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 June 30, 2016

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.)

2 Gansevoort Street, 9th Floor
New York, New York 10014
(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 54,456,623 shares of the registrant's common stock, $0.001 par value, outstanding as of August 1, 2016.

TG THERAPEUTICS, INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2016

TABLE OF CONTENTS

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," “plan,” “intend” 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 as to the timing of commencing or completing pre-clinical and clinical trials and the expected outcomes of those trials;
- 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;
- expectations for the 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;
- ability to obtain 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;
- stock price volatility; 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

	June 30, 2016 (Unaudited)	December 31, 2015 (Note 1)
Assets		
Current assets:		
Cash and cash equivalents	$ 28,577,832	$ 55,061,329
Short-term investment securities	25,680,319	22,166,512
Interest receivable	133,766	186,021
Prepaid research and development	14,510,025	9,151,142
Other current assets	649,738	308,327
Total current assets	69,551,680	86,873,331
Restricted cash	581,161	579,143
Long-term investment securities	21,435,015	25,003,032
Leasehold interest	1,968,734	--
Property, plant and equipment, net	333,859	47,122
Goodwill	799,391	799,391
Other assets	127,700	171,182
Total assets	$ 94,797,540	$ 113,473,201
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 13,080,176	$ 9,346,068
Accrued compensation	796,376	818,472
Current portion of deferred revenue	152,381	152,381
Notes payable	90,564	211,549
Total current liabilities	14,119,497	10,528,470
Deferred rent	681,720	--
Deferred revenue, net of current portion	1,295,238	1,371,429
Total liabilities	16,096,455	11,899,899
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value per share (10,000,000 shares authorized, none issued and outstanding as of June 30, 2016 and December 31, 2015)	--	--
Common stock, $0.001 par value per share (150,000,000 shares authorized, 54,497,932 and 54,095,110 shares issued, 54,456,623 and 54,053,801 shares outstanding at June 30, 2016 and December 31, 2015, respectively)	54,498	54,095
Contingently issuable shares	6	6
Additional paid-in capital	266,762,568	259,887,464
Treasury stock, at cost, 41,309 shares at June 30, 2016 and December 31, 2015	(234,337)	(234,337)
Accumulated deficit	(187,881,650)	(158,133,926)
Total stockholders' equity	78,701,085	101,573,302
Total liabilities and stockholders' equity	$ 94,797,540	$ 113,473,201

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 June 30,		Six months ended June 30,	
	2016	**2015**	**2016**	**2015**
License revenue	$ 38,095	$ 38,095	$ 76,190	$ 76,190
Costs and expenses:				
Research and development:				
Noncash compensation	567,157	1,359,446	954,082	2,697,354
Other research and development	12,966,574	9,902,214	24,196,989	18,181,645
Total research and development	13,533,731	11,261,660	25,151,071	20,878,999
General and administrative:				
Noncash compensation	1,081,240	4,883,540	2,393,280	8,902,660
Other general and administrative	1,446,567	1,004,475	2,547,438	2,008,962
Total general and administrative	2,527,807	5,888,015	4,940,718	10,911,622
Total costs and expenses	16,061,538	17,149,675	30,091,789	31,790,621
Operating loss	(16,023,443)	(17,111,580)	(30,015,599)	(31,714,431)
Other (income) expense:				
Interest income	(92,629)	(31,551)	(177,491)	(53,683)
Interest expense	220,756	246,526	463,161	484,183
Change in fair value of notes payable	(252,508)	(223,372)	(553,545)	(464,013)
Total other income	(124,381)	(8,397)	(267,875)	(33,513)
Net loss	$ (15,899,062)	$ (17,103,183)	$ (29,747,724)	$ (31,680,918)
Basic and diluted net loss per common share	$ (0.33)	$ (0.38)	$ (0.61)	$ (0.73)
Weighted average shares used in computing basic and diluted net loss per common share	48,769,948	45,320,637	48,838,731	43,216,385

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

TG Therapeutics, Inc.
Condensed Consolidated Statement of Stockholders' Equity
(Unaudited)

	Common Stock				Treasury Stock			
	Shares	Amount	Contingently issuable shares	Additional paid-in capital	Shares	Amount	Accumulated Deficit	Total
Balance at January 1, 2016	54,095,110	$ 54,095	$ 6	$ 259,887,464	41,309	$ (234,337)	$ (158,133,926)	$ 101,573,302
Issuance of common stock in connection with exercise of warrants	22,041	22		50,249				50,271
Issuance of common stock in connection with conversion of notes payable	3,201	3		30,598				30,601
Issuance of restricted stock	14,000	14		(14)				--
Forfeiture of restricted stock	(33,231)	(33)		33				--
Issuance of common stock in At the Market offering (net of offering costs of $122,497)	396,811	397		3,446,876				3,447,273
Compensation in respect of restricted stock granted to employees, directors and consultants				3,347,362				3,347,362
Net loss							(29,747,724)	(29,747,724)
Balance at June 30, 2016	54,497,932	$ 54,498	$ 6	$ 266,762,568	41,309	$ (234,337)	$ (187,881,650)	$ 78,701,085

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

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

	Six months ended June 30,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (29,747,724)	$ (31,680,918)
Adjustments to reconcile net loss to net cash used in operating activities:		
Noncash stock compensation expense	3,347,362	11,600,014
Depreciation	23,319	5,805
Amortization of premium on investment securities	254,132	205,409
Change in fair value of notes payable	(90,384)	20,170
Changes in assets and liabilities:		
Increase in restricted cash	(2,018)	(2,098)
Increase in other current assets	(5,700,293)	(5,117,040)
Increase in leasehold interest	(1,968,734)	--
Decrease (increase) in accrued interest receivable	52,255	(104,797)
Increase in other assets	(9,518)	--
Increase in accounts payable and accrued expenses	3,712,012	4,018,767
Increase in deferred rent	681,720	--
Decrease in deferred revenue	(76,191)	(76,191)
Net cash used in operating activities	(29,524,062)	(21,130,879)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(310,056)	(20,280)
Investment in held-to-maturity securities	(15,199,922)	(35,070,625)
Proceeds from maturity of short-term securities	15,000,000	7,850,000
Net cash used in investing activities	(509,978)	(27,240,905)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercise of warrants	50,271	992,644
Proceeds from sale of common stock, net	3,504,261	51,984,879
Financing costs	(3,989)	(19,437)
Net cash provided by financing activities	3,550,543	52,958,086
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(26,483,497)	4,586,302
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	55,061,329	55,713,784
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 28,577,832	$ 60,300,086
NONCASH TRANSACTIONS		
Accrued financing costs	$ --	$ 47,797
Reclassification of deferred financing costs to additional paid-in capital	$ (56,988)	$ (48,771)
Conversion of convertible notes payable to common stock	$ 30,601	$ --

