDA") to the FDA, it is necessary to submit all information on the clinical, non-clinical, chemistry, manufacturing, controls and quality aspects of the product candidate. We rely on our third party contractors and our licensing partners to provide a significant portion of this data. If we are unable to obtain this data, or the data is not sufficient to meet the regulatory requirements, we may experience significant delays in our development programs. Additionally, an IND must be active in each division in which we intend to conduct clinical trials. Currently we do not have an active IND for any of the IRAK4 inhibitors. Additionally, there can be no assurance given that any of the molecules under development in our IRAK4 inhibitor program will demonstrate sufficient pharmacologic properties during pre-clinical evaluation to advance to IND enabling studies, or that such IND enabling studies, if any are conducted, will provide data sufficient to support the filing of an IND, or that such IND, if filed, would be accepted by any FDA division under which we would seek to develop any product candidate. While we maintain an active IND for TG-1101 and TGR-1202 enabling the conduct of studies in the FDA's Division of Hematology and Oncology; there can be no assurance that we will be successful in obtaining an active IND for TG-1101 or TGR-1202 in any other division under whose supervision we may seek to develop our product candidates, or that the FDA will allow us to continue the development of our product candidates in those divisions where we maintain an active IND.

We are highly dependent on the success of our product candidates and cannot give any assurance that these or any future product candidates will be successfully commercialized.

We are a development-stage biopharmaceutical company, and do not currently have any commercial products that generate revenues or any other sources of revenue. We may never be able to successfully develop marketable products. Our pharmaceutical development methods are unproven and may not lead to commercially viable products for any of several reasons.

If we are unable to develop, or receive regulatory approval for or successfully commercialize any of our product candidates, we will not be able to generate product revenues.

Because the results of preclinical studies and early clinical trials are not necessarily predictive of future results, any product candidate we advance into clinical trials may not have favorable results in later clinical trials, if any, or receive regulatory approval.

Pharmaceutical development has inherent risk. We will be required to demonstrate through adequate and well-controlled clinical trials that our product candidates are effective with a favorable benefit-risk profile for use in diverse populations for their target indications before we can seek regulatory approvals for their commercial sale. Success in early clinical trials does not mean that later clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate sufficient safety or efficacy despite having progressed through initial clinical testing. Companies frequently suffer significant setbacks in advanced clinical trials, even after earlier clinical trials have shown promising results. In addition, there is typically an extremely high rate of failure of pharmaceutical candidates proceeding through clinical trials.

We plan on conducting additional Phase I, II and III clinical trials for TG-1101 and TGR-1202. Early clinical results seen with TG-1101 and TGR-1202 in a small number of patients may not be reproduced in expanded or larger clinical trials. Additionally, individually reported outcomes of patients treated in clinical trials may not be representative of the entire population of treated patients in such studies. If the results from expansion cohorts or later trials are different from those found in the earlier studies of TG-1101 and TGR-1202, we may need to terminate or revise our clinical development plan, which could extend the time for conducting our development program and could have a material adverse effect on our business.

If we are unable to successfully complete our clinical trial programs, or if such clinical trials take longer to complete than we project, our ability to execute our current business strategy will be adversely affected.

Whether or not and how quickly we complete clinical trials is dependent in part upon the rate at which we are able to engage clinical trial sites and, thereafter, the rate of enrollment of patients, and the rate we collect, clean, lock and analyze the clinical trial database. Patient enrollment is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the study, the existence of competitive clinical trials, and whether existing or new drugs are approved for the indication we are studying. We are aware that other companies are currently conducting or planning clinical trials that seek to enroll patients with the same diseases that we are studying. Certain clinical trials are designed to continue until a pre-determined number of events have occurred in the patients enrolled. Trials such as this are subject to delays stemming from patient withdrawal and from lower than expected event rates. They may also incur additional costs if enrollment is increased in order to achieve the desired number of events. If we experience delays in identifying and contracting with sites and/or in patient enrollment in our clinical trial programs, we may incur additional costs and delays in our development programs, and may not be able to complete our clinical trials in a cost-effective or timely manner. In addition, conducting multi-national studies adds another level of complexity and risk. We are subject to events affecting countries outside the U.S. Negative or inconclusive results from the clinical trials we conduct or unanticipated adverse medical events could cause us to have to repeat or terminate the clinical trials.

In September 2014, we announced a Phase 3 clinical trial for TG-1101 in patients with high-risk CLL which is to be conducted pursuant to an SPA with the FDA. Many companies which have been granted SPAs and/or the right to utilize the FDA's Fast Track or accelerated approval process have ultimately failed to obtain final approval to market their drugs. Since we are seeking approvals under SPAs, based on protocol designs negotiated with the FDA, we may be subject to enhanced scrutiny. Additionally, even if the primary endpoint in a Phase 3 clinical trial is achieved, a SPA does not guarantee approval. The FDA may raise issues of safety, study conduct, bias, deviation from the protocol, statistical power, patient completion rates, changes in scientific or medical parameters or internal inconsistencies in the data prior to making its final decision. The FDA may also seek the guidance of an outside advisory committee prior to making its final decision. Even with "fast track" or "priority review" status which we intend to seek for our product candidates, such designations do not necessarily mean a faster development process or regulatory review process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures.

Any product candidates we may advance into clinical development are subject to extensive regulation, which can be costly and time consuming, cause unanticipated delays or prevent the receipt of the required approvals to commercialize our product candidates.

The clinical development, manufacturing, labeling, storage, record-keeping, advertising, promotion, import, export, marketing and distribution of our product candidates or any future product candidates are subject to extensive regulation by the FDA in the United States and by comparable health authorities worldwide or in foreign markets. In the United States, we are not permitted to market our product candidates until we receive approval of a BLA or NDA from the FDA. The process of obtaining BLA and NDA approval is expensive, often takes many years and can vary substantially based upon the type, complexity and novelty of the products involved. Approval policies or regulations may change and the FDA has substantial discretion in the pharmaceutical approval process, including the ability to delay, limit or deny approval of a product candidate for many reasons. In addition, the FDA may require post-approval clinical trials or studies which also may be costly. The FDA approval for a limited indication or approval with required warning language, such as a boxed warning, could significantly impact our ability to successfully market our product candidates. Finally, the FDA may require adoption of a Risk Evaluation and Mitigation Strategy (REMS) requiring prescriber training, post-market registries, or otherwise restricting the marketing and dissemination of these products. Despite the time and expense invested in clinical development of product candidates, regulatory approval is never guaranteed. Assuming successful clinical development, we intend to seek product approvals in countries outside the United States. As a result, we would be subject to regulation by the European Medicines Agency ("EMA"), as well as the other regulatory agencies in many of these countries, and other regulatory agencies around the world.

Approval procedures vary among countries and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries might differ from that required to obtain FDA approval. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may negatively impact the regulatory process in others. As in the United States, the regulatory approval process in Europe and in other countries is a lengthy and challenging process. The FDA, and any other regulatory body around the world can delay, limit or deny approval of a product candidate for many reasons, including:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for any indication;
- the FDA may not accept clinical data from trials which are conducted by individual investigators or in countries where the standard of care is potentially different from the United States;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA, NDA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we or our collaborators contract for clinical and commercial supplies; or
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

In addition, recent events raising questions about the safety of certain marketed pharmaceuticals may result in increased cautiousness by the FDA and other regulatory authorities in reviewing new pharmaceuticals based on safety, efficacy or other regulatory considerations and may result in significant delays in obtaining regulatory approvals. Regulatory approvals for our product candidates may not be obtained without lengthy delays, if at all. Any delay in obtaining, or inability to obtain, applicable regulatory approvals would prevent us from commercializing our product candidates.

Any product candidate we advance into clinical trials may cause unacceptable adverse events or have other properties that may delay or prevent their regulatory approval or commercialization or limit their commercial potential.

Unacceptable adverse events caused by any of our product candidates that we take into clinical trials could cause either us or regulatory authorities to interrupt, delay, modify or halt clinical trials and could result in the denial of regulatory approval by the FDA or other regulatory authorities for any or all targeted indications. This, in turn, could prevent us from commercializing the affected product candidate and generating revenues from its sale.

We have not completed testing of any of our product candidates for the treatment of the indications for which we intend to seek product approval in humans, and we currently do not know the extent that adverse events, if any, will be observed in patients who receive any of our product candidates. To date, clinical trials using TG-1101 and TGR-1202 have demonstrated a toxicity profile that was deemed acceptable by the investigators performing such studies. Such interpretation may not be shared by future investigators or by the FDA and in the case of TG-1101 and TGR-1202, even if deemed acceptable for oncology applications, it may not be acceptable for diseases outside the oncology setting, and likewise for any other product candidates we may develop. Additionally, the severity, duration and incidence of adverse events may increase in larger study populations. With respect to TG-1101, the toxicity when manufactured under different conditions is not known, and it is possible that additional and/or different adverse events may appear upon the human use of those formulations and those adverse events may arise with greater frequency, intensity and duration than in the current formulation. Such risk also exists for new manufacturing processes and/or formulations, if any, of TGR-1202, the clinical impact of which is not known, including the micronized formulation of TGR-1202 which has only been studied in a limited number of healthy subjects to date. Further, with respect to TGR-1202, to date only a small number of patients have been dosed in the ongoing first-in-human dose-escalation Phase I study, the full adverse effect profile of TGR-1202 is not known. Limited data is available on the drug's adverse event profile at lower doses, and as the dose escalation continues with higher doses of TGR-1202, greater frequency and/or severity of adverse events are likely to occur as a maximum tolerated dose is reached. If any of our product candidates cause unacceptable adverse events in clinical trials, we may not be able to obtain marketing approval and generate revenues from its sale, which could have a material adverse impact on our business and operations.

Additionally, in combination clinical development, there is an inherent risk of drug-drug interactions between combination agents which may affect each component's individual pharmacologic properties and the overall efficacy and safety of the combination regimen. Both TG-1101 and TGR-1202 are being evaluated in combination with a variety of other active anti-cancer agents which may cause unforeseen toxicity, or impact the severity, duration, and incidence of adverse events observed compared to those seen in the single agent studies of these agents. Further, with multi-drug combinations, it is often difficult to interpret or properly assign attribution of an adverse event to any one particular agent, introducing the risk that toxicity caused by a component of a combination regimen could have a material adverse impact on the development of our product candidates. There can be no assurances given that the combination regimens being studied will display tolerability or efficacy suitable to warrant further testing or produce data that is sufficient to obtain marketing approval.

If any of our product candidates receives marketing approval and we, or others, later identify unacceptable adverse events caused by the product, a number of significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the affected product;
- regulatory authorities may require a more significant clinical benefit for approval to offset the risk;
- regulatory authorities may require the addition of labeling statements that could diminish the usage of the product or otherwise limit the commercial success of the affected product;
- we may be required to change the way the product is administered, conduct additional clinical trials or change the labeling of the product;
- we may choose to discontinue sale of the product;
- we could be sued and held liable for harm caused to patients;
- we may not be able to enter into collaboration agreements on acceptable terms and execute on our business model; and
- our reputation may suffer.

Any one or a combination of these events could prevent us from obtaining or maintaining regulatory approval and achieving or maintaining market acceptance of the affected product or could substantially increase the costs and expenses of commercializing the affected product, which in turn could delay or prevent us from generating any revenues from the sale of the affected product.

We may experience delays in the commencement of our clinical trials or in the receipt of data from preclinical and clinical trials conducted by third parties, which could result in increased costs and delay our ability to pursue regulatory approval.

Delays in the commencement of clinical trials and delays in the receipt of data from preclinical or clinical trials conducted by third parties could significantly impact our product development costs. Before we can initiate clinical trials in the United States for our product candidates, we need to submit the results of preclinical testing, usually in animals, to the FDA as part of an IND, along with other information including information about product chemistry, manufacturing and controls and its proposed clinical trial protocol for our product candidates.

We plan to rely on preclinical and clinical trial data from third parties, if any, for the IND submissions for our product candidates. If receipt of that data is delayed for any reason, including reasons outside of our control, it will delay our plans for IND filings, and clinical trial plans. This, in turn, will delay our ability to make subsequent regulatory filings and ultimately, to commercialize our products if regulatory approval is obtained. If those third parties do not make this data available to us, we will likely, on our own, have to develop all the necessary preclinical and clinical data which will lead to additional delays and increase the costs of our development of our product candidates.

Before we can test any product candidate in human clinical trials the product candidate enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as in-vitro and animal studies to assess the potential safety and activity of the pharmaceutical product candidate. The conduct of the preclinical tests must comply with federal regulations and requirements including good laboratory practices ("GLP").

We must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA places the IND on a clinical hold within that 30-day time period. In such a case, we must work with the FDA to resolve any outstanding concerns before the clinical trials can begin. The FDA may also impose clinical holds on a product candidate at any time before or during clinical trials due to safety concerns or non-compliance. Accordingly, we cannot be sure that submission of an IND will result in the FDA allowing clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate such clinical trial.

The FDA may require that we conduct additional preclinical testing for any product candidate before it allows us to initiate the clinical testing under any IND, which may lead to additional delays and increase the costs of our preclinical development.

Even assuming an active IND for a product candidate, we do not know whether our planned clinical trials for any such product candidate will begin on time, or at all. The commencement of clinical trials can be delayed for a variety of reasons, including delays in:

- obtaining regulatory clearance to commence a clinical trial;
- identifying, recruiting and training suitable clinical investigators;
- reaching agreement on acceptable terms with prospective contract research organizations ("CROs") and trial sites, the terms of which can be subject to extensive negotiation, may be subject to modification from time to time and may vary significantly among different CROs and trial sites;
- obtaining sufficient quantities of a product candidate for use in clinical trials;
- obtaining institutional review board ("IRB") or ethics committee approval to conduct a clinical trial at a prospective site;
- identifying, recruiting and enrolling patients to participate in a clinical trial;
- retaining patients who have initiated a clinical trial but may withdraw due to adverse events from the therapy, insufficient efficacy, fatigue with the clinical trial process or personal issues; and
- unexpected safety findings.

Any delays in the commencement of our clinical trials will delay our ability to pursue regulatory approval for our product candidates. In addition, many of the factors that cause, or lead to, a delay in the commencement of clinical trials may also ultimately lead to the denial of regulatory approval of a product candidate.

Delays in the completion of clinical testing could result in increased costs and delay our ability to generate product revenues.

Once a clinical trial has begun, patient recruitment and enrollment may be slower than we anticipate. Clinical trials may also be delayed as a result of ambiguous or negative interim results. Further, a clinical trial may be suspended or terminated by us, an IRB, an ethics committee or a Data Safety and Monitoring Committee overseeing the clinical trial, any of our clinical trial sites with respect to that site or the FDA or other regulatory authorities due to a number of factors, including:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- inspection of the clinical trial operations or clinical trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold;
- unforeseen safety issues or any determination that the clinical trial presents unacceptable health risks; and
- lack of adequate funding to continue the clinical trial.

Changes in regulatory requirements and guidance also may occur and we may need to amend clinical trial protocols to reflect these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for re-examination, which may impact the costs, timing and successful completion of a clinical trial. If we experience delays in the completion of, or if we must terminate, any clinical trial of any product candidate that we advance into clinical trials, our ability to obtain regulatory approval for that product candidate will be delayed and the commercial prospects, if any, for the product candidate may be harmed. In addition, many of these factors may also ultimately lead to the denial of regulatory approval of a product candidate. Even if we ultimately commercialize any of our product candidates, other therapies for the same indications may have been introduced to the market during the period we have been delayed and such therapies may have established a competitive advantage over our product candidates.

We intend to rely on third parties to help conduct our planned clinical trials. If these third parties do not meet their deadlines or otherwise conduct the trials as required, we may not be able to obtain regulatory approval for or commercialize our product candidates when expected or at all.

We intend to use CROs to assist in the conduct of our planned clinical trials and will rely upon medical institutions, clinical investigators and contract laboratories to conduct our trials in accordance with our clinical protocols. Our future CROs, investigators and other third parties may play a significant role in the conduct of these trials and the subsequent collection and analysis of data from the clinical trials.

There is no guarantee that any CROs, investigators and other third parties will devote adequate time and resources to our clinical trials or perform as contractually required. If any third parties upon whom we rely for administration and conduct of our clinical trials fail to meet expected deadlines, fail to adhere to its clinical protocols or otherwise perform in a substandard manner, our clinical trials may be extended, delayed or terminated, and we may not be able to commercialize our product candidates.

If any of our clinical trial sites terminate for any reason, we may experience the loss of follow-up information on patients enrolled in our ongoing clinical trials unless we are able to transfer the care of those patients to another qualified clinical trial site. In addition, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, the integrity of the data generated at the applicable clinical trial site may be jeopardized.

As all of our product candidates are still under development, manufacturing and process improvements implemented in the production of those product candidates may affect their ultimate activity or function.

Our product candidates are in the initial stages of development and are currently manufactured in small batches for use in pre-clinical and clinical studies. Process improvements implemented to date have changed, and process improvements in the future may change, the activity profile of the product candidates, which may affect the safety and efficacy of the products. No assurance can be given that the material manufactured from any of the optimized processes will perform comparably to the product candidates as manufactured to date and used in currently available pre-clinical data and or in early clinical trials reported in this or any previous filing. Additionally, future clinical trial results will be subject to the same level of uncertainty if, following such trials, additional process improvements are made. In addition, we are currently in the process of engaging a secondary manufacturer for TG-1101 to meet our current clinical and future commercial needs. No assurance can be given that the secondary manufacturing will be successful or that material manufactured by the secondary manufacturer will perform comparably to TG-1101 as manufactured to date and used in currently available pre-clinical data and or in early clinical trials reported in this or any previous filing. If the secondary manufacturer is not successful in replicating the product or experiences delays, we may experience delays in its clinical development.

If we fail to adequately understand and comply with the local laws and customs as we expand into new international markets, these operations may incur losses or otherwise adversely affect our business and results of operations.

We expect to operate a portion of our business in certain countries through subsidiaries or through supply and marketing arrangements. In those countries, where we have limited experience in operating subsidiaries and in reviewing equity investees, we will be subject to additional risks related to complying with a wide variety of national and local laws, including restrictions on the import and export of certain intermediates, drugs, technologies and multiple and possibly overlapping tax structures. In addition, we may face competition in certain countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees hired in different countries into our existing corporate culture. If we do not effectively manage our operations in these subsidiaries and review equity investees effectively, or if we fail to manage our alliances, we may lose money in these countries and it may adversely affect our business and results of our operations.

If our competitors develop treatments for the target indications for which any of our product candidates may be approved, and they are approved more quickly, marketed more effectively or demonstrated to be more effective than our product candidates, our commercial opportunity will be reduced or eliminated.

We operate in a highly competitive segment of the biotechnology and biopharmaceutical market. We face competition from numerous sources, including commercial pharmaceutical and biotechnology enterprises, academic institutions, government agencies, and private and public research institutions. Many of our competitors have significantly greater financial, product development, manufacturing and marketing resources. Large pharmaceutical companies have extensive experience in clinical testing and obtaining regulatory approval for drugs. Additionally, many universities and private and public research institutes are active in cancer research, some in direct competition with us. We may also compete with these organizations to recruit scientists and clinical development personnel. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

The cancer indications for which we are developing our products have a number of established therapies with which we will compete. Most major pharmaceutical companies and many biotechnology companies are aggressively pursuing new cancer development programs for the treatment of NHL, CLL, and other B-cell proliferative malignancies, including both therapies with traditional, as well as novel, mechanisms of action.

If approved, we expect TG-1101 to compete directly with Roche Group's Rituxan® (Rituximab) and Gazyva (obinutuzumab or GA-101), Spectrum Pharmaceutical's Zevalin® (Y^{90}-Ibritumomab Tiuxetan), and Genmab and GlaxoSmithKline's Arzerra® (Ofatumumab) among others, each of which is currently approved for the treatment of various diseases including NHL and CLL. In addition, a number of pharmaceutical companies are developing antibodies targeting CD20, CD19, and other B-cell associated targets, chimeric antigen receptor T-cell (CAR-T) immunotherapy, and other B-cell ablative therapy which, if approved, would potentially compete with TG-1101. New developments, including the development of other pharmaceutical technologies and methods of treating disease, occur in the pharmaceutical and life sciences industries at a rapid pace.

With respect to TGR-1202, there are several PI3K delta targeted compounds both approved, such as Gilead's Zydelig™ (idelalisib), and in development, including, but not limited to, Infinity Pharmaceuticals' IPI-145, and Acerta Pharmaceuticals' ACP-319, which if approved we would expect to compete directly with TGR-1202. In addition, there are numerous other novel therapies targeting similar pathways to TGR-1202 in development, which if approved would also compete with TGR-1202 in similar indications, such as the BTK inhibitor, ibrutinib (FDA approved for MCL and CLL and marketed by Pharmacyclics/ and Janssen), or the blc-2 inhibitor ABT-199 (under clinical development by AbbVie and Roche).

These developments may render our product candidates obsolete or noncompetitive. Compared to us, many of our potential competitors have substantially greater:

- research and development resources, including personnel and technology;
- regulatory experience;
- pharmaceutical development, clinical trial and pharmaceutical commercialization experience;
- experience and expertise in exploitation of intellectual property rights; and
- capital resources.

As a result of these factors, our competitors may obtain regulatory approval of their products more rapidly than us or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates. Our competitors may also develop products for the treatment of lymphoma or CLL that are more effective, better tolerated, more useful and less costly than ours and may also be more successful in manufacturing and marketing their products. Our competitors may succeed in obtaining approvals from the FDA and foreign regulatory authorities for their product candidates sooner than we do for our products.

We will also face competition from these third parties in recruiting and retaining qualified personnel, establishing clinical trial sites and enrolling patients for clinical trials and in identifying and in-licensing new product candidates.

We rely completely on third parties to manufacture our preclinical and clinical pharmaceutical supplies and we intend to rely on third parties to produce commercial supplies of any approved product candidate, and our commercialization of any of our product candidates could be stopped, delayed or made less profitable if those third parties fail to obtain approval of the FDA, fail to provide us with sufficient quantities of pharmaceutical product or fail to do so at acceptable quality levels or prices.

The facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted only after we submit a BLA or NDA to the FDA, if at all. We do not control the manufacturing process of our product candidates and are completely dependent on our contract manufacturing partners for compliance with the FDA's requirements for manufacture of finished pharmaceutical products (good manufacturing practices, GMP). If our contract manufacturers cannot successfully manufacture material that conforms to our target product specifications, patent specifications, and/or the FDA's strict regulatory requirements of safety, purity and potency, we will not be able to secure and/or maintain FDA approval for our product candidates. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If our contract manufacturers cannot meet FDA standards, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates. No assurance can be given that a long-term, scalable manufacturer can be identified or that they can make clinical and commercial supplies of our product candidates that meets the product specifications of previously manufactured batches, or is of a sufficient quality, or at an appropriate scale and cost to make it commercially feasible. If they are unable to do so, it could have a material adverse impact on our business.

In addition, we do not have the capability to package finished products for distribution to hospitals and other customers. Prior to commercial launch, we intend to enter into agreements with one or more alternate fill/finish pharmaceutical product suppliers so that we can ensure proper supply chain management once we are authorized to make commercial sales of our product candidates. If we receive marketing approval from the FDA, we intend to sell pharmaceutical product finished and packaged by such suppliers. We have not entered into long-term agreements with our current contract manufacturers or with any fill/finish suppliers, and though we intend to do so prior to commercial launch of our product candidates in order to ensure that we maintain adequate supplies of finished product, we may be unable to enter into such an agreement or do so on commercially reasonable terms, which could have a material adverse impact upon our business.

In most cases, our manufacturing partners are single source suppliers. It is expected that our manufacturing partners will be sole source suppliers from single site locations for the foreseeable future. Given this, any disruption of supply from these partners could have a material, long-term impact on our ability to supply products for clinical trials or commercial sale. If our suppliers do not deliver sufficient quantities of our product candidates on a timely basis, or at all, and in accordance with applicable specifications, there could be a significant interruption of our supply, which would adversely affect clinical development and commercialization of our products. In addition, if our current or future supply of any or our product candidates should fail to meet specifications during its stability program there could be a significant interruption of our supply of drug, which would adversely affect the clinical development and commercialization of the product.

We currently have no marketing and sales organization and no experience in marketing pharmaceutical products. If we are unable to establish sales and marketing capabilities or fail to enter into agreements with third parties to market and sell any products we may develop, we may not be able to effectively market and sell our products and generate product revenue.

We do not currently have the infrastructure for the sales, marketing and distribution of our biotechnology products, and we must build this infrastructure or make arrangements with third parties to perform these functions in order to commercialize our products. We plan to either develop internally or enter into collaborations or other commercial arrangements to develop further, promote and sell all or a portion of our product candidates.

The establishment and development of a sales force, either by us or jointly with a development partner, or the establishment of a contract sales force to market any products we may develop will be expensive and time-consuming and could delay any product launch, and we cannot be certain that we or our development partners would be able to successfully develop this capability. If we or our development partners are unable to establish sales and marketing capability or any other non-technical capabilities necessary to commercialize any products we may develop, we will need to contract with third parties to market and sell such products. We currently possess limited resources and may not be successful in establishing our own internal sales force or in establishing arrangements with third parties on acceptable terms, if at all.

If any product candidate that we successfully develop does not achieve broad market acceptance among physicians, patients, healthcare payors, and the medical community, the revenues that we generate from its sales will be limited.

Even if our product candidates receive regulatory approval, they may not gain market acceptance among physicians, patients, healthcare payors, and the medical community. Coverage and reimbursement of our product candidates by third-party payors, including government payors, generally is also necessary for commercial success. The degree of market acceptance of any of our approved products will depend on a number of factors, including:

- the efficacy and safety as demonstrated in clinical trials;
- the clinical indications for which the product is approved;
- acceptance by physicians, major operators of cancer clinics and patients of the product as a safe and effective treatment;
- the potential and perceived advantages of product candidates over alternative treatments;
- the safety of product candidates seen in a broader patient group, including its use outside the approved indications;
- the cost of treatment in relation to alternative treatments;
- the availability of adequate reimbursement and pricing by third parties and government authorities;
- relative convenience and ease of administration;
- the prevalence and severity of adverse events; and
- the effectiveness of our sales and marketing efforts.

If any product candidate is approved but does not achieve an adequate level of acceptance by physicians, hospitals, healthcare payors and patients, we may not generate sufficient revenue from these products and we may not become or remain profitable.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials, and will face an even greater risk if we sell our product candidates commercially. Although we are not aware of any historical or anticipated product liability claims against us, if we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to cease clinical trials of our drug candidates or limit commercialization of any approved products. An individual may bring a liability claim against us if one of our product candidates causes, or merely appears to have caused, an injury. If we cannot successfully defend our self against product liability claims, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for our product candidates;
- impairment to our business reputation;
- withdrawal of clinical trial participants;
- costs of related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- the inability to commercialize our product candidates; and
- loss of revenues.

We believe that we have obtained sufficient product liability insurance coverage for our clinical trials. We intend to expand our insurance coverage to include the sale of commercial products if marketing approval is obtained for any of our product candidates. However, we may be unable to obtain this product liability insurance on commercially reasonable terms and with insurance coverage that will be adequate to satisfy any liability that may arise. On occasion, large judgments have been awarded in class action or individual lawsuits relating to marketed pharmaceuticals. A successful product liability claim or series of claims brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business.

Reimbursement may be limited or unavailable in certain market segments for our product candidates, which could make it difficult for us to sell our products profitably.

We intend to seek approval to market our future products in both the United States and in countries and territories outside the United States. If we obtain approval in one or more foreign countries, we will be subject to rules and regulations in those countries relating to our product. In some foreign countries, particularly in the European Union, the pricing of prescription pharmaceuticals and biologics is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product candidate. In addition, market acceptance and sales of our product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for any of our product candidates and may be affected by existing and future healthcare reform measures.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which pharmaceuticals they will pay for and establish reimbursement levels. Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require that we provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. If reimbursement of our future products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability.

In both the United States and certain foreign countries, there have been a number of legislative and regulatory changes to the healthcare system that could impact our ability to sell our products profitably. In particular, the Medicare Modernization Act of 2003 revised the payment methodology for many products reimbursed by Medicare, resulting in lower rates of reimbursement for many types of drugs, and added a prescription drug benefit to the Medicare program that involves commercial plans negotiating drug prices for their members. Since 2003, there have been a number of other legislative and regulatory changes to the coverage and reimbursement landscape for pharmaceuticals. Most recently, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, collectively, the "Affordable Care Act," was enacted. The Affordable Care Act contains a number of provisions, including those governing enrollment in federal healthcare programs, the increased use of comparative effectiveness research on healthcare products, reimbursement and fraud and abuse changes, and a new regulatory pathway for the approval of biosimilar biological products, all of which will impact existing government healthcare programs and will result in the development of new programs. An expansion in the government's role in the U.S. healthcare industry may further lower rates of reimbursement for pharmaceutical and biotechnology products.

There have been, and likely will continue to be, legislative and regulatory proposals at the federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare products and services. We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare may adversely affect:

- the demand for any products for which we may obtain regulatory approval;
- our ability to set a price that we believe is fair for our products;
- our ability to generate revenues and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

In addition, governments may impose price controls, which may adversely affect our future profitability.

We will need to increase the size of our organization and the scope of our outside vendor relationships, and we may experience difficulties in managing this growth.

As of September 30, 2014, we had sixteen full and part time employees. Over time, we will need to expand our managerial, operational, financial and other resources in order to manage and fund our operations and clinical trials, continue research and development activities, and commercialize our product candidates. Our management and scientific personnel, systems and facilities currently in place may not be adequate to support our future growth. Our need to effectively manage our operations, growth, and various projects requires that we:

- manage our clinical trials effectively;
- manage our internal development efforts effectively while carrying out our contractual obligations to licensors, contractors and other third parties;
- continue to improve our operational, financial and management controls and reporting systems and procedures; and
- attract and retain sufficient numbers of talented employees.

We may utilize the services of outside vendors or consultants to perform tasks including clinical trial management, statistics and analysis, regulatory affairs, formulation development, chemistry, manufacturing, controls, and other pharmaceutical development functions. Our growth strategy may also entail expanding our group of contractors or consultants to implement these tasks going forward. Because we rely on a substantial number of consultants, effectively outsourcing many key functions of our business, we will need to be able to effectively manage these consultants to ensure that they successfully carry out their contractual obligations and meet expected deadlines. However, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for our product candidates or otherwise advance its business. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all. If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may be unable to successfully implement the tasks necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

If we fail to attract and keep key management and clinical development personnel, we may be unable to successfully develop or commercialize our product candidates.

We will need to expand and effectively manage our managerial, operational, financial and other resources in order to successfully pursue our clinical development and commercialization efforts for our product candidates and future product candidates. We are highly dependent on the development, regulatory, commercial and financial expertise of the members of our senior management. The loss of the services of any of our senior management could delay or prevent the further development and potential commercialization of our product candidates and, if we are not successful in finding suitable replacements, could harm our business. We do not maintain "key man" insurance policies on the lives of these individuals. We will need to hire additional personnel as we continue to expand our manufacturing, research and development activities.

Our success depends on our continued ability to attract, retain and motivate highly qualified management and scientific personnel and we may not be able to do so in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses. Our industry has experienced a high rate of turnover of management personnel in recent years. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that will impede significantly the achievement of our development objectives, our ability to raise additional capital, and our ability to implement our business strategy.

If we fail to comply with healthcare regulations, we could face substantial penalties and our business, operations and financial condition could be adversely affected.

In addition to FDA restrictions on the marketing of pharmaceutical and biotechnology products, several other types of state and federal laws have been applied to restrict certain marketing practices in the pharmaceutical and medical device industries in recent years, as well as consulting or other service agreements with physicians or other potential referral sources. These laws include anti-kickback statutes and false claims statutes that prohibit, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or, in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally-financed healthcare programs, and knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and any practices we adopt may not, in all cases, meet all of the criteria for safe harbor protection from anti-kickback liability. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines and imprisonment. Any challenge to its business practices under these laws could have a material adverse effect on our business, financial condition, and results of operations.

We use biological and hazardous materials, and any claims relating to improper handling, storage or disposal of these materials could be time consuming or costly.

We use hazardous materials, including chemicals and biological agents and compounds, which could be dangerous to human health and safety or the environment. Our operations also produce hazardous waste products. Federal, state and local laws and regulations govern the use, generation, manufacture, storage, handling and disposal of these materials and wastes. Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our pharmaceutical development efforts.

In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. If one of our employees was accidentally injured from the use, storage, handling or disposal of these materials or wastes, the medical costs related to his or her treatment would be covered by our workers' compensation insurance policy. However, we do not carry specific biological or hazardous waste insurance coverage and our property and casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, or operations otherwise affected.

All product candidate development timelines and projections in this report are based on the assumption of further financing.

The timelines and projections in this report are predicated upon the assumption that we will raise additional financing in the future to continue the development of our product candidates. In the event we do not successfully raise subsequent financing, our product development activities will necessarily be curtailed commensurate with the magnitude of the shortfall. If our product development activities are slowed or stopped, we would be unable to meet the timelines and projections outlined in this filing. Failure to progress our product candidates as anticipated will have a negative effect on our business, future prospects, and ability to obtain further financing on acceptable terms (if at all), and the value of the enterprise.

Risks Relating to Acquisitions

Acquisitions, investments and strategic alliances that we may make in the future may use significant resources, result in disruptions to our business or distractions of our management, may not proceed as planned, and could expose us to unforeseen liabilities.

We may seek to expand our business through the acquisition of, investments in and strategic alliances with companies, technologies, products, and services. Acquisitions, investments and strategic alliances involve a number of special problems and risks, including, but not limited to:

- difficulty integrating acquired technologies, products, services, operations and personnel with the existing businesses;
- diversion of management's attention in connection with both negotiating the acquisitions and integrating the businesses;
- strain on managerial and operational resources as management tries to oversee larger operations;
- difficulty implementing and maintaining effective internal control over financial reporting at businesses that we acquire, particularly if they are not located near our existing operations;
- exposure to unforeseen liabilities of acquired companies;
- potential costly and time-consuming litigation, including stockholder lawsuits;
- potential issuance of securities to equity holders of the company being acquired with rights that are superior to the rights of holders of our common stock or which may have a dilutive effect on our stockholders;
- risk of loss of invested capital;
- the need to incur additional debt or use cash; and
- the requirement to record potentially significant additional future operating costs for the amortization of intangible assets.

As a result of these or other problems and risks, businesses we acquire may not produce the revenues, earnings, or business synergies that we anticipated, and acquired products, services, or technologies might not perform as we expected. As a result, we may incur higher costs and realize lower revenues than we had anticipated. We may not be able to successfully address these problems and we cannot assure you that the acquisitions will be successfully identified and completed or that, if acquisitions are completed, the acquired businesses, products, services, or technologies will generate sufficient revenue to offset the associated costs or other negative effects on our business.

Any of these risks can be greater if an acquisition is large relative to our size. Failure to effectively manage our growth through acquisitions could adversely affect our growth prospects, business, results of operations, financial condition and cash flows.

Risks Relating to Our Intellectual Property

Our success depends upon our ability to protect our intellectual property and proprietary technologies, and the intellectual property protection for our product candidates depends significantly on third parties.

Our commercial success depends on obtaining and maintaining patent protection and trade secret protection for our product candidates and their formulations and uses, as well as successfully defending these patents against third-party challenges. If any of our licensors or partners fails to appropriately prosecute and maintain patent protection for these product candidates, our ability to develop and commercialize these product candidates may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products. This failure to properly protect the intellectual property rights relating to these product candidates could have a material adverse effect on our financial condition and results of operations.

Currently, the composition of matter patent and several method of use patents for TG-1101 and TGR-1202 in various indications and settings have been applied for but have not yet been issued, and no patents to date have been issued for our IRAK4 inhibitor program. The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or our partners will be successful in protecting our product candidates by obtaining and defending patents.

These risks and uncertainties include the following:

- the patent applications that we or our partners file may not result in any patents being issued;
- patents that may be issued or in-licensed may be challenged, invalidated, modified, revoked or circumvented, or otherwise may not provide any competitive advantage;
- as of March 16, 2013, the U.S. converted from a "first to invent" to a "first to file" system. If we do not win the filing race, we will not be entitled to inventive priority;
- our competitors, many of which have substantially greater resources than we do, and many of which have made significant investments in competing technologies, may seek, or may already have obtained, patents that will limit, interfere with, or eliminate its ability to make, use, and sell our potential products either in the United States or in international markets;
- there may be significant pressure on the U.S. government and other international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful as a matter of public policy regarding worldwide health concerns; and
- countries other than the United States may have less restrictive patent laws than those upheld by United States courts, allowing foreign competitors the ability to exploit these laws to create, develop, and market competing products.

If patents are not issued that protect our product candidates, it could have a material adverse effect on our financial condition and results of operations.

In addition to patents, we and our partners also rely on trade secrets and proprietary know-how. Although we have taken steps to protect our trade secrets and unpatented know-how, including entering into confidentiality agreements with third parties, and confidential information and inventions agreements with employees, consultants and advisors, third parties may still obtain this information or we may be unable to protect its rights. If any of these events occurs, or we otherwise lose protection for our trade secrets or proprietary know-how, the value of this information may be greatly reduced.

Patent protection and other intellectual property protection are crucial to the success of our business and prospects, and there is a substantial risk that such protections will prove inadequate.

If we or our partners are sued for infringing intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in that litigation would have a material adverse effect on our business.

Our commercial success also depends upon our ability and the ability of any of our future collaborators to develop, manufacture, market and sell our product candidates without infringing the proprietary rights of third parties. Numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing products, some of which may be directed at claims that overlap with the subject matter of our intellectual property. For example, Roche has the Cabilly patents in the U.S. that block the commercialization of antibody products derived from a single cell line, like TG-1101. Also, Roche, Biogen Idec, and Genentech hold patents for the use of anti-CD20 antibodies utilized in the treatment of CLL in the U.S. While these patents have been challenged, to the best of our knowledge, those matters were settled in a way that permitted additional anti-CD20 antibodies to be marketed for CLL. If those patents are still enforced at the time we are intending to launch TG-1101, then we will need to either prevail in a litigation to challenge those patents or negotiate a settlement agreement with the patent holders. If we are unable to do so we may be forced to delay the launch of TG-1101 or launch at the risk of litigation for patent infringement, which may have a material adverse effect on our business and results of operations.

In addition, because patent applications can take many years to issue, there may be currently pending applications, unknown to us, which may later result in issued patents that our product candidates or proprietary technologies may infringe. Similarly, there may be issued patents relevant to our product candidates of which we are not aware.

There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and biopharmaceutical industries generally. If a third party claims that we or any collaborators of ours infringe their intellectual property rights, we may have to:

- obtain licenses, which may not be available on commercially reasonable terms, if at all;
- abandon an infringing product candidate or redesign its products or processes to avoid infringement;
- pay substantial damages, including treble damages and attorneys' fees, which we may have to pay if a court decides that the product or proprietary technology at issue infringes on or violates the third party's rights;
- pay substantial royalties, fees and/or grant cross licenses to our technology; and/or
- defend litigation or administrative proceedings which may be costly whether we win or lose, and which could result in a substantial diversion of our financial and management resources.