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

Unless the context requires otherwise, references in this report to "TG," the "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 B-cell malignancies and autoimmune diseases. Currently, the Company is developing two therapies targeting hematologic malignancies. TG-1101 (ublituximab) is a novel, glycoengineered monoclonal antibody that targets a specific and unique epitope on the CD20 antigen found on mature B-lymphocytes. We are also developing TGR-1202, an orally available PI3K delta inhibitor. The delta isoform of PI3K is strongly expressed in cells of hematopoietic origin and is believed to be important in the proliferation and survival of B-lymphocytes. Both TG-1101 and TGR-1202 are in clinical development for patients with hematologic malignancies. The Company also has pre-clinical programs to develop IRAK4 (interleukin-1 receptor-associated kinase 4) inhibitors, BET (Bromodomain and Extra Terminal) inhibitors, and anti-PD-L1 and anti-GITR antibodies.

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.

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 condensed consolidated financial statements have been included. Nevertheless, these condensed 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, 2015. The accompanying condensed December 31, 2015 balance sheet has been derived from these statements. The results of operations for the three and six months ended June 30, 2016 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 June 30, 2016, we have an accumulated deficit of approximately $187.9 million.

Our major sources of cash have been proceeds from the private placement and public offering of equity securities. 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; successfully completing any post-approval regulatory obligations; and successfully commercializing 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 June 30, 2016, we had approximately $75.8 million in cash, cash equivalents, investment securities, and interest receivable. We anticipate that our cash and cash equivalents and investments will be sufficient to fund our anticipated operating cash requirements for approximately 18 to 24 months from June 30, 2016. 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 listed on theNasdaq Capital Market and trades under the symbol "TGTX."

Recently Issued Accounting Standards

In May 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-11, “Rescission of SEC Guidance Because of Accounting Standards Update 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting” (“ASU 2016-11”). ASU 2016-11 rescinds certain SEC guidance from the *FASB Accounting Standards Codification* in response to announcements made by the SEC staff at the Emerging Issues Task Force’s March 3, 2016 meeting. Specifically, ASU 2016-11 supersedes SEC observer comments on the following topics:

- Upon the adoption of ASU 2014-09:
  - Revenue and expense recognition for freight services in process (ASC 605-20-S99-2)
  - Accounting for shipping and handling fees and costs (ASC 605-45-S99-1)
  - Accounting for consideration given by a vendor to a customer (ASC 605-50-S99-1)
  - Accounting for gas-balancing arrangements (ASC 932-10-S99-5).

- Upon the adoption of ASU 2014-16:
  - Determining the nature of a host contract related to a hybrid financial instrument issued in the form of a share under ASC 815 (ASC 815-10-S99-3).

ASU 2016-11 is effective upon the adoption of ASU 2014-09 and ASU 2014-16. The adoption of ASU 2016-11 is not expected to have a material impact on the Company’s condensed consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, “Simplifying the Accounting for Share-Based Payments” (“ASU 2016-09”). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual reporting periods. The provisions of this standard are not expected to significantly impact the Company.

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.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the applicable reporting period. Actual results could differ from those estimates. Such differences could be material to the 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.

Restricted Cash

We record cash pledged or held in trust as restricted cash. As of June 30, 2016 and December 31, 2015, we have approximately $0.6 million of restricted cash pledged to secure a line of credit as a security deposit for anOffice Agreement (see Note 8).

Investment Securities

Investment securities at June 30, 2016 and December 31, 2015 consist of short-term and long-term government securities. We classify these securities as held-to-maturity. Held-to-maturity securities are those securities in which we have the ability and intent to hold the security until maturity. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective interest method.

A decline in the market value of any investment security below cost, that is deemed to be other than temporary, results in a reduction in the carrying amount to fair value. The impairment is charged to operations and a new cost basis for the security is established. Other-than-temporary impairment charges would be included in interest and other (income) expense, net. Dividend and interest income are recognized when earned.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and long-term investments. The Company maintains its cash and cash equivalents, short-term investments and long-term investments with high-credit quality financial institutions. At times, such amounts may exceed federally-insured limits.

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. Non-refundable 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.

Prepaid research and development in our consolidated balance sheets includes, among other things, certain costs related to development and manufacturing services. These development and manufacturing agreements often require payments in advance of services performed or goods received. Accordingly, as of June 30, 2016 and December 31, 2015, we recorded approximately $14.5 million and $9.2 million of prepaid development and manufacturing services, respectively, in prepaid research and development related to such advance agreements.

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, if any, 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 noncash compensation expense in the condensed 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), noncash 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.

In addition, because some of the options, restricted stock and warrants issued to employees, consultants and other third-parties vest upon achievement of certain milestones, the total expense is uncertain. Compensation expense for such awards that vest upon the achievement of milestones is recognized when the achievement of such milestones becomes probable.

Basic and Diluted Net Loss Per Common Share

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 6,449,737 and 5,668,134 for the three and six months ended June 30, 2016 and 2015, respectively. The following outstanding shares of common stock equivalents were excluded from the computation of net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	Three and Six Months Ended June 30,	
	2016	**2015**
Unvested restricted stock	5,270,084	4,431,430
Warrants	1,164,708	1,218,749
Shares issuable upon note conversion	14,945	17,803
Options	--	152
Total	6,449,737	5,668,134

Long-Lived Assets and Goodwill

Long-lived assets are reviewed for potential impairment 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 earlier 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 June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Money market funds	$ 8,514,029	$ 8,265,583
Checking and bank deposits	20,063,803	46,795,746
Total	$ 28,577,832	$ 55,061,329

NOTE 3 – INVESTMENT SECURITIES

Our investments as of June 30, 2016 and December 31, 2015 are classified as held-to-maturity. Held-to-maturity investments are recorded at amortized cost.

The following tables summarize our investment securities at June 30, 2016 and December 31, 2015:

	June 30, 2016			
	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 July 2016 and June 2017) (held-to-maturity)	$ 25,680,319	$ 22,601	$ --	$ 25,702,920
Long-term investments:				
Obligations of domestic governmental agencies (maturing between July 2017 and January 2018) (held-to-maturity)	21,435,015	80,328	--	21,515,343
Total short-term and long-term investment securities	$ 47,115,334	$ 102,929	$ --	$ 47,218,263

	December 31, 2015			
	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 2016 and December 2016) (held-to-maturity)	$ 22,166,512	$ --	$ 22,822	$ 22,143,690
Long-term investments:				
Obligations of domestic governmental agencies (maturing between January 2017 and December 2017) (held-to-maturity)	25,003,032	--	85,846	24,917,186
Total short-term and long-term investment securities	$ 47,169,544	$ --	$ 108,668	$ 47,060,876

NOTE 4 – FAIR VALUE MEASUREMENTS

We measure certain financial assets and liabilities at fair value on a recurring basis in the condensed consolidated financial statements. The fair value 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 June 30, 2016 and December 31, 2015, the fair values of cash and cash equivalents, restricted cash, and notes and interest payable, current portion approximate their carrying value.

At the time of our merger (we were then known as Manhattan Pharmaceuticals, Inc. ("Manhattan")) with Ariston Pharmaceuticals, Inc. ("Ariston") in March 2010, Ariston issued $15.5 million 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.

The cumulative liability including accrued and unpaid interest of the 5% Notes was approximately $16.8 million at June 30, 2016 and $19.9 million at December 31, 2015. No payments have been made on the 5% Notes as of June 30, 2016.

In December 2011, we elected the fair value option for valuing the 5% Notes. The fair value option was elected 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 June 30, 2016 and December 31, 2015. 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 condensed consolidated financial statements.

The following tables provide the fair value measurements of applicable financial liabilities as of June 30, 2016 and December 31, 2015:

	Financial liabilities at fair value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
5% Notes	$ --	$ --	$ 90,564	$ 90,564
Total	$ --	$ --	$ 90,564	$ 90,564

	Financial liabilities at fair value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
5% Notes	$ --	$ --	$ 211,549	$ 211,549
Total	$ --	$ --	$ 211,549	$ 211,549

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 six months ended June 30, 2016:

Fair value at December 31, 2015	$ 211,549
Interest accrued on face value of 5% Notes	463,161
Conversion of 5% notes	(30,601)
Change in fair value of Level 3 liabilities	(553,545)
Fair value at June 30, 2016	$ 90,564

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.

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.

In December 2014, we filed a shelf registration statement on Form S-3 (the “2015 S-3”), which was declared effective in January 2015. Under the 2015 S-3, the Company may sell up to a total of $250 million of its securities. In connection with the 2015 S-3, we amended our 2013 At-the-Market Issuance Sales Agreement with MLV & Co. LLC (the “2015 ATM”) such that we may issue and sell additional shares of our common stock, having an aggregate offering price of up to $175.0 million, from time to time through MLV & Co. LLC (“MLV”) and FBR Capital Markets & Co. (“FBR”, each of MLV and FBR individually an “Agent” and collectively the “Agents”), acting as the sales agents. Under the 2015 ATM we pay the Agents a commission rate of up to 3.0% of the gross proceeds from the sale of any shares of common stock sold through the Agents.

During the six months ended June 30, 2016, we sold a total of 396,811 shares of common stock under the 2015 ATM for aggregate total gross proceeds of approximately $3.6 million at an average selling price of $9.00 per share, resulting in net proceeds of approximately $3.5 million after deducting commissions and other transaction costs.

The 2015 S-3 is currently our only active shelf registration statement. After deducting shares already sold, including under the 2015 ATM, there are approximately $178 million of common stock that remain available for sale under the 2015 S-3. We may offer the securities under the 2015 S-3 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 the 2015 S-3 provides us with the flexibility to raise additional capital to finance our operations as needed.

Equity Incentive Plans

The TG Therapeutics, Inc. Amended and Restated 2012 Incentive Plan ("2012 Incentive Plan") was approved by stockholders in June 2015. As of June 30, 2016, no options were outstanding and up to an additional 4,183,861 shares may be issued under the 2012 Incentive Plan.

Restricted Stock

Certain employees, directors and consultants have been awarded restricted stock. The restricted stock vesting consists of milestone and time-based vesting. The following table summarizes restricted share activity for the six months ended June 30, 2016:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2015	7,359,915	$ 7.83
Granted	14,000	9.43
Vested	(570,600)	7.07
Forfeited	(33,231)	11.79
Outstanding at June 30, 2016	6,770,084	$ 7.85

Total expense associated with restricted stock grants was approximately $1.6 million and $6.2 million during the three months ended June 30, 2016 and 2015, respectively, and $3.3 million, and $11.6 million during the six months ended June 30, 2016 and 2015, respectively. As of June 30, 2016, there was approximately $17.3 million of total unrecognized compensation cost related to unvested time-based restricted stock, which is expected to be recognized over a weighted-average period of 1.9 years. This amount does not include, as of June 30, 2016, 411,172 shares of restricted stock outstanding which are milestone-based and vest upon certain corporate milestones; and 2,234,958 shares of restricted stock outstanding issued to non-employees, the expense for which is determined each reporting period 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 six months ended June 30, 2016:

	Warrants	Weighted-average exercise price	Aggregate Intrinsic Value
Outstanding at December 31, 2015	1,186,749	$ 2.37	$ 11,341,452
Issued	--	--	
Exercised	(22,041)	2.28	
Expired	--	--	
Outstanding at June 30, 2016	1,164,708	$ 2.37	$ 4,291,924

Stock-Based Compensation

We did not grant any stock options during the six months ended June 30, 2016 and 2015.