No assurance can be given that patents issued to third parties do not exist, have not been filed, or could not be filed or issued, which contain claims covering its products, technology or methods that may encompass all or a portion of our products and methods. Given the number of patents issued and patent applications filed in our technical areas or fields, we believe there is a risk that third parties may allege they have patent rights encompassing our products or methods.

Other product candidates that we may in-license or acquire could be subject to similar risks and uncertainties.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file infringement claims, which typically are very expensive, time-consuming and disruptive of day-to-day business operations. In addition, in an infringement proceeding, a court may decide that a patent of ours or our licensors is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly. The adverse result could also put related patent applications at risk of not issuing.

Interference proceedings provoked by third parties or brought by the U.S. Patent and Trademark Office ("PTO") may be necessary to determine the priority of inventions with respect to our patents or patent applications or those of our collaborators or licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

We may be subject to claims that our consultants or independent contractors have wrongfully used or disclosed alleged trade secrets of their other clients or former employers to it.

As is common in the biotechnology and pharmaceutical industry, we engage the services of consultants to assist us in the development of our product candidates. Many of these consultants were previously employed at, may have previously been, or are currently providing consulting services to, other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these consultants or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers or their former or current customers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management and day-to-day business operations.

Risks Relating to Our Finances and Capital Requirements

We will need to raise additional capital to continue to operate our business.

As of September 30, 2014, we had net cash, cash equivalents, investment securities and interest receivable of approximately $67,289,264. We believe that our cash and cash equivalents and investments will sustain our operations for more than 24 months from September 30, 2014. As a result, we will need additional capital to continue our operations beyond that time. We will need to seek additional sources of financing in the future, which might not be available on favorable terms, if at all, to continue our operations. If we do not succeed in raising additional funds on acceptable terms, we might be unable to complete planned preclinical and clinical trials or obtain approval of any of our product candidates from the FDA or any foreign regulatory authorities. In addition, we could be forced to discontinue product development, reduce or forego sales and marketing efforts and forego attractive business opportunities. Any additional sources of financing will likely involve the issuance of our equity securities, which would have a dilutive effect to stockholders.

Currently, none of our product candidates have been approved by the FDA or any foreign regulatory authority for sale. Therefore, for the foreseeable future, we will have to fund all of our operations and capital expenditures from cash on hand and amounts raised in future offerings.

We have a history of operating losses, expect to continue to incur losses, and are unable to predict the extent of future losses or when we will become profitable, if ever.

We have not yet demonstrated an ability to obtain regulatory approval for or commercialize a product candidate. Our short operating history makes it difficult to evaluate our business prospects and consequently, any predictions about our future performance may not be as accurate as they could be if we had a history of successfully developing and commercializing pharmaceutical or biotechnology products. Our prospect must be considered in light of the uncertainties, risks, expenses and difficulties frequently encountered by companies in the early stages of operations and the competitive environment in which we operate.

We have never been profitable, and, as of September 30, 2014, we had an accumulated deficit of $76,388,851. We have generated operating losses in all periods since we were incorporated. We expect to make substantial expenditures resulting in increasing operating costs in the future and our accumulated deficit will increase significantly as we expand development and clinical trial efforts for our product candidates. Our losses have had, and are expected to continue to have, an adverse impact on our working capital, total assets and stockholders' equity. Because of the risks and uncertainties associated with product development, we are unable to predict the extent of any future losses or when we will become profitable, if ever. Even if we achieve profitability, we may not be able to sustain or increase profitability on an ongoing basis.

We have not generated any revenue from our product candidates and may never become profitable.

Our ability to become profitable depends upon our ability to generate significant continuing revenues. To obtain significant continuing revenues, we must succeed, either alone or with others, in developing, obtaining regulatory approval for and manufacturing and marketing our product candidates (or utilize early access programs to generate such revenue). To date, our product candidates have not generated any revenues, and we do not know when, or if, we will generate any revenue. Our ability to generate revenue depends on a number of factors, including, but not limited to:

- successful completion of preclinical studies of our product candidates;
- successful commencement and completion of clinical trials of our product candidates and any future product candidates we advance into clinical trials;
- achievement of regulatory approval for our product candidates and any future product candidates we advance into clinical trials (unless we successfully utilize early access programs which allow for revenue generation prior to approval);
- manufacturing commercial quantities of our products at acceptable cost levels if regulatory approvals are obtained;

- successful sales, distribution and marketing of our future products, if any; and
- our entry into collaborative arrangements or co-promotion agreements to market and sell our products.

If we are unable to generate significant continuing revenues, we will not become profitable and we may be unable to continue our operations without continued funding.

We will need substantial additional funding and may be unable to raise capital when needed, which would force us to delay, reduce or eliminate our development programs or commercialization efforts.

We expect to spend substantial amounts on development, including significant amounts on conducting clinical trials for our product candidates, manufacturing clinical supplies and expanding our pharmaceutical development programs. We expect that our monthly cash used by operations will continue to increase for the next several years. We anticipate that we will continue to incur operating losses for the foreseeable future.

We will require substantial additional funds to support our continued research and development activities, as well as the anticipated costs of preclinical studies and clinical trials, regulatory approvals, and eventual commercialization. We anticipate that we will incur operating losses for the foreseeable future. We have based these estimates, however, on assumptions that may prove to be wrong, and we could expend our available financial resources much faster than we currently expect. Further, we will need to raise additional capital to fund our operations and continue to conduct clinical trials to support potential regulatory approval of marketing applications. Future capital requirements will also depend on the extent to which we acquire or in-license additional product candidates. We currently have no commitments or agreements relating to any of these types of transactions.

The amount and timing of our future funding requirements will depend on many factors, including, but not limited to, the following:

- the progress of our clinical trials, including expenses to support the trials and milestone payments that may become payable under our license agreements;
- the costs and timing of regulatory approvals;
- the costs and timing of clinical and commercial manufacturing supply arrangements for each product candidate;
- the costs of establishing sales or distribution capabilities;
- the success of the commercialization of our products;
- our ability to establish and maintain strategic collaborations, including licensing and other arrangements;
- the costs involved in enforcing or defending patent claims or other intellectual property rights; and
- the extent to which we in-license or invest in other indications or product candidates.

Until we can generate a sufficient amount of product revenue and achieve profitability, we expect to finance future cash needs through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements, as well as through interest income earned on cash balances. If we were to be unable to raise additional capital, we would have to significantly delay, scale back or discontinue one or more of our pharmaceutical development programs. We also may be required to relinquish, license or otherwise dispose of rights to product candidates or products that it would otherwise seek to develop or commercialize itself on terms that are less favorable than might otherwise be available.

Raising additional funds by issuing securities or through licensing or lending arrangements may cause dilution to our existing stockholders, restrict our operations or require us to relinquish proprietary rights.

We may raise additional funds through public or private equity offerings, debt financings or licensing arrangements. To the extent that we raise additional capital by issuing equity securities, the share ownership of existing stockholders will be diluted. Any future debt financing we enter into may involve covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, redeem our stock, make certain investments and engage in certain merger, consolidation or asset sale transactions, among other restrictions.

In addition, if we raise additional funds through licensing arrangements, it may be necessary to relinquish potentially valuable rights to our product candidates, or grant licenses on terms that are not favorable to us. If adequate funds are not available, our ability to achieve profitability or to respond to competitive pressures would be significantly limited and we may be required to delay, significantly curtail or eliminate the development of one or more of our product candidates.

We are controlled by current officers, directors and principal stockholders.

Our directors, executive officers, their affiliates, and our principal stockholders beneficially own approximately 60% percent of our outstanding voting stock, including shares underlying outstanding options and warrants. Our directors, officers and principal stockholders, taken as a whole, have the ability to exert substantial influence over the election of our Board of Directors and the outcome of issues submitted to our stockholders.

Our stock price is, and we expect it to remain, volatile, which could limit investors' ability to sell stock at a profit.

The trading price of our common stock is likely to be highly volatile and subject to wide fluctuations in price in response to various factors, many of which are beyond our control. These factors include:

- publicity regarding actual or potential clinical results relating to products under development by our competitors or us;
- delay or failure in initiating, completing or analyzing nonclinical or clinical trials or the unsatisfactory design or results of these trials;
- achievement or rejection of regulatory approvals by our competitors or us;
- announcements of technological innovations or new commercial products by our competitors or us;
- developments concerning proprietary rights, including patents;
- developments concerning our collaborations;
- regulatory developments in the United States and foreign countries;
- economic or other crises and other external factors;
- period-to-period fluctuations in our revenues and other results of operations;
- changes in financial estimates by securities analysts; and
- sales of our common stock.

We will not be able to control many of these factors, and we believe that period-to-period comparisons of our financial results will not necessarily be indicative of our future performance.

In addition, the stock market in general, and the market for biotechnology companies in particular, has experienced extreme price and volume fluctuations that may have been unrelated or disproportionate to the operating performance of individual companies. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of your stock.

We have never paid dividends on our common stock and do not anticipate paying any dividends for the foreseeable future. You should not rely on an investment in our stock if you require dividend income. Further, you will only realize income on an investment in our stock in the event you sell or otherwise dispose of your shares at a price higher than the price you paid for your shares. Such a gain would result only from an increase in the market price of our common stock, which is uncertain and unpredictable.

ITEM 6. EXHIBITS

The exhibits listed on the Exhibit Index are included with this report.

3.1	Amended and Restated Certificate of Incorporation of TG Therapeutics, Inc., dated April 26, 2012 (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012).
3.2	Certificate of Amendment of Amended and Restated Certificate Incorporation of TG Therapeutics, Inc., dated June 9, 2014 (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014).
3.3	Amended and Restated Bylaws of TG Therapeutics, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014).
10.1	Licensing Agreement by and between TG Therapeutics, Inc. and Rhizen Pharmaceuticals S A, dated September 22, 2014. Confidential Treatment Requested. Confidential portions of this document have been redacted and have separately been filed with the Commission.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated November 14, 2014.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated November 14, 2014.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated November 14, 2014.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated November 14, 2014.

SIGNATURES

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

TG THERAPEUTICS, INC.

Date: November 14, 2014

By: /s/ Sean A. Power
Chief Financial Officer
Principal Financial and Accounting Officer

EXHIBIT INDEX

The following exhibits are included as part of this Quarterly Report on Form 10-Q:

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CONFIDENTIAL TREATMENT REQUESTED. Confidential portions of this document have been redacted and have been separately filed with the Commission.

Exhibit No. 10.1

LICENSING AGREEMENT

BY AND BETWEEN

TG THERAPEUTICS, INC.

AND

RHIZEN PHARMACEUTICALS S A

This Licensing Agreement is made and entered into on 22 September 2014 (the ***"Effective Date"***) by and between

Rhizen Pharmaceuticals S.A., a Swiss corporation having its principal place of business at Fritz Courvoisier 40, 2300 La Chaux de Fonds, Switzerland (***"Rhizen"***),

On the one hand,

And

TG Therapeutics, Inc., a Delaware corporation, with a place of business at 787 Seventh Avenue, New York, NY (**"TGTX"**).

On the other hand;

WITNESSETH:

WHEREAS, Rhizen is a pharmaceutical company focused on the development of novel inhibitors of PI3Kδ for the treatment of various B-cell proliferative diseases;

WHEREAS, TGTX is a biopharmaceutical company engaged in the development, manufacturing and marketing of pharmaceutical products directed toward the treatment of B-cell proliferative diseases;

WHEREAS, Rhizen and TGTX are parties to that certain Joint Venture and License Option Agreement, dated 15th August , 2012 (the "JV Agreement").

WHEREAS, The development of the Product has, to date, progressed satisfactorily to each Party to the JV Agreement, and each Party has upheld the responsibilities delegated to such Party dictated in the JV Agreement;

WHEREAS, The JV Agreement affords TGTX the option to license the exclusive rights to the Product under the terms of Article 6.2 and Exhibit F of such JV Agreement;

WHEREAS, In the interest of continued accelerated development of the Product, TGTX wishes to execute such license option outside of the terms dictated in Article 6.2 and Exhibit F of such JV Agreement, and Rhizen is in agreement with such early execution of the option granted to TGTX

WHEREAS, With reference to Article 15.1 of the JV Agreement and pursuant to the promising progress of RP5264 (now TGR-1202) and recent discussion between the parties, each of TGTX and Rhizen hereby wishes to execute this Licensing Agreement.

WHEREAS, TGTX pursuant to the JV Agreement wishes to exercise its option to in license to TGTX all the proprietary rights in and to the compound known as "RP5264" or any one of the back-up compounds; and Rhizen agrees to out license to such compound known as "RP5264" or any one of the back-up compounds in order to develop, manufacture and commercialize Products (as hereinafter defined); and

WHEREAS, both TGTX and Rhizen, pursuant to the **JV Agreement** wish to enter into this definitive Agreement which provides TGTX with an exclusive license to the Compound (as hereinafter defined) to develop and commercialize Products (as hereinafter defined) in the Field of Use (as hereinafter defined) and in the Territory (as hereinafter defined), under the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the foregoing and the covenants and obligations set forth herein, including the exhibits or appendices hereto, and intending to be legally bound , TGTX and Rhizen hereby agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

Terms, when used with initial capital letters, shall have the meanings set forth below or at their first use when used in this Agreement:

"Active Commercialization": solely for purposes of Section 3.1.3 hereof, shall mean TGTX is employing the level of efforts and resources to Commercialize the Product in a Major Market in a sustained manner that is consistent with the efforts and resources a biopharmaceutical company typically devotes to a product that is commercially viable.

"Active Clinical Development": solely for purposes of Section 3.1.3 hereof, shall mean TGTX is employing the level of efforts and resources to achieve Regulatory Approval of a Product in a Major Market in a sustained manner that is consistent with the efforts and resources a biopharmaceutical company typically devotes to a product that it has determined has positive market potential, profit potential, and strategic value. If a notice is required to be delivered by TGTX to Rhizen pursuant to Section 3.2.4 hereof, then the Compound shall no longer be considered to be in Active Clinical Development. Once the first Regulatory Approval for a Product in a Major Market is achieved, the Compound may no longer be considered to be in Active Clinical Development for purposes of Section 3.1.3.

"Agreement": shall mean this License Agreement

"API": shall mean an active pharmaceutical ingredient.

"Backup Compound" means any * compounds other than RP5264 as provided in Annexure VI Controlled by Rhizen as of the Effective Date and/or developed during the Term, which (i) falls within the chemical genus provided in Exhibit B of the JV Agreement, and (ii) has targeted * (≤ *) in an * against the * target and targeted specificity of * compared to the *. The initial list of the Backup Compounds is attached hereto as Annexure VI and shall be updated from time to time by Rhizen and provided to TGTX promptly. The list of the Backup Compounds thus updated shall include any compound which falls in the above definition which are discovered or developed by Rhizen during the first two years of the Term.

"Bulk API" shall mean any of the Compounds in bulk form.

"**Cause**" means, for purposes of Section 12.1, any unfavorable result from a pre-clinical or clinical trial that, as reasonably determined by TGTX, causes material concerns regarding the tolerability, safety or effectiveness of the Product.

"Change of Control": means (i) the acquisition, directly or indirectly, by any person, entity or "group" (within meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) by means of a transaction or series of related transactions, of (a) beneficial ownership of fifty percent (50%) or more of the outstanding voting securities of a Party (or the surviving entity, as applicable, whether by merger, consolidation, reorganization, tender offer or other similar means), or (b) all, or substantially all, of the assets of a Party; or (ii) any consolidation or merger of a Party with or into any Third Party, or any other corporate reorganization involving a Third Party, in which those persons or entities that are stockholders of the Party immediately prior to such consolidation, merger or reorganization (or prior to any series of related transactions leading up to such event) own fifty (50%) or less of the surviving entity's voting power immediately after such consolidation, merger or reorganization.

* Confidential material redacted and filed separately with the Commission.

"Change of Control Transaction": shall have the meaning ascribed to this term in paragraph (a) of Article 19.

"Combination" shall mean a Co-administration of Product together with any other product.

"Compound": shall mean RP5264 as described in Annexure I or one of the * Backup Compounds.

"Commercialization", with a correlative meaning for **"Commercialize"**: means all activities undertaken before and after obtaining Regulatory Approval relating specifically to the pre-marketing, launch, promotion, marketing, sale, and distribution of a pharmaceutical product, including: (a) strategic marketing, sales force detailing, advertising, medical education and liaison, and market and product support; and (b) any Phase IV Clinical Trials, and (c) all customer support and Product distribution, invoicing and sales activities.

"Confidential Information": means, with respect to a Party, all confidential Information of such Party that is disclosed to the other Party under this Agreement, which may include specifications, know-how, trade secrets, legal information, technical information, drawings, models, business information, inventions, discoveries, methods, procedures, formulae, protocols, techniques, data, and unpublished patent applications, in each case whether disclosed in oral, written, graphic, or electronic form. All Confidential Information disclosed by either Party pursuant to the Mutual Confidential Disclosure Agreement between the Parties dated April 27, 2012 shall be deemed to be such Party's Confidential Information disclosed hereunder.

"Control" shall mean,with respect to any material, Information, or intellectual property right, that a Party owns or has a license to such material, Information, or intellectual property right and has the ability to grant to the other Party access, a license, or a sublicense (as applicable) to such material, Information, or intellectual property right on the terms and conditions set forth herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Party would be first required hereunder to grant to the other Party such access, license, or sublicense.

"IND/CTA" shall mean(a) an Investigational New Drug application as defined in the FD&C Act and applicable regulations promulgated thereunder by the FDA or any successor application or procedure required to initiate clinical testing of a Product in humans in the Territory; and (b) all supplements and amendments to the foregoing.

"Rhizen Intellectual Property Rights": shall mean all Rhizen Patents and Rhizen Know-How.

"Rhizen Know-How": shall mean (i) all Know-How that is Controlled by Rhizen or its Affiliates on the Effective Date and during the Term, and (ii) Rhizen's interest in any Joint Know-How, in each case that is necessary or useful for the Development, manufacture or Commercialization of the Product. For clarity, Rhizen Know-How excludes the Rhizen Patents.

* Confidential material redacted and filed separately with the Commission.

"Rhizen Patent(s)": shall mean any Patent, including Rhizen's interest in any Joint Patent, that (a) is Controlled by Rhizen or its Affiliates on the Effective Date and during the Term, and (b) claims the Product or its manufacture or its use, or any other invention that is otherwise necessary or useful for the Development, manufacture, use or Commercialization of the Product in the Field of the Use, including the patents listed in Annexure IIA, which shall be from time to time amended and updated during the Term to incorporate the then-current Rhizen Patents.

"Data": shall mean any and all scientific and research data, technical data, test and development data, pre-clinical and clinical data (including pharmacological, biological, chemical, biochemical, toxicological, pre-clinical and clinical test data, analytical and quality control data, stability data, results of studies and patient lists), formulations, processes, protocols, regulatory files and the like which are developed by either Party in connection with the Compound or the Product.

"Joint Know-How": shall mean all Know-How developed or acquired by either Party in performing its obligations pursuant to the JV Agreement that is necessary or useful for the Development, manufacture or Commercialization of the Product.

"Know-How": shall mean any and all technical information, test and development data and results, formulations, processes, ideas, protocols, regulatory files, preclinical and clinical data (including, without limitation, Data) and the like relating to the use, manufacture, Development, or Commercialization of the Compound or the Product.

"TGTX Intellectual Property Rights": shall mean all TGTX Patents and TGTX Know-How.

"TGTX Know-How": shall mean (i) all Know-How that is Controlled by TGTX or its Affiliates on the Effective Date and during the Term, and (ii) TGTX's interest in the Joint Know-How, in each case that is necessary or useful for the Development, manufacture or Commercialization of the Product. For clarity, TGTX Know-How excludes TGTX Patents.