The following table summarizes stock-based compensation expense information about restricted stock and stock options for the three and six months ended June 30, 2016 and 2015:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Stock-based compensation expense associated with restricted stock	$ 1,648,397	$ 6,242,986	$ 3,347,362	$ 11,600,014
Stock-based compensation expense associated with option grants	--	--	--	--
	$ 1,648,397	$ 6,242,986	$ 3,347,362	$ 11,600,014

NOTE 6 – NOTES PAYABLE

The following is a summary of notes payable:

	June 30, 2016			December 31, 2015		
	Current portion, net	Non-current portion, net	Total	Current portion, net	Non-current portion, net	Total
Convertible 5% Notes Payable	$ 90,564	$ -	$ 90,564	$ 211,549	$ -	$ 211,549
Total	$ 90,564	$ -	$ 90,564	$ 211,549	$ -	$ 211,549

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 was March 8, 2015.

The cumulative liability including accrued and unpaid interest of these notes was approximately $16.8 million at June 30, 2016 and $19.9 million at December 31, 2015. No payments have been made on the 5% Notes as of June 30, 2016.

In December 2011, we elected the fair value option for valuing the 5% Notes. The fair value option was elected in order to reflect in our financial statements the assumptions that market participants use in evaluating these financial instruments (See Note 4 for further details).

NOTE 7 – LICENSE AGREEMENTS

BET

In May 2016, as part of a broader agreement with Jubilant Biosys ("Jubilant"), an India-based biotechnology company, we entered into a sub-license agreement ("JBET Agreement") with Checkpoint Therapeutics, Inc. ("Checkpoint"), (see Note 8), for the development and commercialization of Jubilant's novel BET inhibitor program in the field of hematological malignancies.

Under the terms of the agreement, we paid Checkpoint an up-front licensing fee of $1.0 million and will make additional payments contingent on certain preclinical, clinical, and regulatory milestones, including commercial milestones totaling up to approximately $177 million and a single-digit royalty on net sales. TG will also provide funding to support certain targeted research efforts at Jubilant.

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 $2.0 million, which was received in December 2012 net of $0.3 million 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 $38,000 for each of the three months ended June 30, 2016 and 2015, and $76,000 for each of the six months ended June 30, 2016 and 2015 and, at June 30, 2016 and December 31, 2015, have deferred revenue of approximately $1.4 million and $1.5 million, respectively, associated with this $2.0 million payment (approximately $0.2 million of which has been classified in current liabilities at June 30, 2016 and December 31, 2015).

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

LFB Biotechnologies

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").

Under the terms of the LFB License Agreement, we utilize LFB Group for certain development and manufacturing services. We incurred expenses of $2.3 million and $2.2 million during the three months ended June 30, 2016 and 2015, respectively, and $2.3 million and $2.4 million during the six months ended June 30, 2016 and 2015, respectively, which have been included in other research and development expenses in the accompanying condensed consolidated statements of operations. As of June 30, 2016 and December 31, 2015, we had approximately $1.7 million and $2.1 million, 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 June 30, 2016 and December 31, 2015, we recorded approximately $4.7 million and $3.0 million, respectively, in prepaid research and development for such advance payments.

Other Parties

In March 2014, we entered into a shared services agreement (the "Opus Shared Services Agreement") with Opus Point Partners Management, LLC ("Opus") in which the parties agreed to share the costs of a rented facility and certain other services. Our Executive Chairman and Interim Chief Executive Officer is a Managing Member of Opus. During the three and six months ended June 30, 2016, we incurred expenses of approximately $0.02 million and $0.1 million, respectively, principally for rent, related to this agreement. The Opus Shared Services Agreement is no longer in effect as we began occupying new space in April 2016. As of June 30, 2016, we had approximately $0.1 million recorded in accounts payable related to this Opus Shared Services Agreement.

In October 2014, we entered into an agreement (the "Office Agreement") with Fortress Biotech, Inc. ("Fortress"), to occupy approximately 45% of the 24,000 square feet of New York City office space leased by Fortress, which is now our corporate headquarters. The Office Agreement requires us to pay our respective share of the average annual rent and other costs of the 15-year lease. We approximate an average annual rental obligation of $1.1 million under the Office Agreement. We began to occupy this new space in April 2016, with rental payments beginning in the third quarter of 2016. Mr. Weiss, our Executive Chairman and Interim CEO, is also Executive Vice Chairman of Fortress.

In connection with the Office Agreement, we paid approximately $0.1 million in advance rent, which is recorded in other current assets in the accompanying condensed consolidated balance sheets as of June 30, 2016 and December 31, 2015. During the six months ended June 30, 2016,we agreed to pay Fortress $2.0 million for our portion of the build out costs, which have been allocated to us at the 45% rate mentioned above. The allocated build-out costs have been recorded in Leasehold Interest and will be amortized over the 15-year term of the Office Agreement. After an initial commitment period of three (3) years, Fortress will assess actual office space utilization annually and if our utilization differs from the amount we have been billed, we will either receive credits or be assessed incremental utilization charges. As of June 30, 2016, we had approximately $1.1million recorded in accounts payable related mostly to the upfront leasehold interest. Also in connection with this lease, in October 2014 we pledged $0.6 million to secure a line of credit as a security deposit for the Office Agreement, which has been recorded as restricted cash in the accompanying condensed consolidated balance sheets.

In July 2015, we entered into a Shared Services Agreement (the "Shared Services Agreement") with Fortress to share the cost of certain services such as facilities use, personnel costs and other overhead and administrative costs. This Shared Services Agreement requires us to pay our respective share of services utilized. In connection with the Shared Services Agreement, we incurred expenses of approximately $0.4 million for shared services for the six months ended June 30, 2016, primarily related to shared personnel.

In May 2016, as part of a broader agreement with Jubilant, an India-based biotechnology company, we entered into the JBET Agreement with Checkpoint, a subsidiary of Fortress, for the development and commercialization of Jubilant's novel BET inhibitor program in the field of hematological malignancies. We paid Checkpoint an up-front licensing fee of $1.0 million as part of the JBET Agreement. As of June 30, 2016, we had approximately $1.2 million recorded in accounts payable of which $1.0 million related to the licensing fee. Mr. Weiss is also the Executive Chairman of Checkpoint.

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, 2015.

OVERVIEW

We are a biopharmaceutical company focused on the acquisition, development and commercialization of novel treatments for B-cell malignancies and autoimmune diseases. Currently, the Company is developing two therapies targeting hematologic malignancies. TG-1101 (ublituximab) is a novel, glycoengineered monoclonal antibody that targets a specific and unique epitope on the CD20 antigen found on mature B-lymphocytes. We are also developing TGR-1202, an orally available PI3K delta inhibitor. The delta isoform of PI3K is strongly expressed in cells of hematopoietic origin and is believed to be important in the proliferation and survival of B-lymphocytes. Both TG-1101 and TGR-1202 are in clinical development for patients with hematologic malignancies. The Company also has pre-clinical programs to develop IRAK4 (interleukin-1 receptor-associated kinase 4) inhibitors, BET inhibitors, and anti-PD-L1 and anti-GITR antibodies.

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 by us 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 2015 of more than $7 billion.

Clinical Trials Overview and Recent Developments

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. 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:

- The GENUINE Trial – a randomized controlled Phase 3 trial evaluating TG-1101 in combination with ibrutinib, for previously treated CLL patients with high risk cytogenetics;
- The UNITY-CLL Trial – a randomized controlled Phase 3 trial evaluating TG-1101 in combination with TGR-1202, the Company's development stage PI3K delta inhibitor, for patients with front line and previously treated CLL;
- The UNITY-DLBCL Trial – registration-directed UNITY-DLBCL Phase 2b clinical study evaluating TG-1101, in combination with TGR-1202, as well as TGR-1202 alone, in patients with previously treated Diffuse Large B-Cell Lymphoma (DLBCL); and
- TG-1101 + TGR-1202 + Pembrolizumab for patients with CLL.

In addition, we have announced our intent of evaluating TG-1101 for the treatment of certain autoimmune diseases.Currently, TG-1101 is being evaluated in a Phase 2 study for the treatment of Multiple Sclerosis (MS) and in an investigator initiated Phase 1 study for the treatment of acute neuromyelitis optica (NMO) relapses, with additional autoimmune related indications planned to be studied. Further details on our priority ongoing combination trials for TG-1101 are as follows:

TG-1101 + Ibrutinib Phase 3 Study Program – The GENUINE Trial

We reached an agreement with the U.S. Food and Drug Administration (FDA) regarding a Special Protocol Assessment (SPA) on the design, endpoints and statistical analysis approach of a Phase 3 clinical trial for TG-1101 + ibrutinib for the treatment of previously treated CLL 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.

The Phase 3 trial, named the GENUINE trial, is a randomized controlled clinical trial, with patients receiving either TG-1101 plus ibrutinib or ibrutinib alone. The trial will enroll approximately 330 patients, with the first 200 patients evaluated for overall response rate (ORR), and all patients followed for progression-free survival (PFS). As per the SPA, if the data is positive, 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, with the PFS assessment intended to support a filing for full approval.

TG-1101 in Combination with TGR-1202 Phase 3 Study Program – The UNITY-CLL Trial

In September 2015, we reached an agreement with the FDA regarding an SPA on the design, endpoints and statistical analysis approach of a Phase 3 clinical trial for the proprietary combination of TG-1101 plus TGR-1202, for the treatment of CLL. The SPA provides agreement that the Phase 3 trial design adequately addresses objectives that, if met, would support the regulatory submission for drug approval of both TG-1101 and TGR-1202 in combination.

The Phase 3 trial, called the UNITY-CLL trial, is a randomized controlled clinical trial that includes two key objectives: first, to demonstrate contribution of each agent in the TG-1101 + TGR-1202 regimen (the combination sometimes referred to as "1303"), and second, to demonstrate superiority in Progression Free Survival (PFS) over the standard of care to support the submission for full approval of the combination. The study will randomize patients into four treatment arms: TG-1101 + TGR-1202, TG-1101 alone, TGR-1202 alone, and an active control arm of obinutuzumab (GAZYVA®) + chlorambucil. An early interim analysis will assess contribution of each single agent in the TG-1101 + TGR-1202 combination regimen, which, if successful, will allow early termination of both single agent arms. A second interim analysis will be conducted following full enrollment into the study, which, if positive, we plan to utilize for accelerated approval. Assuming early termination of the TG-1101 and TGR-1202 single agent arms, the study will enroll approximately 450 patients.

TG-1101 in Combination with TGR-1202 Phase 2b Registration-Directed Program – The UNITY-DLBCL Trial

In June 2016, we commenced a registration-directed UNITY-DLBCL Phase 2b clinical study evaluating TG-1101 in combination with TGR-1202, as well as TGR-1202 alone, in patients with previously treated DLBCL.

The study, entitled "A Phase 2b Randomized Study to Assess the Efficacy and Safety of the Combination of Ublituximab + TGR-1202 and TGR-1202 alone in Patients with Previously Treated Diffuse Large B-Cell Lymphoma," is being led by Owen A. O'Connor, MD, PhD, Professor of Medicine and Experimental Therapeutics, and Director of the Center for Lymphoid Malignancies at Columbia University Medical Center. The primary objective of the study is to assess the efficacy of TGR-1202 alone and in combination with TG-1101 in patients with previously treated DLBCL as measured by Overall Response Rate (ORR). The study will also provide important information as to the contribution of each agent, TGR-1202 and TG-1101, to the combination regimen of both agents. In addition to monitoring for safety and efficacy this study will analyze the impact of cell of origin (GCB vs. ABC), mutational status and select biomarkers of efficacy.

TGR-1202

Overview

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 worldwide, except for India which has been retained by Rhizen Pharmaceuticals S A.