"TGTX Patent(s)": shall mean any Patent, including TGTX's interest in any Joint Patent, that (a) is Controlled by TGTX or its Affiliates on the Effective Date and during the Term, and (b) claims the Product or its manufacture or its use, or any other invention that is otherwise necessary or useful for the Development, manufacture, use or Commercialization of the Product in the Field of the Use, including the patents listed in Annexure IIB, which shall be from time to time amended and updated during the Term to incorporate the then-current TGTX Patents.

"Develop or Development": shall mean all activities relating to preparing and conducting preclinical testing, toxicology testing, human clinical studies, regulatory affairs for obtaining the Regulatory Approvals, formulation development, process development for manufacture and associated validation, quality assurance and quality control activities (including qualification lots). Development shall exclude all Phase IV Clinical Trials.

"Development Plan": shall mean plans for development of the Product as outlined in Annexure III, which shall be provided by TGTX and updated and amended pursuant to Section 3.

"Diligent Efforts": means, with respect to a Party's obligation under this Agreement to Develop or Commercialize a Product, the level of efforts and resources required to carry out such obligation in a sustained manner consistent with the efforts and resources a similarly situated biopharmaceutical company devotes to a product of similar market potential, profit potential or strategic value within its portfolio, based on conditions then prevailing i.e. it shall mean the efforts required in order to carry out a task or objective in a diligent and sustained manner without undue interruption, pause or delay, which level is at least commensurate with the level of efforts that a pharmaceutical company would devote to a product of similar potential and having similar commercial and scientific advantages and disadvantages as compared to the Product hereunder. Diligent Efforts requires (without limitation) that the Party exerting such efforts (i) promptly assign responsibility for its obligations to specific employee(s) or contractor(s) who are held accountable for progress and monitor such progress, on an ongoing basis, (ii) set and continue to seek to achieve specific and meaningful objectives for carrying out such obligations, and (iii) consistently make and implement decisions and allocate resources designed to advance progress with respect to such objectives, in each case in a diligent manner.

"Major Market(s)": shall mean any of the following countries or groups of countries: (i) the United States of America; (ii) Canada; (iii) France, Germany, Italy, Spain, and the United Kingdom (each, a ***"Major European Market"***); (iv) Japan; and (v) Russia, Brazil or China (each, a ***"Major BRIC Market"***).

"Diligence Failure": shall mean TGTX does not correct a failure to use Diligent Efforts within the applicable period specified in, or determined in accordance with Section 3.2.5(b).

"EMEA": shall mean the European Medicines Agency or any successor agency thereto.

"FDA": shall mean the United States Food and Drug Administration, or a successor federal agency thereto.

"Field" means the prevention, treatment or amelioration of any disease or condition in humans.

"Field of Use": shall mean the use of Products in the Field as defined herein.

"First Commercial Sale": shall mean the first commercial sale by TGTX, its Affiliates and/or Sublicensees to a Third Party of a Product for value in any country in the Territory following receipt of approval to market such Product from the relevant Regulatory Authority in the applicable country.

"Finished Product" shall mean a Product that has been filled into vials, syringes or capsules or manufactured into other pharmaceutical presentations for administration, such as tablets or pills; finished and labeled for use in clinical trials or for commercial purposes in accordance with the applicable specifications and legal requirements.

"Generic Product" means a drug product that (i) contains the same active ingredient as the Product where the Product is the reference-listed drug, and (ii) is approved by a Governmental Authority pursuant to an Abbreviated New Drug Application, an application under 21 U.S.C. §355(b)(2), or similar application.

"Indication": means any indication for which (a) a Product is developed pursuant to an IND or CTA (or if no such filing is required, pursuant to the applicable clinical trial protocol), (b) an NDA for a Product is submitted, or (c) an NDA for a Product is approved by a Regulatory Authority.

"IND": shall mean (a) an Investigational New Drug application as defined in the FD&C Act and applicable regulations promulgated thereunder by the FDA or any successor application or procedure required to initiate clinical testing of a Product in humans in the Territory; and (b) all supplements and amendments to the foregoing.

"Information" means any data, results, technology, business information, and information of any type whatsoever, in any tangible or intangible form, including, without limitation, know-how, trade secrets, practices, techniques, methods, processes, inventions, developments, specifications, formulations, formulae, materials or compositions of matter of any type or kind (patentable or otherwise), software, algorithms, marketing reports, expertise, technology, test data (including pharmacological, biological, chemical, biochemical, toxicological, preclinical and clinical test data), analytical and quality control data, stability data, other study data and procedures.

"Sole Inventions": shall have the meaning ascribed to this term in Section 7.1.

"Joint Inventions": shall have the meaning ascribed to this term in Section 7.1.

"Joint Patents": shall mean any and all patents and patent applications claiming any Joint Invention, together with any and all patents issued on any such applications as well as any divisional, continuation, continuation-in-part, substitution applications, re-issue, re-examination, renewal and extended patents (including supplementary protection certificates (SPC)) of any of the foregoing.

"JSC": shall mean the joint scientific committee created by the Parties according to Section 4.1

"Launch": shall mean the First Commercial Sale in a country.

"Milestone(s)": shall have the meaning ascribed to this term in Section 6.3.

"Milestone Payment": means any of the Primary Indication Milestone Payments, the Secondary Indication Milestone Payments, and the Non-Oncology Indication Milestone Payments.

"NDA": shall mean a "New Drug Application" (as more fully defined in 21 C.F.R. 314.5 *et seq.*) filed with the FDA or the equivalent application filed with any other Regulatory Authority to obtain marketing approval for a Product in a country or jurisdiction in the Territory.

"Net Sales": shall mean, with respect to a particular time period, the total amounts received or invoiced by TGTX, its Affiliates, and sublicensees (subject to the provisions set forth in Section 6) for sales of Product made during such time period to unaffiliated Third Parties, less the following deductions to the extent actually allowed or incurred with respect to such sales:

(a) discounts, including cash, trade, and quantity discounts, retroactive price reductions, charge-back payments, and rebates actually granted or administrative fees actually paid to trade customers, patients (including those in the form of a coupon or voucher), managed health care organizations, pharmaceutical benefit managers, group purchasing organizations, federal, state, or local government and the agencies, purchasers and reimbursers of managed health organizations, pharmaceutical benefit managers, group purchasing organizations, or federal, state or local government;

(b) credits or allowances actually granted upon prompt payment, or losses, actually incurred as a result of damaged goods, rejections or returns of such Product, including in connection with recalls, and all other reasonable and customary allowances and adjustments actually credited to customers;

(c) packaging, freight, postage, shipping, transportation, warehousing, handling and insurance charges, credit card processing fees and any customary payments with respect to the Products actually made to wholesalers or other distributors, in each case actually allowed or paid for distribution and delivery of Product, to the extent billed or recognized; and

(d) taxes, including sales taxes, excise taxes, value-added taxes, and other taxes (other than income taxes), duties, tariffs or other governmental charges levied on the sale of such Product, including, without limitation, value-added and sales taxes.

Notwithstanding the foregoing, amounts received or invoiced by TGTX, its Affiliates and sublicencees for the sale of Product among TGTX, its Affiliates and sublicencees shall not be included in the computation of Net Sales hereunder. In any event, any amounts received or invoiced by TGTX and its Affiliates or sublicensees shall be accounted for only once. Subject to the provisions of Section 6, Sublicensee Royalties and Sublicensing Payments shall not be included in Net Sales. Net Sales shall be accounted for in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") consistently applied. Net Sales shall exclude any samples of Product transferred or disposed of at no cost for promotional or educational purposes, and the cost for such samples transferred or disposed of shall be deemed to be included in the Commercial Expenses.

For the purposes of determining royalty rates and the royalties payable on Combination, Net Sales of Product shall be calculated by multiplying the Net Sales of the Combination by the fraction A/A+B, where A is the average selling price, during the royalty paying period in question, of the Product sold separately in the country in which the sale of the Combination is made, and B is the average selling price, during the royalty period in question, of the other active ingredient(s) or component(s) sold separately. In the event that such average selling price cannot be determined for both Product and all other active ingredient(s) and component(s) included in the Combination Product, Net Sales for purposes of determining payments under this Agreement shall be calculated by multiplying the Net Sales of the Combination by the fraction C/(C+D) where C is the standard fully-absorbed cost of the portion of the combination, and D is the standard fully-absorbed cost of the other active ingredient(s) or component(s) included in the Combination, as determined by TGTX using its standard accounting procedures consistently applied. In the event that the standard fully-absorbed cost of the Product and/or the other active ingredient(s) or component(s) included in such Combination cannot be determined, for the purposes of determining royalties payable hereunder, the Parties shall negotiate in good faith to determine an appropriate commercial value for all the components in the Combination and calculate Net Sales of such Combination accordingly.

Further, the Parties agree to negotiate in good faith for an equitable determination of the Net Sales of the Product in the event TGTX and its Affiliates sells the Product in such a manner that gross sales of the Product are not readily identifiable. In addition, for purposes of this Agreement, "sale" shall mean any transfer or other distribution or disposition, but shall not include transfers or other distributions or dispositions of Product at no charge for academic research, preclinical, clinical, or regulatory purposes (including the use of a Product in Clinical Trials) or in connection with patient assistance programs or other charitable purposes or to physicians or hospitals for promotional purposes (including free samples to a level and in an amount which is customary in the industry and/or which is reasonably proportional to the market for such Product).

"Non-Oncology Indication": shall mean any Indication other than an oncology Indication.

"Party": shall mean either TGTX or Rhizen, as the context requires, or both TGTX and Rhizen when used in the plural form

"Patent(s)": shall mean (a) pending patent applications, including provisional patents, issued patents, utility models and designs; and (b) extensions, reissues, substitutions, confirmations, registrations, validations, re-examinations, additions, continuations, continued prosecution applications, requests for continued examination, continuations-in-part, or divisions of or to any patents, patent applications, utility models or designs.

"Phase I Clinical Trial": means a small scale trial of a pharmaceutical product on subjects that generally provides for the first introduction into humans of such product with the primary purpose of determining safety, metabolism and pharmacokinetic properties, clinical pharmacology and any other properties of such product as per the study protocol design, as required by 21 C.F.R. 312(a) or a similar study in other countries.

"Phase II Clinical Trial": means a small scale clinical trial of a pharmaceutical product on patients, including possibly pharmacokinetic studies, the principal purposes of which are to make a preliminary determination that such product is safe for its intended use and to obtain sufficient information about such product's efficacy to permit the design of further clinical trials, as required by 21 C.F.R. 312(b) or a similar study in other countries.

"Phase III Clinical Trial": means one or more clinical trials on sufficient numbers of patients, which trial(s) are designed to (a) establish that a drug is safe and efficacious for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the drug in the dosage range to be prescribed; and (c) support Regulatory Approval of such drug, as required by 21 C.F.R. 312(c) or a similar study in other countries.

"Primary Indications": means * and *.

"Product(s)": shall mean a pharmaceutical preparation in any formulation that contains the Compound as an active ingredient.

"New Product": shall mean a pharmaceutical preparation containing Compound which differs from a previously approved product by at least one active pharmaceutical ingredient.

"Governmental Authority": means any multi-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal).

* Confidential material redacted and filed separately with the Commission.

"Good Clinical Practices" or **"GCP"** means the then-current good clinical practice standards, practices and procedures promulgated or endorsed by the FDA as set forth in the guidelines entitled "Guidance for Industry E6 Good Clinical Practice: Consolidated Guidance," including related regulatory requirements imposed by the FDA, and comparable regulatory standards, practices and procedures in jurisdictions outside the U.S., in each case as they may be updated from time to time.

"Good Laboratory Practices" or **"GLP"** means the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, and comparable regulatory standards in jurisdictions outside the U.S., in each case as they may be updated from time to time.

"Good Manufacturing Practices" or **"GMP"** means the then-current good manufacturing practices required by the FDA, as set forth in the FD&C Act and the regulations promulgated thereunder, for the manufacture and testing of pharmaceutical materials, and comparable Laws applicable to the manufacture and testing of pharmaceutical materials in jurisdictions outside the U.S., including without limitation 21 CFR 211 (Current Good Manufacturing Practice for Finished Pharmaceuticals) and the guideline promulgated by the International Conference on Harmonization designated ICH Q7A, entitled "Q7A Good Manufacturing Practice Guidance for Active Pharmaceutical Ingredients" and associated guidelines and regulations, in each case as they may be updated from time to time.

"Regulatory Approvals" means all approvals (including without limitation supplements, amendments, and pricing approvals), licenses, registrations or authorizations of any national, supra-national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity, necessary for the manufacture, storage, import, transport, distribution, marketing, use or sale of a pharmaceutical product in a given regulatory jurisdiction.

"Regulatory Authority": means, in a particular country or jurisdiction, any applicable Governmental Authority involved in granting Regulatory Approval in such country or jurisdiction, including without limitation, in the U.S., the FDA and any other applicable Governmental Authority in the U.S. having jurisdiction over the Product, and, in the European Union, the EMEA and any other applicable Governmental Authority having jurisdiction over the Product..

"Royalties": shall mean the royalties to be paid by TGTX to Rhizen (a) on the basis of Net Sales pursuant to Section 6.3.3 hereof, or (b) on the basis of Sublicensee Royalties, pursuant to Section 6.4.2 hereof, as applicable.

"Royalty Term": shall mean, on a country-by-country basis, the period beginning upon the First Commercial Sale of a Product or New Product in a country and ending on the later of (i) on the expiration of the last to expire issued Valid Claim within the Licensed Patents covering the sale of the Product or New Product in such country, or (ii) expiry of any other exclusivity right with respect to the Product or New Product in a country, including patent term extensions, marketing exclusivity or any other non-patent exclusivity.

"Secondary Indication": means any oncology indication other than a Primary Indication.

"Subcontractor": means a Third Party service provider engaged by TGTX to perform contract services on behalf of TGTX or its Affiliates, where TGTX retains a meaningful participatory role in the overall development and commercialization of the Product (*e.g.*, contract research or development organizations, clinical sites performing clinical trials, universities and scientific institutes, distributors in certain countries in the Territory, or contract manufacturing organizations).

"Sublicensee(s)": shall mean any Third Party to whom TGTX, or any of its Affiliates, has sublicensed any of TGTX's rights under the license granted to TGTX pursuant to Section 2.1.

"Sublicensee Royalties": shall mean all royalties paid by any Sublicensee to TGTX or any of its Affiliates with respect to sales of Products by such Sublicensee or its further sublicensees.

"Sublicensing Payments": shall mean consideration in any form received by TGTX or any of its Affiliates in connection with a grant to any Third Party(ies) of a sublicense or other right, license, privilege or immunity to develop, have developed, make, have made, use, sell, have sold, distribute, import or export Products, but excluding Sublicensee Royalties. Sublicensing Payments shall include, without limitation:

(i) any upfront or license signing fee;

(ii) any license maintenance fee;

(iii) any milestone payments (including, without limitation development, regulatory and sales-based milestone payments);

(iv) the portion of any minimum royalty payment received by TGTX or any of its Affiliates in excess of Sublicensee Royalties received;

(v) if a Sublicensee issues equity or debt securities to TGTX or its Affiliate in connection with a sublicense grant, the fair market value of such securities issued to TGTX or its Affiliate (such fair market value to be determined by agreement of TGTX and Rhizen or by an independent appraiser mutually agreeable to TGTX and Rhizen), net of any cash consideration paid by TGTX or its Affiliate for such securities;

(vi) any distribution or joint marketing fee;

(vii) research and development funding in excess of TGTX's or its Affiliates' actual cost of performing such research and development (calculated on a fully-burdened basis in accordance with TGTX's or its Affiliate's project- or activity-based accounting practices, as applied consistently throughout its accounting system); and

(viii) if TGTX or its Affiliate sells equity or debt securities to a Sublicensee in connection with a sublicense grant, any consideration received by TGTX or its Affiliate for such securities to the extent such consideration exceeds the fair market value of such securities (such fair market value to be determined by agreement of TGTX and Rhizen or by an independent appraiser mutually agreeable to TGTX and Rhizen).

"Technology Transfer Plan": shall have the meaning ascribed to this term in Section 3.1.1.

"Territory": shall mean the entire world excluding India.

"TGTX Exercise Fee": shall have the meaning ascribed to this term in Section 6.2.

"Third Party": shall mean any entity other than TGTX or Rhizen or an Affiliate of TGTX or Rhizen.

"Valid Claim" shall mean (a) any claim of an issued unexpired patent that (i) has not been permanently revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, and (ii) is not lost through an interference proceeding that is unappealable or unappealed within the time allowed for appeal; or (b) provided there is no Generic Product available in the market, a claim of a pending Patent application, which claim has not been abandoned or finally disallowed without the possibility of appeal.

2 LICENSE

2.1 Subject to the terms and conditions of this Agreement, Rhizen grants to TGTX an exclusive license under the Rhizen Intellectual Property Rights, to develop, have developed, use, have used, sell, have sold, offer for sale, register, have registered, Commercialize, and have Commercialized and import the Product for any Indication in the Field of Use in the Territory. For avoidance of doubt, Rhizen does not grant to TGTX any right or license with respect to any API other than the Compound, as defined herein above. Subject to the terms and conditions of this Agreement, Rhizen retains the exclusive right to manufacture the Product, including the Bulk API and Finished Product in the Territory.

2.2 The license granted to TGTX by Rhizen under Section 2.1 includes the right for TGTX to grant sublicenses to its Affiliates and to Third Parties for the development, manufacture, sale and/or commercialization of the Compound and the Product. All sublicenses granted by TGTX shall be subject to the terms and conditions of this Agreement and TGTX shall enter into a written sublicense agreement with each Sublicensee which will contain terms and conditions fully consistent with the terms and conditions contained in this Agreement. TGTX shall use Diligent Efforts to include in any Commercial Sublicense Agreement express permission to assign all of the rights and obligations under such agreement to Rhizen without consent from the Sublicensee. TGTX shall provide to Rhizen a draft copy of each Commercial Sublicense Agreement (as defined below) intended to be entered into by TGTX or any of its Affiliates and any immediate Sublicensee, in each case, for a period of 30 (days) days before execution of such Commercial Sublicense Agreement to allow Rhizen to ascertain if the terms and conditions set forth therein are fully consistent with the terms and conditions contained in this Agreement, provided that TGTX may redact in its entirety from such draft any sensitive, confidential or proprietary information that is not necessary to ascertain TGTX's, its Affiliate's or a Sublicensee's compliance with the terms and conditions of this Agreement (including, without limitation, TGTX's payment and reporting obligations hereunder). TGTX shall provide to Rhizen a true and complete copy of each Commercial Sublicense Agreement entered into by TGTX or any of its Affiliates and any Sublicensee, and of each amendment to any such Commercial Sublicense Agreement, in each case, within thirty (30) days after execution of such Commercial Sublicense Agreement or amendment. For the purpose of this Section 2.2, the term **"Commercial Sublicense Agreement"** shall mean any agreement executed by TGTX or any of its Affiliates under which any of TGTX's rights under the license granted to TGTX pursuant to Section 2.1 are sublicensed; *provided, however,* that the term Commercial Sublicense Agreement shall exclude any agreement between TGTX or its Affiliate and a Subcontractor. In addition, TGTX shall notify Rhizen in writing of the termination of any Commercial Sublicense Agreement within thirty (30) days after such termination. If TGTX determines that there is a reasonable likelihood of its execution of a Commercial Sublicense Agreement or an amendment to, or termination of, an existing Commercial Sublicense Agreement, TGTX shall use reasonable efforts to provide notice thereof to Rhizen, which notice shall be provided solely for Rhizen' information and planning purposes. No sublicense hereunder shall limit or affect the obligations of TGTX under this Agreement, and TGTX shall remain fully responsible for each Affiliate's or Sublicensee's compliance with the applicable terms and conditions of this Agreement. TGTX agrees to take Diligent Efforts to enforce the terms of each Commercial Sublicense Agreement against the relevant Sublicensee in the event of a material breach thereof.