Pre-Clinical Update TGR-1202

In April 2016, at the American Association for Cancer Research (AACR) Annual Meeting 2016, in New Orleans, Louisiana the Company presented pre-clinical data describing the differential regulation of human T-cells by TGR-1202 in a poster presentation.

Clinical Trials Overview and Recent Developments

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. In addition to the previously described study in combination with TG-1101 with or without the BTK inhibitor, ibrutinib, our current combination clinical trials for TGR-1202 are:

- TGR-1202 in combination with the anti-CD20 antibody, obinutuzumab (GAZYVA®) and chlorambucil in patients with CLL;
- TGR-1202 in combination with the anti-CD30 antibody drug conjugate, brentuximab vedotin (ADCETRIS®), in patients with relapsed or refractory Hodgkin’s lymphoma;
- TGR-1202 in combination with the BTK inhibitor, ibrutinib, in patients with previously treated CLL and MCL; and
- TGR-1202 in combination with the JAK inhibitor, ruxolitinib (JAKAFI®), in patients with previously treated Myelofibrosis or Polycythemia Vera

In addition, given the favorable safety profile demonstrated to date, a trial of TGR-1202 monotherapy in patients with CLL who were previously intolerant to prior BTK or PI3K inhibitor therapy is also underway.

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

In January 2013, the Company 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 with Howard “Skip” Burris, MD, Executive Director, Drug Development as the acting Study Chair. Enrollment is open to patients with relapsed or refractory NHL, CLL, and other select hematologic malignancies. As of February 2016, this study has closed to enrollment.

Data from this ongoing Phase I study was most recently presented at the57th Annual American Society of Hematology (ASH) meeting held in December 2015, with updated data presented as part of an integrated analysis as described below.

TGR-1202 Long-term Follow-up Integrated Analysis in Patients with Relapsed/Refractory Hematologic Malignancies

In June 2016, at the 52nd Annual Meeting of the American Society of Clinical Oncology (ASCO) and at the 21st Congress of the European Hematology Association (EHA), the Company presented integrated data with long term follow-up from 165 patients exposed to TGR-1202 monotherapy or the combination of TGR-1202 plus TG-1101, which continued to demonstrate high response rates in CLL, NHL, and DLBCL coupled with a favorable safety profile.

TGR-1202 in Combination with obinutuzumab and chlorambucil in patients with CLL

In March 2014, the Company initiated a Phase I/Ib, open label, multi-center, clinical trial of TGR-1202 in combination with obinutuzumab and chlorambucil in patients with CLL, both treatment naïve and relapsed. The study entitled TGR-GA-106, "A Multi-center Phase I/Ib Study Evaluating the Efficacy and Safety of TGR-1202, a Novel PI3K Delta Inhibitor, in Combination with Obinutuzumab and Chlorambucil in Patients with Chronic Lymphocytic Leukemia (CLL)," is being led by Dr. Daruka Mahadevan of the West Clinic in Memphis, TN. As of February 2016, this study has completed enrollment.

Data from the study was presented at the57th Annual American Society of Hematology (ASH) meeting held in December 2015.

TGR-1202 Combination Trials

TGR-1202 is being evaluated in combination with the anti-CD30 antibody drug conjugate, brentuximab vedotin, in patients with relapsed or refractory Hodgkin’s lymphoma; in combination with the BTK inhibitor, ibrutinib, in patients with CLL and MCL; and in combination with the JAK inhibitor, ruxolitinib, in patients with Myelofibrosis or Polycythemia Vera. It is anticipated that preliminary results from these studies will be presented at future medical conferences.

TGR-1202 in Solid Tumors

In addition to the exploration of TGR-1202 in various hematologic malignancies, a study was opened in October 2015 to evaluate TGR-1202 as a single agent as well as in combination with various chemotherapies for the treatment of select solid tumors. The study, entitled TGR-1202-102, “A Phase I Study Evaluating the Safety and Efficacy of TGR-1202 Alone and in Combination with either nab-paclitaxel + Gemcitabine or with FOLFOX in Patients with Select Relapsed or Refractory Solid Tumors” is being run in collaboration with the Sarah Cannon Research Institute in Nashville, TN with Johanna Bendell, MD, Director of GI Oncology Research as the acting study chair.

IRAK4

Interleukin-1 Receptor Associated Kinase 4, referred to as IRAK4, is a key signaling kinase that becomes inappropriately activated in tumors that carry certain oncogenic mutations of MYD88, which can be found in most patients with Waldenström's Macroglobulinemia, a rare B-cell cancer, as well as in a sub-set of patients with Non-Hodgkin's Lymphoma and Chronic Lymphocytic Leukemia. Additionally, IRAK4 is a key component of signaling pathways which regulate immune and inflammatory processes suggesting that inhibition of IRAK4 may also be useful in the treatment of autoimmune related disorders. We hold global rights to develop and commercialize the IRAK4 program, which was licensed from Ligand Pharmaceuticals. Our IRAK4 program is currently in pre-clinical development. In April 2015, we presented pre-clinical data on the IRAK4 compounds at the 2015 American Association for Cancer Research (AACR) Annual Meeting held in Philadelphia, PA.

PD-L1 and GITR

In March 2015, we entered into a global collaboration agreement for the development and commercialization of anti-PD-L1 and anti-GITR antibody research programs in the field of hematological malignancies. Our anti-PD-L1 and anti-GITR programs are currently in pre-clinical development.

BET

In May 2016, as part of a broader agreement with Jubilant Biosys ("Jubilant"), an India-based biotechnology company, we entered into a sub-license agreement ("JBET Agreement") with Checkpoint Therapeutics, Inc. ("Checkpoint"), a subsidiary of Fortress, for the development and commercialization of Jubilant's novel BET inhibitor program in the field of hematological malignancies. The BET inhibitor program is the subject of a family of patents covering compounds that inhibit BRD4, a member of the BET (Bromodomain and Extra Terminal) domain for cancer treatment. Our BET inhibitor program is currently in pre-clinical development.