2.3 TGTX may subcontract certain activities to Subcontractors who will conduct such activities, or a portion thereof, on behalf of TGTX. TGTX's execution of a subcontracting agreement with any Subcontractor shall not relieve TGTX of any of its obligations under this Agreement. TGTX shall remain directly liable to Rhizen for any performance or non-performance of a Subcontractor that would be a breach of this Agreement if performed or omitted by TGTX, and TGTX shall be deemed to be in breach of this Agreement as a result of such performance or non-performance of such Subcontractor. TGTX shall use Diligent Efforts to include in any agreement with a Subcontractor express permission to assign all of the rights and obligations under such agreement to Rhizen without consent from the Subcontractor. TGTX agrees to take Diligent Efforts to enforce the terms of each subcontractor agreement, the breach of which would constitute a breach of this Agreement if performed or omitted by TGTX, against the relevant Subcontractor in the event of a material breach thereof.

2.4 Except as expressly provided in this Agreement, no license or other right is or shall be created or granted hereunder by implication, estoppel or otherwise.

3 DEVELOPMENT PLAN

3.1. **Obligations of Rhizen**

3.1.1 As soon as possible after the Effective Date, Rhizen shall transfer to TGTX, all Rhizen Intellectual Property (excluding Rhizen Patents) that is necessary for TGTX to continue the development of the Compound and the Products in accordance with the Development Plan and transfer the information and materials set forth in the technology transfer plan attached hereto as Annexure IV (the ***"Technology Transfer Plan"***) on the timeline set forth in the Technology Transfer Plan. Rhizen shall supply TGTX at TGTX's cost, as indicated in this Section 3.1.1, as soon as possible, but in any event within thirty (30) days, with the amount of API or Finished Product (qty) for use in clinical studies that is requested by TGTX, unless the costs associated with the manufacture of such products were previously shared by both Parties pursuant to the JV Agreement, in which case TGTX shall reimburse Rhizen that portion of the cost paid by Rhizen pursuant to the JV Agreement. TGTX shall make payment on Rhizen' invoices under this Section 3.1.1 within Thirty (30) days of invoice.

3.1.2 At no cost to TGTX, Rhizen shall provide a reasonable amount of technical, scientific and intellectual property support to the Development Plan, as requested by TGTX, during the first three (3) month period beginning on the Effective Date unless the costs associated with such support has been already shared by both Parties pursuant to the JV Agreement.

3.1.3 Rhizen agrees that it will not develop, have developed, Commercialize or have Commercialized the Compound for non-human uses, including without limitation, veterinary uses, while the Compound is under Active Clinical Development or, following Regulatory Approval of the Compound in any Major Market, while the Compound is subject to Active Commercialization; provided, however, Rhizen shall be free to develop, have developed, Commercialize, or have Commercialized, the Compound for non-human use, including without limitation veterinary use, if at the end of the fifth year following the first Regulatory Approval of a Product in any Major Market TGTX has not paid to Rhizen in the aggregate at least * Dollars ($ *) in Royalties hereunder. In addition, and notwithstanding the foregoing, following the completion of Active Clinical Development, Rhizen may develop, have developed, Commercialize, or have Commercialized, the Compound for a non-human use, including without limitation veterinary use, provided that such development or Commercialization is in the form of a co-formulation of the Compound with any other active additional ingredient.

3.2 **Obligations of TGTX**

3.2.1 TGTX shall undertake Diligent Efforts to Develop, register and Commercialize the Product in the Field of Use in the Major Markets and in such other markets as TGTX deems commercially reasonable. TGTX shall use Diligent Efforts to maximize Net Sales and shall not take any action with the intent of reducing or avoiding the Milestone Payments or any royalties hereunder. From and after the Effective Date, TGTX shall be solely responsible for all the costs relating to the Development, registration and Commercialization of the Product in the Field of Use. TGTX shall solely assume the managing and the financing of the Development Plan, with the objective of verifying the safety, potency and efficacy of the Product and, if the results of clinical development are positive, filing applications for NDA approval in an expeditious manner, within the limits of the demands of the Regulatory Authorities and consistent with Diligent Efforts, as more fully described below in this Section 3.2. TGTX shall retain final decision making authority on all Development, Commercialization, marketing, manufacturing and regulatory matters relating to the Product; *provided, however,* that TGTX shall: (i) provide Rhizen the opportunity to review and comment on protocols for clinical trials of which TGTX or its Affiliate will be the sponsor and proposed labelling for the Product in each country of the Territory, in each case, reasonably in advance of submission by TGTX or any of its Affiliates (but, for the avoidance of doubt, not Sublicensees) to the applicable Regulatory Authority of any such clinical trial protocol or any regulatory filing regarding Product labelling, and (ii) consider Rhizen's comments with respect to such clinical trial protocols and Product labelling in good faith, provided such comments are provided in an expeditious manner consistent with Diligent Efforts by TGTX.

3.2.2 TGTX shall conduct the activities set forth in the Development Plan in accordance with all applicable Laws and current good manufacturing practice (cGMP), current good laboratory practice (cGLP) and current good clinical practice (cGCP), where applicable.

3.2.3 The Development Plan will be updated from time to time in accordance herewith and such updates shall be attached hereto as Annexure III. The Development Plan indicates in reasonable details TGTX's plans for the Development of Product in the Field of Use, including regulatory and registration strategy consistent with Diligent Efforts. Without limiting the generality of any of the foregoing obligations in this Section 3.2.3, TGTX shall use Diligent Efforts to Develop the Product. TGTX may reasonably revise and amend the Development Plan from time to time upon as much advance notice to Rhizen as is practicable under the circumstances, so long as such amended Development Plan meets the criteria described above.

* Confidential material redacted and filed separately with the Commission.

3.2.4 If at any time TGTX definitively and formally suspends its research or development efforts for the Product, or definitively and formally makes an internal determination to suspend research and development of the Product, for a period exceeding sixty (60) days, TGTX shall notify Rhizen giving reasons and a statement of its intended actions.

3.2.5 TGTX shall be obligated to make Diligent Efforts to Develop, itself or through Affiliates, subcontractors and/or Sublicensees, at least one (1) Compound. If Rhizen considers that TGTX has failed to exercise Diligent Efforts, then Rhizen shall notify TGTX in writing within sixty (60) days of appearance of such potential failure thereof stating in reasonable detail the particular alleged failure.

(a) If TGTX disagrees with Rhizen's claim that TGTX has failed to exercise Diligent Efforts, TGTX shall so notify Rhizen in writing within thirty (30) days after receipt of Rhizen's notice, in which event the Parties shall promptly refer the matter to a Third Party expert in drug development, completely unaffiliated and independent of the Parties and jointly selected by the Parties, to determine whether a failure by TGTX to use Diligent Efforts occurred, or if the related problem was due to some other cause. Neither Party shall unreasonably withhold or delay its approval of such expert. The Parties shall initially share equally the fees and costs of such expert, but promptly after such expert makes a determination regarding the matter, the non-prevailing Party shall reimburse the prevailing Party for the share of such fees and costs borne by the prevailing Party. Should it be determined by the expert that such failure resulted from TGTX's failure to use Diligent Efforts to Develop the Product, then the expert shall determine what corrective action by TGTX would best meet the standard of Diligent Efforts and a timeframe for the completion of such corrective action by TGTX. The determination of such expert shall be final and binding on the Parties.

(b) If TGTX does not correct such alleged failure either: (i) within ninety (90) days after notice of such alleged failure from Rhizen; or (ii) if TGTX disputes Rhizen's allegation of failure to use Diligent Efforts in accordance with the preceding paragraph (a), within the period specified by the expert; then, in each case, subject to Section 14, Rhizen shall have the right to terminate this Agreement in accordance with Section 12.3.

3.2.6 TGTX shall maintain reasonable records of its work, including research, development, clinical, manufacturing and commercialization activities with respect to the Product conducted by TGTX under this Agreement, together with all results, data and developments made or generated in connection with any of the foregoing. Such records shall fully and properly reflect all work done and results achieved in the performance of this Agreement in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes.

3.2.7 During the Term, TGTX shall keep Rhizen regularly informed in reasonable detail regarding TGTX's worldwide Product development. The detailed minutes of the JSC shall constitute the written progress report summarizing the status of the Product development, clinical trial progress, regulatory approval and commercialization. In addition, throughout the Term, TGTX shall notify Rhizen promptly of the occurrence of the following with respect to a Product: (i) initiation of any Phase II Clinical Trial in a Major Market; (ii) initiation of any Phase III Clinical Trial in a Major Market; (iii) NDA filing in any Major Market; (iv) NDA approval in any Major Market; and (v) First Commercial Sale in any Major Market. TGTX shall also respond to reasonable (*i.e.*, not unduly frequent or burdensome) informal requests from Rhizen for additional information regarding the development of the Product from time to time.

3.2.8 Rhizen agrees that the results of the Development Plan cannot be accurately predicted, that TGTX's obligation with respect to the Development Plan is not an obligation to obtain a particular result and that TGTX does not warrant or guarantee that the Development Plan will yield any useful or anticipated results.

3.2.9 Before the second anniversary of the Effective Date, TGTX shall select up to * Backup Compounds for Development and Commercialization hereunder from the then current list of possible Backup Compounds in Annexure VI. After the second anniversary of the Effective Date, TGTX shall not be able select any other Backup Compounds.

4 JOINT SCIENTIFIC COMMITTEE

4.1 The JSC shall be comprised of a minimum of Four (4) committee members, which shall consist of two (2) representatives nominated by each Party. Representatives will include persons having knowledge in the areas of responsibility of the JSC. The Parties may mutually agree to change the total number of representatives on the JSC, provided that the Parties always have an equal number of representatives. Each Party may replace any of its JSC representatives at any time upon written notice to the other Party. The JSC may invite non-members to participate in the discussions and meetings of the JSC, including experts bound by appropriate confidentiality obligations. The JSC shall continue to exist and meet during the Term or until the Parties mutually agree that it should disband. Each Party shall be responsible for all travel and related costs for such Party's representatives and guests to attend meetings of, and otherwise participate on, the JSC.

4.2 The JSC shall meet at least thrice (3) during the first year of the Term and twice (2) thereafter at times established by the Parties. Each Party shall also have the right to request additional meetings of the JSC for good reason. Meetings will be held in-person, by videoconference or by teleconference. If a meeting is held in-person, it shall be either (i) in a US city which is hosting a medical conference that the JSC members are otherwise attending or (ii) at a mutually agreeable city that is located approximately equidistant from each Parties principal place of business. In the event that a JSC member of a Party cannot attend a meeting, such Party shall have the right to nominate another representative of that Party to attend the meeting.

4.3 Throughout the Term, the JSC shall function to facilitate the collaboration and relationship of the Parties under this Agreement, and facilitate the communication and exchange of information related to research and development of Products. In addition, for so long as the JSC is in existence, Rhizen shall provide reasonable technical and scientific support to the Development Plan through its participation on the JSC.

4.4 The JSC does not have any authority beyond the matters set forth above in this Article 4, and cannot in any way amend or modify the terms or provisions of this Agreement, either directly or indirectly. Subject to the terms and conditions set forth in this Agreement, TGTX shall have the sole and final right to take decisions with regard to the development of the Product, including, without limitation, "Go" and "No Go" decisions, which decisions shall be made in good faith and consistent with the objectives and intentions of this Agreement. TGTX shall consider the proceedings of the JSC, and the information presented therein, in good faith, provided, however, that TGTX retains the sole discretion to make decisions regarding the Product and all matters relevant to this Agreement and is in no way bound by actions or determinations of the JSC.

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4.5 TGTX shall circulate a draft of the minutes of each meeting to all members of the JSC for comments within fifteen (15) days after such meeting. Such minutes shall summarize in reasonable detail the discussions at the meeting, a list of any actions or determinations by the JSC at such meeting, and a description of any issues within the JSC that were not resolved at such meeting. Rhizen shall promptly provide to TGTX any comments Rhizen may have regarding the draft minutes, and the Parties shall discuss the same in good faith and use all reasonable efforts to finalize the minutes no later than thirty (30) days after such JSC meeting. All final JSC minutes must be signed by both Parties. In the event the Parties do not agree, the TGTX version of the minutes shall be considered final.

5. GLOBAL RIGHT FOR MANUFACTURE, RELEASE AND SUPPLY OF THE PRODUCT

5.1 Global Material & Supply Rights. Rhizen shall retain exclusive rights for manufacturing and supply of API and formulations for global development and commercialization; provided however, that Rhizen's price is cost competitive (as described in 5.2(b)) and prior to the First Commercial Sale, the Parties shall timely negotiate in good faith and enter into a manufacturing and supply agreement. Such Commercial Supply Agreement shall contain customary terms governing such manufacturing and supply relationships, and shall provide as follows:

(a) Rhizen shall establish, by itself or through agreements with Third Parties, an appropriate manufacturing facility or contract manufacturer for the commercial Finished Product manufacture in a timely manner to ensure that Rhizen meets its obligation to supply quantities of Finished Product ordered by TGTX under the Commercial Supply Agreement. As further detailed in the Commercial Supply Agreement, upon the material and uncured breach by Rhizen of its defined supply obligations as set forth in the Commercial Supply Agreement, TGTX shall have the right to obtain transfer and Rhizen shall have the obligation to give transfer (the distribution of costs for such transfer to be determined by the parties) unless otherwise determined by JSC to TGTX, without undue delay, of any and all manufacturing technology necessary to enable it to manufacture or have manufactured Finished Product to meet its requirements under this Agreement. As further detailed in the Commercial Supply Agreement, if such transfer occurs, Rhizen would grant TGTX any additional licenses necessary to enable TGTX to exercise the foregoing manufacturing right but requiring TGTX to pay any additional consideration for such licenses.

(b) Rhizen shall be responsible for the Finished Manufacture, testing (including stability testing) and final release of the Finished Product for Commercialization in the Territory.

(c) The Parties each covenant and agree that all supply agreements executed regarding the provision of any product or material pursuant to this Agreement, shall contain customary representations and warranties regarding the manufacture of such products and materials, including, but not limited to, that all materials shall be manufactured, handled and stored: (i) in accordance with the agreed upon specification and (ii) in compliance with applicable Laws and regulations, including, without limitation, the GMP requirements.

5.2 Manufacturer Source.

(a) The Parties shall establish an appropriate facility or contract manufacturing organization for handling Finished Manufacture as follows: Rhizen shall be responsible for screening potential manufacturers, negotiating the applicable supply agreement, and effecting the technology transfer as necessary to establish and qualify Bulk API and Finished Product manufacturers, whether those are Rhizen, its Affiliates, or Third Parties; provided, that, TGTX shall have the right to provide reasonable input regarding the terms of such agreements (as well as any amendments thereof), review and comment on agreement drafts and forms, consult with Rhizen regarding the negotiation of such agreements between Rhizen and Third Party contract manufacturers, and conduct a general GMP/regulatory inspection of the proposed manufacturing facilities as the Parties may agree, it being understood that TGTX shall retain the final authority over the terms and conditions of any such agreements with such Third Party contractors.

(b) Notwithstanding 5.2(a), Rhizen shall be responsible for using Diligent Efforts to minimize the manufacturing cost of the Finished Product. In order to ensure a competitive rate of manufacturing cost is obtained, the facility or contract manufacturer used by Rhizen to produce the Finished Product must provide a total manufacturing cost within * % of the cost an alternative contract manufacturing organization of equal repute and quality, where the comparative manufacturing cost are measured as an average of such cost over the immediately preceding Twelve (12) month period. In the event that Rhizen does not provide manufacturing services at the cost required in this Section 5.2(b), then TGTX shall have the right to directly procure manufacturing services in its sole discretion.

6 CONSIDERATION

6.1 As consideration for the exclusive license rights provided in Section 2.1, TGTX shall pay to Rhizen the amounts set forth in this Article 6.

6.2 Exercise Fee

Upon the Effective Date of this Agreement, TGTX shall pay to Rhizen a fully earned, non-refundable, one-time, up-front license fee equal to the sum of * Dollars ($ *) (the "**Exercise Fee**"), which shall be payable * percent (* %) in cash and * percent (* %) in shares of TGTX Common Stock (the "**Exercise Shares**").

Upon signature of this Agreement, Rhizen shall provide an original invoice for the TGTX Exercise Fee to TGTX, who shall pay the cash portion of the Exercise Fee within fifteen (15) days of receipt of such invoice.

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For payments made in Exercise Shares pursuant to this Section 6.2, such portion of the Exercise Fee shall be made through the issuance of that number of shares of Common Stock of TGTX as shall equal a fraction where the numerator is * Dollars ($ *) and the denominator is the Average Closing Price. For purposes of this Section 6.2, the "**Average Closing Price**" means the volume weighted average of the closing prices of TGTX Common Stock on The NASDAQ Global Market (or, if the Common Stock of TGTX is not listed on the NASDAQ Global Market, the principal exchange or interdealer quotation system on which the TGTX Common Stock is listed) for the ten (10) trading days prior to the Effective Date; provided, however, that in the event that TGTX effects a stock split, combination or stock dividend at any time during such 10 trading days or subsequent thereto and prior to the issuance of the Initial Shares, the number of shares of TGTX Common Stock issuable shall be appropriately adjusted to give effect to such action. Within five (5) business days of the Effective Date, TGTX shall issue to Rhizen certificates representing the Initial Shares.

6.3 Milestones and Royalties

6.3.1 NDA Filing Payment

(a) NDA filing payment: Whether such event is achieved by TGTX, its Affiliates, its Sublicensees or any Third Party acting on behalf of TGTX, its Affiliates or its Sublicensees, TGTX shall pay Rhizen a fully earned, non-refundable, one-time, milestone payment of * Dollars ($ *) upon the filing an NDA (the **"NDA filing"**)."

6.3.2 Approval and Sales Milestone:

a . **Sales Milestones.** TGTX shall pay the sales milestone payments set forth below (which, when paid, shall be considered fully earned and non-refundable) for each Product and for each New Product following approval of such Product or New Product for commercialisation and achievement of the events set forth in the table below (each, a "**Sales Milestone Payment**"). The Sales Milestone Payments shall be paid only once per Product and New Product for each of the events set forth in this Section 6.3.2(a), whether such milestone event is achieved by TGTX, its Affiliates, its Sublicensees (but only in the event that the sublicense is executed subsequent to the NDA filing), or any Third Party acting on behalf of TGTX, its Affiliates, or its Sublicensees. No payment shall be due for any milestone event which is not achieved. For clarity, so long as the Product was approved for commercialization for a first indication, if the Product is later approved for additional indications, all sales of the Product for any indication will be counted toward the sales milestone event for such Product.

Sales Milestones	$ * on achieving gross sales of $ *	$	*
	$ * on achieving gross sales of $ *	$	*
	$ * on achieving gross sales of $ *	$	*
	Sales Milestones Subtotal	$	*

b . **Primary Indication Approval Milestones**. TGTX shall pay the milestone payments set forth below (which, when paid, shall be considered fully earned and non-refundable) for each Product and for each New Product following approval for commercialisation for one of the Primary Indications and achievement of the events set forth in the table below (each, a "**Primary Indication Milestone Payment**"). The Primary Indication Milestone Payments shall be paid only once per Product and once per New Product for each of the events set forth in this Section 6.3.2(b), whether such milestone event is achieved by TGTX, its Affiliates, its Sublicensees (but only in the event that the sublicense is executed subsequent to the NDA filing), or any Third Party acting on behalf of TGTX, its Affiliates, or its Sublicensees. No payment shall be due for any milestone event which is not achieved

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	Milestone(s)		
	Milestone For Each Product approved for Primary Indication		
Approval	$ * on US Launch	$	*
	$ * on EMA Launch	$	*
	$ * on Japan Launch	$	*
	$ * on each of China, Russia, Brazil Launch	$	*
	Approval Subtotal	$	*

If the milestone events in this Section 6.3.2(b) are achieved for a Product or a New Product following approval for a Primary Indication, TGTX shall be required to pay the corresponding approval milestone payments under this Section 6.3.2(b) for such Product or New Product notwithstanding that an approval milestone was already paid under Section 6.3.2(c) for a Secondary Indication.

c. **Secondary Indication Approval Milestone**. TGTX shall pay the milestone payments set forth below (which, when paid, shall be considered fully earned and non-refundable) for each Product and for each New Product following approval for commercialisation for any Secondary Indication and achievement of the events outlined in the table below (the **"Secondary Indication Milestone Payments"**). The Secondary Indication Milestone Payments shall be paid only once per Product and once per New Product for each of the events set forth in this Section 6.3.2(c), whether such milestone event is achieved by TGTX, its Affiliates, its Sublicensees (but only in the event that the sublicense is executed subsequent to the NDA filing), or any Third Party acting on behalf of TGTX, its Affiliates, its Sublicensees. No payment shall be due for any milestone event which is not achieved.

	Milestone(s)		
	Milestone For Each Product approved for Secondary Indication		
Approval	$ * on US Launch	$	*
	$ * on EMA Launch	$	*
	$ * on Japan Launch	$	*
	$ * on each of China, Russia, Brazil Launch	$	*
	Approval Subtotal	**$**	*

If the milestone events in this Section 6.3.2(c) are achieved for a Product or a New Product following approval for a Secondary Indication, TGTX shall be required to pay the corresponding approval milestone payments under this Section 6.3.2(c) for such Product or New Product notwithstanding that an approval milestone was already paid under Section 6.3.2(b) for a Primary Indication.

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d . **Non-Oncology Indication Approval Milestone**. TGTX shall pay the milestones payments set forth below (which, when paid, shall be considered fully earned and non-refundable) for each Product or New Product following approval for commercialisation for any Non-Oncology Indication and achievement of the events outlined in the table below (the "**Non-Oncology Indication Milestone Payments**"). Each of the Non-Oncology Indication Milestone Payments shall be paid only once per Product and once per New Product for the events set forth below, whether such milestone event is achieved by TGTX, its Affiliates, its Sublicensees (subject to Section 6.4 for post NDA filing), or any Third Party acting on behalf of TGTX, its Affiliates, or its Sublicensees. No payment shall be due for any milestone event which is not achieved.

	Milestone(s)		
	Milestone For Each Product approved for Non-Oncology		
Approval	$ *on US Launch	$	*
	$ * on EMA Launch	$	*
	$ * on Japan Launch	$	*
	$ * on each of China, Russia, Brazil Launch	$	*
	Approval Subtotal	**$**	*

If the milestone events in this Section 6.3.2(d) are achieved for a Product or a New Product following approval for a Non-Oncology Indication, TGTX shall be required to pay the corresponding approval milestone payments under this Section 6.3.2(d) for such Product or New Product notwithstanding that an approval milestone was already paid under Section 6.3.2(b) for a Primary Indication or under Section 6.3.2(c) for a Secondary Indication.

TGTX shall provide Rhizen with written notice within ten (10) working days of the occurrence of any of the foregoing milestone events and the relevant Milestone Payment is payable by TGTX to Rhizen within Fifteen (15) days of receipt of a corresponding invoice issued by Rhizen. If TGTX determines that there is a reasonable likelihood of a particular milestone event being achieved on or about a particular date, TGTX shall use reasonable efforts to provide advance notice thereof to Rhizen, which notice shall be provided solely for Rhizen' planning purposes and shall not be construed as a representation, warranty or covenant by TGTX that such milestone event will occur when anticipated or at all.

6.3.3: **Royalties on Net Sales**. On a Product(s) by Product(s) basis, TGTX shall pay to Rhizen royalties based on the aggregate annual Net Sales of each Product(s) sold in the Territory at the rate shown in the table below during the Royalty Term for each country.

Sales Royalties	*% of Net Sales up to $ *	***%**
	*% of Net Sales between $ * and $ *	***%**
	*% of Net Sales greater than $ *	***%**

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6.4 **Revenue Sharing**

6.4.1 **Sublicensing Payments:** On a product by product basis, TGTX shall pay to Rhizen a tiered percentage (ranging from *%) of all Sublicensing Payments (the "Sublicensing Milestones") received by TGTX and its Affiliates from each Sublicensee throughout the term of the applicable Commercial Sublicensing Agreement, which percentage shall be equal to the percentage set forth on the chart below corresponding to the number of Patients to whom the Product has been administered in any Phase I, Phase II or Phase III Clinical Trial on the effective date of the Commercial Sublicensing Agreement (the "Applicable Percentage"). Such payments shall be made to Rhizen within forty-five (45) days following receipt by TGTX of any Sublicensing Payment made from and after the applicable event. For avoidance of doubt, during the time that such sublicensing payments are made under this Section 6.4.1, the payments described under Section 6.3.2 and Section 6.3.3 shall not apply in the territory which has been sublicensed. If at any time a Commercial Sublicensing Agreement is terminated or expires, Section 6.3.2 and Section 6.3.3 shall apply. "Patients dosed" in the table below refers to the total patients dosed with the Product, on a product-by-product basis, after the Effective Date of this Licensing Agreement.

Event	Clinical stage(s)	% Share on Sublicensing
1	* patients dosed	*
2	* patients dosed	*
3	* patients dosed	*
4	* patient dosed to NDA filing	*

6.4.2 Royalties on Sublicensee Royalties: On a product by product basis, TGTX shall pay to Rhizen the Applicable Percentage of any Sublicensee Royalties received by TGTX and its Affiliates from each Sublicensee throughout the term of the applicable Commercial Sublicensing Agreement. Such payments shall be made to Rhizen within forty-five (45) days as of receipt by TGTX of the related Sublicensee Royalties. For avoidance of doubt, during the time such Sublicensing Royalties are paid under this Section 6.4.2, the payments described in Section 6.3.3 shall not apply in the territory which has been sublicensed. If at any time a Commercial Sublicensing Agreement is terminated or expires, Section 6.3.2 and Section 6.3.3 shall apply.

Royalties shall be payable until expiration of the applicable Royalty Term for each countryon a country-by-country basis.

6.4.3 Royalties on Net Sales: Subject to Section 6.5.1(a), in the event that TGTX and/or its Affiliates make direct sales of the Product to Third Parties, then TGTX shall pay to Rhizen the amounts described in Section 6.3.3. For the sake of clarity, this Section 6.4.3 refers only to amounts received by TGTX not resulting from a sublicense agreement with a Sublicensee and such Net Sale amounts shall be calculated pursuant to section 6.3.3.

6.4.4 Milestone Payments: In the event that TGTX and/or its Affiliates sublicenses its rights under this Agreement in any country where the applicable Commercial Sublicensing Agreement is entered into subsequent to the filing of the NDA in such country, then for the purpose of this Section 6.4 it will be considered as direct sales of the Product, *i.e.*, without involvement of a Sublicensee, and TGTX shall pay to Rhizen the milestones as defined above in section 6.3.2. For avoidance of doubt, in such a case the payments under Section 6.4.1 and Section 6.4.2 shall not apply.

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6.4.5 Royalties on Net Sales: Subject to Section 6.5.1(a), in the event that TGTX and/or its Affiliates sublicenses its rights under this Agreement in any country where the applicable Commercial Sublicensing Agreement is entered into subsequent to filing the NDA in such country, then for the purpose of this Section 6.4 it will be considered as direct sales of the Product, *i.e.*, without involvement of a Sublicensee, and TGTX shall pay to Rhizen the Royalties as defined above in Section 6.3.3. For avoidance of doubt, in such a case the payments under section 6.4.1 and Section 6.4.2 shall not apply.

6.5 **Payments**

6.5.1 Timing of Royalty Payments and Sharing of Sublicensing Payments.

(a) Royalties on Net Sales pursuant to Section 6.3.3 shall be paid by TGTX to Rhizen quarterly within forty-five (45) days after the end of calendar quarter in which such Net Sales are made (as determined by the date of invoice or billing). Simultaneously with such payment, TGTX shall provide a report to Rhizen of its calculation of such Royalties, in sufficient detail, including the amounts of gross revenues and applicable deductions (the "Quarterly Royalty Report"). Such Royalties shall be subject to a true-up adjustment to take into account deductions under the definition of Net Sales either (A) allowed during a calendar quarter that were not accrued during such calendar quarter, or (B) accrued during a calendar quarter but not taken or later subject to a reversal following the end of such calendar quarter (each of (A) and (B), a "True-up Adjustment"). Each Quarterly Royalty Report provided by TGTX shall set forth the amount of any True-up Adjustment applicable to any prior calendar quarter.

(b) Royalties on Sublicensee Royalties shall be paid by TGTX to Rhizen quarterly within forty-five (45) days after the end of each quarter based upon Sublicensee Royalties received by TGTX or its Affiliate during such quarter. If such Sublicensee Royalties are significantly overdue, then upon Rhizen' request, the Parties agree to discuss the matter in good faith.

(c) Rhizen's share of Sublicensing Payments shall be paid by TGTX to Rhizen within forty-five (45) days after such Sublicensing Payments are received by TGTX or its Affiliate..

6.5.2 All payments to Rhizen hereunder shall be made using the bank details provided by Rhizen. All payments to Rhizen shall be made in US dollars. If payments of Sublicensee Royalties, Net Sales, or Sublicensing Payments are made in another currency other than US dollars, TGTX shall convert them into US dollars for the purpose of the calculation of Royalties and sharing of Sublicensing Payments by applying the average interbank exchange rate as published by (OANDA/US treasury) for the last day of each month within the calendar quarter for which payment to Rhizen is due. All costs associated with making payments to Rhizen, including the cost of wire transfers, shall be paid by TGTX and shall not be deducted from the payments to Rhizen.

6.5.3 TGTX shall (and shall require its Affiliates to) prepare and maintain complete and accurate books and records regarding Net Sales (including gross sales and applicable deductions from gross sales), Sublicensee Royalties, Sublicensing Payments and Royalties due hereunder. Rhizen shall have the right to have such books and records reasonably inspected by an independent certified auditor selected by Rhizen and accepted by TGTX, whose acceptance shall not be unreasonably withheld, to confirm Net Sales (including gross sales and applicable deductions from gross sales), Sublicensee Royalties, Sublicensing Payments and Royalties due hereunder. Such auditor will execute a written confidentiality agreement with TGTX and will disclose to Rhizen only such information as is reasonably necessary to provide Rhizen with information regarding any actual discrepancies between the amounts reported or paid and the amounts payable under this Agreement. Such auditor will send a copy of its report to TGTX within fifteen (15) days of delivery of such report to Rhizen. Such report will include the methodology and calculations used to determine the results. Prompt adjustments shall be made by the Parties to reflect the results of such audit. Records to be available under an inspection shall include all relevant documents pertaining to payments specified above, including all relevant documents received by TGTX from Sublicensees. Rhizen shall bear the fees and expenses of such inspection, provided that, if an underpayment of more than Five percent (5%) of the payments due for any calendar year is discovered in any inspection, then TGTX and or its affiliates shall bear all fees and expenses of that inspection within thirty (30) days after receipt of invoice from Rhizen.

6.5.4 Without limiting any other rights or remedies available to Rhizen, TGTX shall pay Rhizen interest on any payments that are not paid on or before 15 days from the due date at the British Bankers Association's one month LIBOR Rate for United States Dollar deposits calculated from the due date to the date paid in full.

6.5.5 In the event TGTX fails to pay overdue amounts to Rhizen within the due date under this Section 6.5, Rhizen shall have the right to terminate this Agreement upon forty-five (45) days' prior written notice to TGTX pursuant to Section 12.4, unless TGTX has cured such failure to pay by the end of such forty-five (45) day period.

6.5.6 TGTX shall make payments to Rhizen under this Agreement withholding any taxes that may be due with respect to such payments to the extent that such withholding is required by applicable law. If any taxes are required to be withheld by TGTX, then TGTX shall (a) deduct such taxes from the payment made to Rhizen, (b) timely pay the taxes to the proper taxing authority, and (c) send proof of such tax payments to Rhizen and certify receipt of such payment by the applicable tax authority within sixty (60) days following such tax payment

7 INTELLECTUAL PROPERTY

7.1 **Ownership of Intellectual Property Rights and Inventions**

7.1 Ownership of Inventions.

The Rhizen Intellectual Property Rights shall at all times be and remain the sole property of Rhizen, subject to any limitation on the transfer of such rights contained herein.

Any new invention pertaining to the product made alone or jointly by the parties shall be owned by both Parties **("Joint Inventions"**), unless otherwise determined by the JSC to be owned by solely by either Party (a **"Sole Invention"**).

Further, the JSC shall determine:

a) If either party is eligible for any payment or consideration in lieu of the invention and/or royalty; or

b) If the licensing of such Joint Inventions by either Party to a Third Party could have a material adverse effect on the Product or the Development or Commercialization of the Product, and if so determined such Party will not be able to consummate such Third Party licensing.

Inventorship shall be determined by the JSC in accordance with U.S. patent Laws. Sole Inventions owned by TGTX and TGTX's interest in all Joint Inventions shall be included in the TGTX Intellectual Property Rights. Sole Inventions owned by Rhizen and Rhizen's interest in all Joint Inventions shall be included in the Rhizen Intellectual Property Rights.

7.2 Disclosure of Inventions. Each Party shall promptly disclose to the other any invention disclosures, or other similar documents, submitted to it by its employees, agents or independent contractors describing inventions that may be either Sole Inventions or Joint Inventions, and all Information relating to such inventions. Sole Inventions and Joint Inventions required or deemed useful by the JSC for the development or commercialization of the Product, shall automatically be included in this Agreement and available for use by the Parties in the Territory.

7.3 Prosecution of Patents.

(a) Rhizen Patents Other than Joint Patents. Except as otherwise provided in this Section 7.3(a), Rhizen shall have the sole right, authority and obligation to file, prosecute and maintain the Rhizen Patents (other than Joint Patents which shall be prosecuted and maintained in accordance with Section 7.3(b)) in the Territory and on a worldwide basis. Rhizen shall provide TGTX reasonable opportunity to review and comment on such prosecution efforts regarding such Rhizen Patents in the Territory. Rhizen shall provide TGTX with a copy of material communications from any patent authority in the Territory regarding such Rhizen Patents, and shall provide TGTX with drafts of any material filings or responses to be made to such patent authorities a reasonable amount of time in advance of submitting such filings or responses. Notwithstanding the foregoing, if Rhizen desires to abandon or not maintain any Patent within such Rhizen Patents in the Territory, then Rhizen shall provide TGTX with thirty (30) days prior written notice of such desire (or such longer period of time as reasonably necessary to allow TGTX to assume such responsibilities) and, if TGTX so requests, shall provide TGTX with the opportunity to prosecute and maintain such Patent in the Territory in place of Rhizen. If TGTX desires Rhizen to file, in the Territory, a patent application that claims priority from a Patent within the Rhizen Patents, other than a Joint Patent, in the Territory, TGTX shall provide written notice to Rhizen requesting that Rhizen file such patent application in the Territory. If TGTX provides such written notice to Rhizen, Rhizen shall either (i) file and prosecute such patent application and maintain any patent issuing thereon in the Territory or (ii) notify TGTX that Rhizen does not desire to file such patent application and provide TGTX with the opportunity to file and prosecute such patent application and maintain any patent issuing thereon in the Territory in place of Rhizen

(b) Joint Patents. Except as otherwise provided in this Section 7.3(b), the JSC shall entrust one Party with the right and authority, to prosecute and maintain the Joint Patents on a worldwide basis at its sole discretion herein referred to as an "**Entrusted Party**" (subject to this Section 7.3(b)). The Entrusted Party shall provide the other party reasonable opportunity to review and comment on such prosecution efforts regarding such Joint Patents. The Entrusted Party shall provide the other party with a copy of material communications from any patent authority regarding such Joint Patents, and shall provide the other party with drafts of any material filings or responses to be made to such patent authorities a reasonable amount of time in advance of submitting such filings or responses. If one Party (the "First Party") determines in its sole discretion to abandon or not maintain any Patent within the Joint Patents anywhere in the world, then such Party shall provide the other Party (the "Second Party") with thirty (30) days' prior written notice of such determination (or such longer period of time reasonably necessary to allow the other party to assume such responsibilities) and shall provide the Second Party with the opportunity to prosecute and maintain such Patent at the Second Party's sole expense, and if the Second Party so requests, the First Party shall assign such Patent to the Second Party (if the Second Party is Rhizen, such Patent shall be included in the Rhizen Patents or if the Second Party is TGTX, in which case such patent will be included in the TGTX Patents). If one Party (the "First Party") desires to file, in a particular jurisdiction, a patent application that claims priority from a Patent within the Joint Patents, the First Party shall provide written notice to the other Party (the "Second Party") of such desire. Within fifteen (15) days of such written notice, the Second Party shall provide written notice to the First Party as to whether the Second Party agrees to file a patent application in such jurisdiction or not. In the event the Second Party agrees to such a filing, the Entrusted Party shall file such patent application in such jurisdiction. In the event the Second Party does not desire to file in such jurisdiction, the Second Party shall (i) provide the First Party with the opportunity to file and prosecute such patent application and maintain any patent issuing therefrom, and (ii) assign such patent application or a right to file such patent application to the First Party; and the First Party may file such patent application in such jurisdiction at its sole expense (in which case such Patent shall be included in the respective Party's Patents).

(c) Cooperation in Prosecution. Each Party shall provide the other Party all reasonable assistance and cooperation in the Patent prosecution efforts provided above in this Section 7.3, including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution.

(d) Costs of Prosecution. The costs to prosecute and maintain the Rhizen Patents related to the Product shall be borne by Rhizen. The costs to prosecute and maintain the Joint Patents related to the Product shall be borne equally by Rhizen and TGTX. The costs to prosecute and maintain the TGTX Patents related to the Product shall be borne by TGTX.

7.4 Infringement of Patents by Third Parties.

(a) Notification. Each Party shall promptly notify the other Party in writing of any existing or threatened infringement of the Rhizen Patents, Joint Patents or TGTX Patents of which it becomes aware, and shall provide evidence in such Party's possession demonstrating su**ch infringement.**

(b) Infringement of Patents in the Territory.

(i) If a Party becomes aware that a Third Party infringes any Rhizen Patent, TGTX Patent, or Joint Patent in the Territory by making, using, importing, offering for sale or selling the Product or any similar PI3Kδ selective inhibitor covered by any of such Patents (such activities, **"Product Infringement"**), then such Party shall so notify the other Party as provided in Section 7.4 (a), which such notice shall include all information available to the notifying Party regarding such alleged infringement.

(ii) In the Territory, TGTX shall have the first right, but not the obligation, to bring an appropriate suit or other action against any person or entity engaged in such Product Infringement, subject to Section 7.4(b)(iii) below, the cost and expense will be borne by TGTX. TGTX shall have a period of one hundred twenty (120) days (or shorter period, if required by the nature of possible proceeding) after notification by Rhizen or providing notification to Rhizen pursuant to Section 7.4(a), to elect to so enforce such Patent. In the event TGTX does not so elect, it shall so notify Rhizen in writing during such one hundred twenty (120) day time period (or the above-mentioned shorter period), and Rhizen shall have the right, but not the obligation, to commence a suit or take action to enforce the applicable Patent against such Third Party perpetrating such Product Infringement at its sole cost and expense (except as otherwise expressly provided in this Section 7.4(b)(ii)). Each Party shall provide to the Party enforcing any such rights under this Section 7.4(b)(ii) reasonable assistance in such enforcement, at such enforcing Party's request, including joining such action as a party plaintiff if required by applicable Law to pursue such action. The enforcing Party shall keep the other Party regularly informed of the status and progress of such enforcement efforts, and shall reasonably consider the other Party's comments on any such efforts. Any recoveries obtained from a suit or an action commenced by TGTX hereunder shall first be applied to the recovery of expenses incurred by TGTX or Rhizen (if any) in bringing the suit or action and the remaining amounts, if any, shall be deemed additional Net Sales; provided, further, however, if Rhizen proceeds with the enforcement after TGTX decides not to move forward, then any amounts recovered shall belong solely to Rhizen.