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 condensed 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 June 30, 2016 and 2015

License Revenue. License revenue was $38,095 for each of the three months ended June 30, 2016 and 2015. License revenue is 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 Compensation Expense (Research and Development). Noncash compensation expense (research and development) related to equity incentive grants totaled $567,157 for the three months ended June 30, 2016, as compared to $1,359,446 during the comparable period in 2015. The decrease in noncash compensation expense was primarily related to milestone-based vesting of restricted stock grants to personnel that occurred during the period ended June 30, 2015 and a decrease in the measurement date fair value of certain consultant restricted stock during the period ended June 30, 2016.

Other Research and Development Expenses. Other research and development expenses increased by $3,064,360 to $12,966,574 for the three months ended June 30, 2016, as compared to $9,902,214 for the three months ended June 30, 2015. The increase was mainly due to a $1.0 million licensing fee for the Jubilant sub-license agreement, as well as an increase in manufacturing and clinical trial expenses related to TGR-1202 of $0.5 million, partially offset by a decrease in manufacturing and clinical trial expenses related to TG-1101 of $0.2 million during the three months ended June 30, 2016. We expect our other research and development costs to increase for the remainder of 2016 as the enrollment of Phase 3 clinical trials increases and we prepare for launch.

Noncash Compensation Expense (General and Administrative). Noncash compensation expense (general and administrative) related to equity incentive grants decreased by $3,802,300 to $1,081,240 for the three months ended June 30, 2016, as compared to $4,883,540 for the three months ended June 30, 2015. The decrease in noncash compensation expense was primarily related to a decrease in the measurement date fair value of certain consultant restricted stock during the three months ended June 30, 2016.

Other General and Administrative Expenses. Other general and administrative expenses increased by $442,092 to $1,446,567 for the three months ended June 30, 2016, as compared to $1,004,475 for the three months ended June 30, 2015. The increase was due primarily to the straight-line rent expense of our new office space, as well as increased personnel and other general and administrative costs. We expect our other general and administrative expenses to remain at a comparable level for the remainder of 2016.

Other (Income) Expense. Other income increased by $115,984 to $124,381 for the three months ended June 30, 2016, as compared to $8,397 for the three months ended June 30, 2015. The increase is mainly due to an increase in interest income for the three months ended June 30, 2016.

Six months ended June 30, 2016 and 2015

License Revenue. License revenue was $76,190 for each of the six months ended June 30, 2016 and 2015. License revenue for the six months ended June 30, 2016 and 2015 was related to the amortization of an upfront payment of $2.0 million received in 2012 associated with our license agreement with Ildong.

Noncash Compensation Expense (Research and Development). Noncash compensation expense (research and development) related to equity incentive grants totaled $954,082 for the six months ended June 30, 2016, as compared to $2,697,354 during the comparable period in 2015. The decrease in noncash compensation expense was primarily related to milestone-based vesting of restricted stock grants to non-executive personnel and a decrease in the measurement date fair value of certain consultant restricted stock during the period ended June 30, 2016.

Other Research and Development Expenses. Other research and development expenses increased by $6,015,344 to $24,196,989 for the six months ended June 30, 2016, as compared to $18,181,645 for the six months ended June 30, 2015. The increase in other research and development expenses was due primarily to a $1.0 million licensing fee for the Jubilant sub-license agreement, as well as an increase in manufacturing and clinical trial expenses related to TGR-1202 of $2.4 million, partially offset by a decrease in manufacturing and clinical trial expenses related to TG-1101 of $0.9 million for the six months ended June 30, 2016. We expect our other research and development costs to increase for the remainder of 2016 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 decreased by $6,509,380 to $2,393,280 for the six months ended June 30, 2016, as compared to $8,902,660 for the six months ended June 30, 2015. The decrease in noncash compensation expense was primarily related to a decrease in the measurement date fair value of certain consultant restricted stock during the period ended June 30, 2016.

Other General and Administrative Expenses. Other general and administrative expenses increased by $538,476 to $2,547,438 for the six months ended June 30, 2016, as compared to $2,008,962 for the six months ended June 30, 2015. The increase was due primarily to the straight-line rent expense of our new office space, as well as increased personnel and other general and administrative costs. We expect our other general and administrative expenses to remain at a comparable level for the remainder of 2016.

Other (Income) Expense. Other income increased by $234,362 to $267,875 for the six months ended June 30, 2016, as compared to $33,513 for the six months ended June 30, 2015. The increase is mainly due to an increase in interest income for the six months ended June 30, 2016.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of cash have been from the sale of equity securities, warrant and option exercises, and 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.

As of June 30, 2016, we had approximately $75.8 million in cash and cash equivalents, investment securities, and interest receivable.

We anticipate that our cash and cash equivalents as of June 30, 2016 are sufficient to fund our anticipated operating cash requirements for approximately 18 to 24 months from June 30, 2016. 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 six months ended June 30, 2016 was $29,524,062 as compared to $21,130,879 for the six months ended June 30, 2015. 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.

For the six months ended June 30, 2016, net cash used in investing activities was $509,978 as compared to $27,240,905 for the six months ended June 30, 2015. The decrease in net cash used in investing activities was primarily due to greater investments in held-to-maturity treasury securities during the six months ended June 30, 2015, and greater proceeds from maturity of investments during the six months ended June 30, 2016.

For the six months ended June 30, 2016 and 2015, net cash provided by financing activities of $3,550,543 and $52,958,086, respectively, related to our ATM program, 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 June 30, 2016 and December 31, 2015, there was $799,391 of goodwill on our condensed 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 condensed 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 statements 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.

RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2016, the FASB issued ASU No. 2016-11, "Rescission of SEC Guidance Because of Accounting Standards Update 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting" ("ASU 2016-11"). ASU 2016-11 rescinds certain SEC guidance from the *FASB Accounting Standards Codification* in response to announcements made by the SEC staff at the Emerging Issues Task Force's March 3, 2016 meeting. Specifically, ASU 2016-11 supersedes SEC observer comments on the following topics:

- Upon the adoption of ASU 2014-09:
  - Revenue and expense recognition for freight services in process (ASC 605-20-S99-2)
  - Accounting for shipping and handling fees and costs (ASC 605-45-S99-1)
  - Accounting for consideration given by a vendor to a customer (ASC 605-50-S99-1)
  - Accounting for gas-balancing arrangements (ASC 932-10-S99-5).