(iii) The Party not bringing an action with respect to Product Infringement in the Territory under Section 7.4(b) shall be entitled to separate representation in such matter by counsel of its own choice and at its own expense, but such Party shall at all times cooperate fully with the Party bringing such action. Additionally, the Party not bringing an action under this Section 7.4(b) may have an opportunity to participate in such action to the extent that the Parties may mutually agree at the time the other Party elects to bring an action hereunder.

(e) Settlement. TGTX shall not settle any claim, suit or action that it brings under this Section 7.4 involving Rhizen Patents (excluding Joint Patents) in any manner that would have a materially adverse impact on Rhizen Patents anywhere in the world, or that would materially limit or restrict the ability of either Party to manufacture, use, sell, offer for sale or import the Product anywhere in the world, without the prior written consent of Rhizen. Rhizen shall not settle any claim, suit or action that it brings under this Section 7.4 involving TGTX Patents (excluding Joint Patents) in any manner that would negatively impact the TGTX Patents or that would limit or restrict the ability of either Party to manufacture, use, sell, offer for sale or import the Product anywhere in the world, without the prior written consent of TGTX. Neither Party shall settle any claim, suit or action that it brings under this Section 7.4 involving Joint Patents in any manner that would negatively impact the Joint Patents or that would limit or restrict the ability of either Party to manufacture, use, sell, offer for sale or import the Product anywhere in the world, without the prior written consent of such other Party.

(f) Rights to Intellectual Property Outside the Territory.

(i) TGTX hereby grants Rhizen a perpetual, exclusive, royalty-free license, with the right to sublicense, to the Joint Patents and a perpetual, non-exclusive, royalty-free license to the Joint Know-How to make, have made, use, sell, offer for sale, and import the Product outside the Territory. Outside the Territory, Rhizen shall have the right, but not the obligation, at Rhizen's sole expense, to bring an appropriate suit or other action against any person or entity engaged in Product Infringement of the Joint Patents. TGTX shall provide to Rhizen when enforcing any such rights under this Section 7.4(f) reasonable assistance in such enforcement, at Rhizen's request and cost, including joining such action as a party plaintiff if required by applicable Law to pursue such action.

(ii) The Parties agree that in the event Rhizen desires to use the TGTX Intellectual Property Rights, other than the Joint Patents and the Joint Know-How, for any purpose outside of the Territory, then Rhizen shall pay such fair market value royalties and/or fees to TGTX that the Parties determine by future written agreement. Each Party agrees to negotiate in good faith to execute an agreement regarding the subject matter of this paragraph.

(iii) For the purpose of this Section 7.4(f), TGTX Intellectual Property Rights shall exclude any rights related to Ublituximab.

8 REPRESENTATIONS, WARRANTIES AND CERTAIN COVENANTS

8.1 Each Party represents, warrants and covenants to the other that:

(i) It is a company or corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including, without limitation, the right to grant the licenses granted by it hereunder;

(ii) As of the Effective Date, (i) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (ii) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; and (iii) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms. The execution, delivery and performance of this Agreement by it does not conflict with any agreement or instrument, oral or written, to which it is a party or by which it may be bound;

(iii) It has not granted, and shall not grant, any right to any Third Party which would conflict with the rights granted to the other Party hereunder; and

(iv) It is not a party to any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under this Agreement. The execution, delivery and performance of this Agreement shall not violate, conflict with or constitute a default under any agreement (including its corporate charter or other organizational documents) to which it is a party or to which it may be bound, or to its best knowledge, any applicable Laws or order of any court or other tribunal.

8.2 Rhizen represents and warrants and covenants to TGTX that as of the Effective Date:

(i) All rights pertaining to the Rhizen Patents are owned by Rhizen;

(ii) The Rhizen Patents are not subject to any encumbrance, lien or claim or ownership by any Third Party that is inconsistent with the rights and licenses granted to TGTX hereunder;

(iii) Rhizen owns or possesses adequate right, title and interest in the Rhizen Intellectual Property Rights to grant the license thereto to TGTX as provided in this Agreement;

(iv) No claim or litigation has been brought, or is threatened to be brought, by any person or entity (A) alleging that any of the Rhizen Patents in the Territory is invalid or unenforceable, (B) relating to the Rhizen Intellectual Property, or (C) alleging that use of the Rhizen Intellectual Property in the Territory infringes or otherwise conflicts or interferes with any intellectual property or proprietary right of any Third Party;

(v) No Third Party has infringed or misappropriated any Rhizen Intellectual Property by making, using, importing, offering for sale or selling the Product and, as of the Effective Date, there is no actual or threatened infringement or misappropriation of the Rhizen Technology by any Third Party by making, using, importing, offering for sale or selling the Product;

(vi) Neither A) TGTX's exercise of its rights hereunder with respect to the Rhizen Intellectual Property, nor (B) TGTX's Development or Commercialization of the Product in the Territory, shall infringe any valid and enforceable Patent of any Third Party;

(vii) This Agreement is consistent with all Third Party license agreements in all respects and does not conflict with, violate, breach or otherwise give rise to a default by Rhizen under, any term of any Third Party license agreement;

(viii) Rhizen has obtained any and all consents, if any, required from Third Parties for Rhizen to enter into this Agreement and to grant to TGTX the licenses and other rights provided herein and has provided a copy of such consents to TGTX;

(ix) Rhizen has not received any written notice from any Third Party claiming that the manufacture, use, sale, or importation of the Compound or Product by Rhizen prior to the Effective Date infringed any patent owned or controlled by any Third Party;

(x) Rhizen has not granted any license or other right to any Third Party regarding the Product and/or the Rhizen Intellectual Property Rights;

(xi) Rhizen has not received any grant from or entered into any agreement with any government and/or any of its subdivisions or federal governmental bodies, or any other governmental bodies, regarding the Compound and/or the Rhizen Intellectual Property Rights; and

(xii) All products and materials supplied by Rhizen to TGTX pursuant to this Agreement shall be manufactured, handled and stored by Rhizen or its Third Party contract manufacture(s): (i) in accordance with the agreed upon specification and (ii) in compliance with applicable Laws and regulations, including without limitation, the GMP requirements.

8.3. Representations, Warranties, and Covenants of TGTX.

8.3.1 TGTX agrees that all of its activities, and the activities of its Affiliates and Sublicensees related to its use of the Rhizen Patents and Rhizen Know-How and all Development and Commercialization of the Product including the transport, storage, sale and promotion thereof, pursuant to this Agreement shall comply with all applicable legal and regulatory requirements. TGTX, its Affiliates, and Sublicensees shall not engage in any activities that use the Rhizen Patents and/or Rhizen Know-How in a manner that is outside the scope of the license rights granted to TGTX hereunder. TGTX represents and warrants that it will comply with the U.K. Bribery Act, the United States Foreign Corrupt Practices Act and any and all other applicable Laws prohibiting corruption or bribery (collectively referred to as the "**Anti-Corruption Laws**").

8.3.2 TGTX represents, warrants, and covenants that (i) the issuance of the Shares has been duly authorized by all necessary corporate action; (ii) upon issuance, the Shares will be validly issued, fully paid and nonassessable, free and clear of all liens, encumbrances, restrictions (including under the Securities Act), charges, security interests, rights of first refusal and preemptive rights; and (iii) TGTX shall reserve from its authorized and unissued shares of Common Stock, a sufficient number of shares of Common Stock to issue Rhizen the shares in accordance with Article 6 hereof.

8.4 **No Other Representations or Warranties**: Except as expressly set forth in this Agreement, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES

9 INDEMNIFICATION AND INSURANCE

9.1 TGTX shall indemnify, defend, and hold harmless Rhizen and its Affiliates and their respective directors, officers, employees and agents (each, a **"Rhizen Indemnitee"**) from and against any and all claims, suits, actions, demands, liabilities, expenses and/or loss, including reasonable legal expense and attorneys' fees (collectively, **"Losses"**), to which any Rhizen Indemnitee may become subject as a result of any claim, demand, action or other proceeding (each, a **"Claim"**) by any Third Party to the extent such Losses arise out of or result from (a) any breach by TGTX of its representations, warranties, covenants or obligations in this Agreement or (b) the gross negligence or wilful misconduct of TGTX, its Affiliates or Sublicensees; except, in each case, to the extent such claim is caused by a breach of this Agreement by Rhizen or the gross negligence or wilful misconduct of Rhizen.

9.2 Rhizen shall indemnify, defend, and hold harmless TGTX and its Affiliates and their respective directors, officers, employees and agents (each, a **"TGTX Indemnitee"**) from and against any and all Losses to which any TGTX Indemnitee may become subject as a result of any Claim by a Third Party to the extent such Losses arise out of or result from (a) any breach by Rhizen of its representations, warranties, covenants or obligations in this Agreement, or (b) the gross negligence or wilful misconduct of Rhizen or its Affiliates; except, in each case, to the extent such claim is caused by a breach of this Agreement by TGTX or the gross negligence or wilful misconduct of TGTX.

9.3 For purposes of Sections 9.1 and 9.2, the Rhizen Indemnitee or TGTX Indemnitee (the **"Indemnified Party"**) shall give prompt written notice to the other Party (the **"Indemnifying Party"**) of any claims, suits or proceedings by Third Parties which may give rise to any claim for which indemnification may be required under Section 9.1 or 9.2; *provided, however,* that failure to give such notice shall not relieve the Indemnifying Party of its obligation to provide indemnification hereunder except, if and to the extent that such failure materially and adversely affects the ability of the Indemnifying Party to defend the applicable claim, suit or proceeding. The Indemnifying Party shall be entitled to assume the defence and control of any such claim at its own cost and expense; provided, however, that the Indemnified Party shall have the right to be represented by its own counsel at its own cost in such matters. Neither the Indemnifying Party nor the Indemnified Party shall settle or dispose of any such matter in any manner which would adversely affect the rights or interests of the other Party (including the obligation to indemnify hereunder) without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed. Each Party shall reasonably cooperate with the other Party and its counsel in the course of the defence of any such suit, claim or demand, such cooperation to include without limitation using reasonable efforts to provide or make available documents, information and witnesses.

9.4 At and during such time as TGTX, its Affiliates, or its Sublicensees, begins clinical testing, sale or distribution of Products, TGTX shall (and shall require its Affiliates and Sublicensees to) at its sole expense, procure and maintain commercially reasonable insurance policies as would be maintained by similarly situated pharmaceutical companies consistent with the current industry standards for similar products, and compliant with any applicable law or regulation.

9.5 EXCEPT WITH RESPECT TO A BREACH OF SECTION 10 HEREOF, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES OF THE OTHER PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10 CONFIDENTIALITY

10.1 Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, each Party agrees that, for the Term and until the later of (i) the tenth (10th) anniversary of the Effective Date, or (ii) five (5) years after the expiration or termination of the Term, it shall keep confidential and shall not publish or otherwise disclose, and shall not use for any purpose other than as as provided for in this Agreement, any Confidential Information furnished to it by the other Party pursuant to this Agreement except for that portion of such information or materials that the receiving Party can demonstrate by competent written proof:

- **(a)** was already known to the receiving Party or its Affiliate, other than under an obligation of confidentiality to the disclosing Party, at the time of disclosure by the other Party, as evidenced by written documentation;
- **(b)** was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;
- **(c)** became generally available to the public or otherwise part of the public domain after it disclosure and other than through any act or omission of the receiving Party in breach of this Agreement;
- **(d)** was disclosed to the receiving Party or its Affiliate by a Third Party without obligations of confidentiality with respect thereto; or
- **(e)** was independently discovered or developed by the receiving Party or its Affiliate without the aid, application, or use of Confidential Information of the other Party, as evidenced by written documentation; provided, however, that this exception shall not apply to information or materials consisting of data and results generated or resulting from Development activities with respect to the Product, which information and materials shall be deemed Confidential Information of the Party who has developed such information or materials regardless of whether such information and materials were independently discovered or developed by the receiving Party or its Affiliate.

10.2 Authorized Disclosure. Each Party may disclose Confidential Information belonging to the other Party to the extent such disclosure is reasonably necessary in the following situations:

- **(a)** filing or prosecuting Patents as permitted in this Agreement;
- **(b)** regulatory submissions and other filings with Governmental Authorities, including filings with the Securities and Exchange Commission;
- **(c)** prosecuting or defending litigation or other proceedings or regulatory actions;
- **(d)** complying with applicable Laws;
- **(e)** disclosure to its employees, agents, and consultants, and any Third Parties (and potential licensees and) with which a Party is Developing or Commercializing the Product) only on a need-to-know basis and solely as necessary in connection with the performance of this Agreement, provided that in each case the recipient of such Confidential Information must agree to be bound by similar obligations of confidentiality and non-use at least as equivalent in scope as those set forth in this Article 10 prior to any such disclosure; and

(f) disclosure of the material financial terms of this Agreement to any bona fide potential investor, investment banker, acquiror, merger partner, or other potential financial partner; provided that in connection with such disclosure, the disclosing Party shall use all reasonable efforts to inform each recipient of the confidential nature of such Confidential Information and shall cause each recipient of such Confidential Information to treat such Confidential Information as confidential.

Notwithstanding the foregoing, in the event the Receiving Party is required to make a disclosure of Confidential Information pursuant to Section 10.2(c) or 10.2(d), the Receiving Party shall, except where not permitted by applicable Law, give reasonable advance notice to the Disclosing Party of such required disclosure and, at the Disclosing Party's request and expense, cooperate fully with the Disclosing Party's lawful efforts to contest such required disclosure, to minimize the scope of such required disclosure, and/or to obtain a protective order or other confidential treatment of the Confidential Information required to be disclosed. In any event, the Receiving Party agrees to take all reasonable action to avoid disclosure of Confidential Information hereunder

10.3 The Parties agree that the terms of this Agreement shall be treated as Confidential Information by both Parties.

10.4 The Parties acknowledge that each Party may desire or be required to issue press releases or to make other public disclosures relating to this Agreement or its terms. The Parties agree to consult with each other reasonably and in good faith with respect to the text and timing of such press releases or other public disclosures prior to the issuance thereof, provided that a Party may not unreasonably withhold consent to such releases, and that either Party may issue such press releases as it determines, based on advice of counsel, are reasonably necessary to comply with laws or regulations. In addition, following an initial press release announcing this Agreement, each Party shall be free to disclose, without the other Party's prior written consent, the existence of this Agreement, the identity of the other Party and those terms of this Agreement which have already been publicly disclosed in accordance herewith.

10.5 Subject to Section 10.4, TGTX shall not use the name "Rhizen" nor any variation or adaptation thereof, nor any trademark, tradename or other designation owned by Rhizen or its Affiliates, nor the names of any of its officers, employees or agents, for any purpose without the prior written consent of the other Party in each instance, except that TGTX may state that it has licensed from Rhizen one or more of the patents and/or applications within the Rhizen Patents, and TGTX may use Rhizen's logo on TGTX's corporate website and corporate presentation materials for such purpose, subject to Rhizen's prior review and approval (not to be unreasonably withheld) of TGTX's proposed use thereof.

10.6 Subject to Section 10.4, Rhizen shall not use the name of "TGTX" or its Affiliates nor any variation or adaptation thereof, nor any trademark, tradename or other designation owned by TGTX or its Affiliates, nor the names of any of its officers, employees or agents, for any purpose without the prior written consent of the other Party in each instance, except that Rhizen may state that it has licensed to TGTX one or more of the patents and/or applications within the Rhizen Patents, and Rhizen may use TGTX's logo on Rhizen's corporate website and corporate presentation materials for such purpose, subject to TGTX's prior review and approval (not to be unreasonably withheld) of Rhizen's proposed use thereof.

10.7 Each Party recognizes that the publication by TGTX of Data and other information regarding Compounds and Products, such as by public oral presentation, manuscript or abstract, may be beneficial to both Parties provided such publications are subject to reasonable controls to protect Confidential Information. Accordingly, Rhizen shall have the right to review and comment on any material proposed for public oral presentation or publication by TGTX that includes Data or other results of preclinical or clinical development of the Compound or any Product and/or includes Confidential Information of Rhizen. Before any such material is submitted for publication, TGTX shall use reasonable efforts to deliver a complete copy to Rhizen at least thirty (30) days prior to submitting the material to a publisher or initiating any other disclosure. Rhizen shall review any such material and give its comments to TGTX within ten (10) days of the delivery of such material to Rhizen. With respect to public oral presentation materials and abstracts, Rhizen shall make reasonable efforts to expedite review of such materials and abstracts, and shall return such items as soon as practicable to TGTX with appropriate comments, if any, but in no event later than ten (10) days from the date of delivery to Rhizen. TGTX shall comply with Rhizen's request to delete references to Rhizen's Confidential Information in any such material. In addition, if any such publication contains patentable subject matter, then at Rhizen's request, TGTX shall either delete the patentable subject matter from such publication or delay any submission for publication or other public disclosure for a period of up to an additional sixty (60) days so that appropriate patent applications may be prepared and filed.

10.8 Subject to Section 10.7, TGTX and its contractors, including without limitation clinical research organizations, shall have the right to publish results of all clinical trials of the Compound or any Product on TGTX's clinical trial register, and such publication will not be a breach of the confidentiality obligations provided in this Article 10.

10.9 All obligations of confidentiality and non-use imposed under this Article 10 shall expire ten (10) years after the date of termination or expiration of this Agreement

11 EXPIRY OF THE AGREEMENT; CONSEQUENCES OF EXPIRY

11.1 Unless terminated earlier pursuant to Article 12 or other mutual written agreement, this Agreement shall commence upon the Effective Date and shall expire, on a country-by-country basis on the expiration of the Royalty Term (the "**Royalty Term**").

12 TERMINATION

12.1 **TGTX Termination with Cause:** TGTX may terminate this Agreement at any time for Cause upon ninety (90) days' prior written notice to Rhizen.

12.2 **TGTX Termination**: TGTX may terminate this Agreement at any time for any reason upon ninety (90) days' prior written notice to Rhizen.

12.3 **Rhizen Termination for TGTX Diligence Failure**: If TGTX does not correct a failure to use Diligent Efforts within the applicable period specified in, or determined in accordance with, Section 3.2.5 (b) (a ***"Diligence Failure"***), Rhizen shall have the right to terminate this Agreement on ninety (90) days' written notice to TGTX unless TGTX cures such Diligence Failure before the end of such ninety (90) day period.

12.4 **Termination for Material Breach**: Each Party shall have the right to terminate this Agreement upon ninety (90) days' (or forty-five (45) days' in the case of failure to make payment of amounts due hereunder) prior written notice to the other Party in the event of the material breach of any term or condition of this Agreement by the other Party, unless the breaching Party has cured such breach by the end of the applicable cure period; *provided, however,* that:

(a) this Section 12.4 shall not apply to any Diligence Failure by TGTX (in which case, Rhizen' termination right shall be as set forth in Section 12.3); and

(b) any right to terminate under this Section 12.4 shall be stayed and the cure period shall be stopped in the event that, during any cure period, the Party alleged to have been in material breach shall have initiated dispute resolution in accordance with Article 20 with respect to the alleged breach, which stay and stopping shall last so long as the dispute resolution proceedings are ongoing.

13 CONSEQUENCES OF TERMINATION

13.1 In the event of

(A) termination of this Agreement by TGTX pursuant to Section 12.1 or 12.2:

(a) The license granted by Rhizen to TGTX under Section 2.1 shall terminate and revert to Rhizen on the effective date of termination.

(b) Rhizen shall have the right, exercisable upon written notice by Rhizen to TGTX given within sixty (60) days after the effective date of such termination, to obtain, and effective upon such notice, TGTX shall, and it hereby does, grant to Rhizen, a perpetual, exclusive, worldwide, royalty-bearing license, with the right to sublicense, under TGTX Intellectual Property Rights (which, for purposes of this Section 13.1 shall not include the Joint Patents or the Joint Know-How) solely to develop, make, have made, use, sell, offer for sale, have sold and import the Compound and Products in the Field of Use, subject to the terms and conditions set forth below in subparagraph (c). TGTX shall provide to Rhizen when enforcing any such rights under this Section 13.1(A)(b) reasonable assistance in such enforcement, at Rhizen's request and cost, including joining such action as a party plaintiff if required by applicable Law to pursue such action. In consideration for such exclusive license, Rhizen shall pay to TGTX a royalty based on the fair market value of such license. The royalty will be negotiated in good faith by the Parties within fifteen (15) days following the effective date of the termination. If the Parties cannot agree on the terms of the royalty, the parties will select a disinterested Third Party to determine the fair market value of the license (the "Appraiser"). Once the Appraiser is selected, the Appraiser shall be instructed to furnish a written appraisal within sixty (60) days of it selection. In the event of termination pursuant to Section 12.2, TGTX shall bear the Appraiser's reasonable costs and expenses, otherwise such costs and expenses will be shared equally by the Parties. The fair market value royalty will be paid out of Rhizen's gross profits following the first commercial sale of the Product, and which gross profits will be based on all amounts paid to Rhizen from its sublicensing or from sales directly or indirectly in the particular country or Territory. The term of such royalty will expire on the expiration of the last to expire issued Valid Claim within the TGTX Patents covering the Product in the particular country or Territory.

TGTX shall, and it hereby does, upon such Termination grant to Rhizen, (i) a perpetual, exclusive, worldwide, royalty-free license, with the right to sublicense, under the Joint Patents; and (ii) a perpetual, non-exclusive, royalty-free license to the Joint Know-How, in each case solely to develop, make, have made, use, sell, offer for sale, have sold and import the Compound and Products in the Field of Use, subject to the terms and conditions set forth below in subparagraph (c). TGTX shall provide to Rhizen when enforcing any such rights under this Section 13.1(A)(b) reasonable assistance in such enforcement, at Rhizen's request and cost, including joining such action as a party plaintiff if required by applicable Law to pursue such action.

(c) TGTX shall:

(i) at no cost to Rhizen transfer to Rhizen as soon as reasonably practicable all Data and information in TGTX's or its Affiliates' Control and possession relating to the Compound or Products as may be necessary to enable Rhizen to practice such license,
(ii) at no cost to Rhizen transfer and assign to Rhizen all of its right, title and interest in and to all INDs, NDAs, drug dossiers and master files with respect to any and all Products and all regulatory approvals with respect to any and all Products, and
(iii) Take such other commercially reasonable actions and shall execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights under this subparagraph (c) to Rhizen, including without limitation assignments of any contracts, including sublicensing agreements, related to the Development and Commercialization of any Product or New Product, unless such assignment is prohibited by a contract and the applicable consent cannot be reasonably procured at reasonable cost. TGTX will use reasonable commercial efforts to obtain the consent of any third-party to any contract or agreement related to the Development or Commercialization of the Product or a New Product, which consent is required for the assignment of any such contract or agreement from TGTX to Rhizen, provided, however, that any cash payment required by TGTX in order to procure any such consent shall be deemed not commercially reasonable. Prior to receipt of such consent, TGTX shall make available to Rhizen all rights and other benefits of such contracts, on a subcontract or sublease basis or in some other appropriate manner to the fullest extent reasonably practicable and permitted by the terms of the contract or otherwise consented to by the other party to such contract, and Rhizen shall be considered an independent subcontractor or sublessee of TGTX, with respect to all matters concerning such contracts.

(B) termination of this Agreement by TGTX pursuant to Section 12.4:

(a) the license granted by Rhizen to TGTX pursuant to Section 2.1 remains in full force and effect in accordance with its terms and until such time on a country-by-country basis (i.e. partial) as the expiration of the Royalty Term or Entire territory , subject to TGTX's compliance with Article 6;
(b) all JSC participation rights of Rhizen shall terminate and be of no further force or effect;

(c) pending the outcome of arbitration proceedings pursuant to Article 20, TGTX shall have the right to pay all amounts that become due under Article 6 after such termination into an escrow account with a reputable bank, and to the extent the arbitrators award damages to TGTX, the arbitrators shall be authorized, in their discretion, (i) to cause the release to TGTX of all or any part of the escrowed funds in partial or full satisfaction of such award, and/or (ii) to adjust the amounts payable by TGTX to Rhizen under this Agreement to compensate TGTX for damages suffered by TGTX as a result of Rhizen' material breach.

(C) termination of this Agreement by Rhizen pursuant to Section 12.3, or termination of this Agreement by Rhizen pursuant to Section 12.4 (subject to paragraph (b) thereof):

(a) The license granted by Rhizen to TGTX under Section 2.1 shall terminate and revert to Rhizen on the effective date of termination.

(b) Rhizen shall have the right, exercisable upon written notice by Rhizen to TGTX given within sixty (60) days after the effective date of such termination, to obtain, and effective upon such notice, TGTX shall, and it hereby does, grant to Rhizen, a perpetual, exclusive, worldwide, royalty-bearing license, with the right to sublicense, under TGTX Intellectual Property Rights (which, for purposes of this Section 13.1 shall not include the Joint Patents or the Joint Know-How) solely to develop, make, have made, use, sell, offer for sale, have sold and import the Compound and Products in the Field of Use, subject to the terms and conditions set forth below in subparagraph (c). TGTX shall provide to Rhizen when enforcing any such rights under this Section 13.1(C)(b) reasonable assistance in such enforcement, at Rhizen's request and cost, including joining such action as a party plaintiff if required by applicable Law to pursue such action. In consideration for such exclusive license, Rhizen shall pay to TGTX a royalty based on the fair market value of such license. The royalty will be negotiated in good faith by the Parties within fifteen (15) days following the effective date of the termination. If the Parties cannot agree on the terms of the royalty, the parties will select a disinterested Third Party to determine the fair market value of the license (the "Appraiser"). Once the Appraiser is selected, the Appraiser shall be instructed to furnish a written appraisal within sixty (60) days of it selection. TGTX shall bear the Appraiser's reasonable costs and expenses. The fair market value royalty will be paid out of Rhizen's gross profits following the first commercial sale of the Product, and which gross profits will be based on all amounts paid to Rhizen from its sublicensing or from sales directly or indirectly in the particular country or Territory. The term of such royalty will expire on the expiration of the last to expire issued Valid Claim within the TGTX Patents covering the Product in the particular country or Territory.

TGTX shall, and it hereby does, upon such Termination grant to Rhizen, (i) a perpetual, exclusive, worldwide, royalty-free license, with the right to sublicense, under the Joint Patents; and (ii) a perpetual, non-exclusive, royalty-free license to the Joint Know-How, in each case solely to develop, make, have made, use, sell, offer for sale, have sold and import the Compound and Products in the Field of Use, subject to the terms and conditions set forth below in subparagraph (c). TGTX shall provide to Rhizen when enforcing any such rights under this Section 13.1(C)(b) reasonable assistance in such enforcement, at Rhizen's request and cost, including joining such action as a party plaintiff if required by applicable Law to pursue such action.

(c) TGTX shall:

(i) at no cost to Rhizen , transfer to Rhizen as soon as reasonably practicable all Data and information in TGTX's or its Affiliates' Control and possession relating to the Compound or Products as may be necessary to enable Rhizen to practice such license.
(ii) at no cost to Rhizen, transfer and assign to Rhizen all of its right, title and interest in and to all INDs, NDAs, drug dossiers and master files with respect to any and all Products and all regulatory approvals with respect to any and all Products, and
(iii) Take such other commercially reasonable actions and shall execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights under this subparagraph (c) to Rhizen, including without limitation assignments of any contracts, including sublicensing agreements, related to the Development and Commercialization of any Product or New Product, unless such assignment is prohibited by a contract and the applicable consent cannot be reasonably procured at reasonable cost. TGTX shall use reasonable commercial efforts to obtain the consent of any third-party to any contract or agreement related to the Development or Commercialization of the Product or a New Product, which consent is required for the assignment of any such contract or agreement from TGTX to Rhizen, provided, however, that any cash payment required by TGTX in order to procure any such consent shall be deemed not commercially reasonable. Prior to receipt of such consent, TGTX shall make available to Rhizen all rights and other benefits of such contracts, on a subcontract or sublease basis or in some other appropriate manner to the fullest extent reasonably practicable and permitted by the terms of the contract or as consented to by the other party to the contract, and Rhizen shall be considered an independent subcontractor or sublessee of TGTX, with respect to all matters concerning such contracts.

(d) all JSC participation rights of TGTX shall terminate and be of no further force or effect;

(e) pending the outcome of arbitration proceedings pursuant to Article 20, TGTX shall pay all amounts that become due under Article 6 after such termination into an escrow account with a reputable bank, and to the extent the arbitrators award damages to Rhizen, the arbitrators shall be authorized, in their discretion, (i) to cause the release to Rhizen of all or any part of the escrowed funds in partial or full satisfaction of such award, and/or (ii) to adjust the amounts payable to Rhizen under this Agreement to compensate Rhizen for damages suffered by Rhizen as a result of TGTX's material breach.

13.2 Any termination of this Agreement shall be without prejudice to any rights or obligations which have accrued to any Party prior to such termination. Without limiting the generality of the foregoing, termination of this Agreement shall not preclude either Party from claiming any other damages, compensation or relief that it may be entitled to hereunder.

14 FALLOW

14.1. If at any time the development program has not made any significant progress during any 6 month period during the Term (prior to the First Commercial Sale), the licensing shall be deemed to be fallow and liable to additional consequences. The JSC shall decide whether TGTX has made significant progress pursuant to this Section 14.1, provided that if Rhizen disagrees with the determination of the JSC, Rhizen may submit such dispute to an independent Third Party analyst pursuant to the process set forth in Section 3.2.5(a) hereof, and the decision of such analyst as to whether significant progress has been made shall be binding on the Parties. On determination of such an event, the JSC may have an option to provide TGTX with an extension of 12 months if TGTX pays Rhizen a maintenance fee. For the avoidance of doubt, the Development of a Product shall be considered as not making significant progress under this Section 14.1 if the aggregate amount spent by TGTX or its Sublicensee(s) on the Development activities for each of two consecutive three (3) month periods prior to the filing of an NDA is less than an amount to be specified by the Parties within thirty (30) days following the effective date hereof, except in specific circumstances where such level of development expenses is warranted, as mutually agreed by the Parties.

14.2. The Maintenance Fee as per section 14.1 shall be calculated by the Parties in good faith considering the anticipated loss to Rhizen of various milestone(s) & other payments (under Article 6 above) expected based on the then-current stage(s) of the Development Plan.

15 SURVIVING PROVISIONS

Sections 6.5 and Articles 1, 8, 9, 10, 13, 14, 15, 16, 18, 19, 20 and 22 shall survive termination or expiration of this Agreement. In addition, if the license granted to TGTX under Section 2.1 survives termination as set forth in Section 13.3, Sections 6.3, 6.4 and 6.5 shall survive such termination.

16 NOTICES

Notices required or permitted to be made or given to either Party hereto pursuant to this Agreement shall be sufficiently made or given on the date of mailing if sent to such Party by certified or registered mail, postage prepaid, addressed to it at its address set forth or to such other address as it shall designate in the course of this Agreement by written notice to the other Party as follows:

If to Rhizen:	**If to TGTX:**
Rhizen	TGTX.
Attention: Rhizen Pharmaceuticals S A Fritz-Courvoisier 40, CH-2300 La Chaux-de-Fonds, Switzerland. Email- us@rhizen.com	Attention: TG Therapeutics, Inc. 787 Seventh Avenue New York, NY 10019 U.S.A. Email – hm@tgtxinc.com

17 INDEPENDENT CONTRACTOR

The relationship of TGTX and Rhizen under this Agreement is intended to be that of an independent contractor. Nothing contained in this Agreement is intended or is to be construed so as to constitute the Parties as partners or joint ventures or either Party as an agent or employee of the other. Neither Party has any express or implied right or authority under this Agreement to assume or create any obligations on behalf of or in the name of the other, or to bind the other Party to any contract, agreement or undertaking with any Third Party.

18 COMPLETE AGREEMENT

The Parties hereto acknowledge that this Agreement sets forth the entire agreement and understanding of the Parties, and supersedes all prior written or oral agreements or understandings with respect to the subject matter hereof, including JV Agreement, but *excluding*:

(a) that certain Confidentiality Agreement between the Parties dated April 27, 2012 (the***"Original Confidentiality Agreement"***), which shall remain in full force and effect in accordance with its terms; *provided, however,* that all "Confidential Information" (as defined by the Original Confidentiality Agreement) of Rhizen relating to its single targeted Pi3K Delta kinase Inhibitor programs, including, without limitation, RP5264, shall be deemed Confidential Information for purposes of this Agreement; and

(b) In the event of any conflict between the provisions of this Agreement and the provisions of the Original Confidentiality Agreement, this Agreement shall control. No modification of this Agreement shall be deemed to be valid unless in writing and signed by both Parties

19 ASSIGNMENT

Except as expressly provided hereunder, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either Party without the prior written consent of the other Party (which consent shall not be unreasonably withheld); *provided, however*, that either Party may assign this Agreement and its rights and obligations hereunder without the other Party's consent: (a) in connection with the transfer or sale of all or substantially all of the business of such Party to which this Agreement relates to a Third Party, whether by merger, sale of stock, sale of assets or otherwise (each, a ***"Change of Control Transaction"***), provided that in the event of a Change of Control Transaction in which the acquiring party is a Third Party, intellectual property rights of the acquiring party to such Change of Control Transaction that exist prior to the effective time of such Change of Control Transaction shall not be included in the technology licensed hereunder or otherwise subject to this Agreement; or (b) to an Affiliate, provided that no such assignment to an Affiliate shall relieve the assigning Party of its obligations hereunder. The rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties. Any assignment not in accordance with this Agreement shall be void.

20 GOVERNING LAW AND DISPUTE RESOLUTION

20.1 **English Language; Governing Law**. This Agreement was prepared in the English language, which language shall govern the interpretation of, and any dispute regarding, the terms of this Agreement. This Agreement and all disputes arising out of or related to this Agreement or any breach hereof shall be governed by and construed under the Laws of the State of New York without giving effect to any choice of law principles that would require the application of the Laws of a different state.

20.2 Disputes.

(a) The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights or obligations hereunder. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Section 20.2 to resolve any controversy or claim arising out of, relating to or in connection with any provision of this Agreement, if and when a dispute arises under this Agreement. With respect to all disputes arising between the Parties, including, without limitation, any alleged failure to perform, or breach, of this Agreement, or any issue relating to the interpretation or application of this Agreement, if the Parties are unable to resolve such dispute within sixty (60) days after such dispute is first identified by either Party in writing to the other, the Parties shall refer such dispute to the senior executive officers for each Party for attempted resolution by good faith negotiations within thirty (30) days after such notice is received. If the senior executive officers designated by the Parties are not able to resolve such dispute within such thirty (30) day period, either Party may submit such dispute in accordance with Section 20.2(b).

(b) Arbitration. Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by the executives of the Parties as provided herein will be finally resolved by arbitration in accordance with the CPR Rules for Non-Administered Arbitration then currently in effect, by three arbitrators of whom each party will appoint one in accordance with the 'screened' appointment procedure provided in Rule 5.4, provided, however, that if one party fails to participate in either the negotiation or mediation as agreed herein, the other party can commence arbitration prior to the expiration of the time periods set forth above. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§1 et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. The place of arbitration will be New York, NY. The award may be made a judgment by any court of competent jurisdiction pursuant to the New York Convention, 9 U.S.C. § 201 et seq., and for this purpose the Party against whom the award is made will agree to the personal jurisdiction of the court in which recognition is sought and will not raise any argument of forum non conveniens.

(c) Notwithstanding anything to the contrary in this Article 20, either Party may seek injunctive relief in any court in any jurisdiction where appropriate.

21 FORCE MAJEURE

21.1 Neither Party shall be liable for a failure to comply with a provision herein, if it is prevented from performing the said provision because of force majeure, this notion being defined as an event beyond the control of the Parties and independent from their will including, but not limited to, strikes or other labor trouble, war, insurrection, fire, flood, explosion, discontinuity in supply of power, court order or governmental interference

21.2 Despite the event of force majeure, either Party hereto shall undertake reasonable efforts to comply to the extent possible with its obligations towards the other Party, pursuant to this Agreement.

21.3 The Party invoking an event of force majeure shall notify it forthwith to the other Party, and must specify which one or ones of its obligations it is being prevented from complying with, and the nature of force majeure, and must give an estimate of the period during which it is likely that it shall be prevented from complying with the said obligation or obligations

22 MISCELLANEOUS

22.1 If any provision of this Agreement should be or become fully or partly invalid or unenforceable for any reason whatsoever or should violate any applicable law, this Agreement is to be considered divisible as to such provision and such provision is to be deemed deleted from this Agreement, and the remainder of this Agreement shall be valid and binding as if such provision were not included therein. There shall be substituted for any such provision deemed to be deleted a suitable provision which, as far as is legally possible, comes nearest to the sense and purpose of the stricken provision

22.2 Failure by any Party to enforce any term or provision of this Agreement in any specific instance or instances hereunder shall not constitute a waiver by such Party of any such term or provision, and such Party may enforce such term or provision in any subsequent instance without any limitation or penalty whatsoever.

22.3 This Agreement is neither expressly nor impliedly made for the benefit of any entity other than the Parties.

22.4 The headings set forth in this Agreement are for convenience only and do not qualify or affect the terms or conditions of this Agreement. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against either Party, irrespective of which Party may be deemed to have caused the ambiguity or uncertainty to exist. This Agreement has been prepared in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral or other communications between the Parties regarding this Agreement shall be in the English language.

22.5 No waiver of any right or remedy hereunder shall be effective unless provided in writing executed by the waiving Party.

22.6 The agreement survives in case either Party is acquired or goes bankrupt.

22.7 This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall be binding upon the delivery by each Party of an executed signature page to the other Party by facsimile or electronic transmission. If signature pages are so delivered by facsimile or electronic transmission, each Party shall also immediately deliver an executed original counterpart of this Agreement to the other Party by courier delivery service.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date

TG THERAPEUTICS, INC.	**RHIZEN Pharmaceutials SA**
/s/	/s/
Name: Title	Name: Title:
Date:	Date:

Exhibit 31.1

CERTIFICATION OF PERIODIC REPORT PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael S. Weiss, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TG Therapeutics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 14, 2014

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

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sean A. Power, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TG Therapeutics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 14, 2014

/s/ Sean A. Power
Sean A. Power
Chief Financial Officer
Principal Financial and Accounting Officer

Exhibit 32.1

STATEMENT OF CHIEF EXECUTIVE OFFICER OF
TG THERAPEUTICS, INC.
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of TG Therapeutics, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2014 as filed with the Securities and Exchange Commission (the "Report"), I, Michael S. Weiss, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

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

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2014

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

Exhibit 32.2

STATEMENT OF CHIEF FINANCIAL OFFICER OF
TG THERAPEUTICS, INC.
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of TG Therapeutics, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2014 as filed with the Securities and Exchange Commission (the "Report"), I, Sean A. Power, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

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

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2014

/s/ Sean A. Power
Sean A. Power
Chief Financial Officer
Principal Financial and Accounting Officer