- Upon the adoption of ASU 2014-16:
  - Determining the nature of a host contract related to a hybrid financial instrument issued in the form of a share under ASC 815 (ASC 815-10-S99-3).

ASU 2016-11 is effective upon the adoption of ASU 2014-09 and ASU 2014-16. The adoption of ASU 2016-11 is not expected to have a material impact on the Company's condensed consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, "Simplifying the Accounting for Share-Based Payments" ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual reporting periods. The provisions of this standard are not expected to significantly impact the Company.

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 June 30, 2016, 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 June 30, 2016, 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 June 30, 2016, 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 June 30, 2016 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 or BET inhibitors, nor for our anti-PD-L1 and anti-GITR antibodies. Additionally, there can be no assurance given that any of the molecules under development in our IRAK4 or BET inhibitor program or in our anti-PD-L1 and anti-GITR antibody research 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, and an active IND for TG-1101 under the FDA's Division of Neurology,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 forTG-1101 and TGR-1202. Early clinical results seen withTG-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. Our IRAK4, BET, anti-PD-L1 and anti-GITR programs are all in pre-clinical development and no assurance can be given that they will advance into clinical development. If the results from additional pre-clinical studies or early clinical trials differ from those found in earlier studies, our clinical development plans and timelines for this program could be adversely affected which could have a material adverse effect on our business. Many drugs fail in the early stages of clinical development for safety and tolerability issues, accordingly if our pre-clinical assets advance into clinical development, no assurance can be made that a safe and efficacious dose can be found.

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 previously treated patients with high-risk CLL, and in September 2015 we announced a Phase 3 clinical trial for the combination of TG-1101 + TGR-1202 for patients with CLL, each of which are being conducted pursuant to SPAs 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 for some of our product registration strategies, based on protocol designs negotiated with the FDA, we may be subject to enhanced scrutiny. Further, any changes or amendments to a protocol that is being conducted under SPA will have to be reviewed and approved by the FDA to verify that the SPA agreement is still valid. 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 both TG-1101 and TGR-1202, the toxicity when manufactured under different conditions and in different formulations 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. Further, with respect to TGR-1202, although more than 300 patients have been dosed amongst all ongoing TGR-1202 studies, the full adverse effect profile of TGR-1202 is not known. It is unknown as the additional patients are exposed for longer durations to TGR-1202, whether greater frequency and/or severity of adverse events are likely to occur. Common toxicities of other drugs in the same class as TGR-1202 include high levels of liver toxicity, infections and colitis, the latter of which notably has presented with later onset, with incidence increasing with duration of exposure. To date, the incidence of these events has been limited for TGR-1202, however no assurance can be given that this safety and tolerability profile will continue to be demonstrated in the future as higher doses, longer durations of exposure, and multiple drug combinations are explored. 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, or even if approved for sale may lack differentiation from competitive products, 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 together, as well as 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 have recently engaged a secondary manufacturer for TG-1101 to meet our current clinical and future commercial needs and anticipate engaging additional manufacturing sources for TGR-1202 to meet expanded clinical trial and commercial needs. While material produced from this secondary manufacturer for TG-1101 has to date demonstrated acceptable comparability, no assurance can be given that any additional manufacturers will be successful or that material manufactured by the additional manufacturers will perform comparably to TG-1101 or TGR-1202 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 a secondary manufacturer is not successful in replicating the product or experiences delays, or if regulatory authorities impose unforeseen requirements with respect to product comparability from multiple manufacturing sources, we may experience delays in 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. Additionally, numerous established therapies exist for the autoimmune disorders for which we are developing TG-1101, including and in particular, multiple sclerosis (MS).

If approved, we expect TG-1101 to compete directly with Roche Group's Rituxan® (rituximab) and Gazyva® (obinutuzumab or GA-101), 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 both in oncology settings as well as in autoimmune disorders. Recently, positive Phase 3 data was announced for the Roche Group's anti-CD20 antibody ocrelizumab in the treatment of MS, which we anticipate will be filed for approval in the near term. Genmab and GSK's (ofatumumab) is also under clinical development for patients with MS. 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' duvelisib (IPI-145) 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 both approved and in development, which could also compete with TGR-1202 in similar indications, such as the BTK inhibitor, ibrutinib (FDA approved for MCL, CLL, and WM and marketed by AbbVie and Janssen), the BTK inhibitor ACP-196 (under development by AstraZeneca), or the BCL-2 inhibitor ABT-199 (FDA approved for CLL and marketed 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, CLL, or other B-cell and autoimmune related disorders 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. Additionally, while we may seek approval of our products in combination with each other, there can be no guarantee that we will obtain coverage and reimbursement for any of our products together, or that such reimbursement will incentivize the use of our products in combination with each other as opposed to in combination with other agents which may be priced more favorably to the medical community.

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 August 1, 2016, we had forty-nine 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 forTG-1101 and TGR-1202 in various indications and settings have been applied for but have not yet been issued, or have been issued in certain territories but not under all jurisdictions in which such applications have been filed. While composition of matter patents have been granted in the US for TG-1101 and TGR-1202, no patents to date have been issued for our IRAK4 inhibitor and anti-PD-L1 and anti-GITR programs. There can be no guarantee that any of these patents for which an application has already been filed, nor any patents filed in the future for our product candidates will be granted in any or all jurisdictions in which there were filed, or that all claims initially included in such patent applications will be allowed in the final patent that is issued. 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 June 30, 2016, we had net cash, cash equivalents, investment securities and interest receivable of approximately $75.8 million. We believe that our cash and cash equivalents and investments will sustain our operations for approximately 18 to 24 months from June 30, 2016. As a result, we will need additional capital to continue our operations beyond that time. Required additional sources of financing to continue our operations in the future might not be available on favorable terms, if at all. 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 or financings.

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 applied for or 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 prospects 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 June 30, 2016, we had an accumulated deficit of $187.9 million. We have generated operating losses in all periods since we were incorporated. We expect to make substantial expenditures resulting in increased 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.

Risks Related to Our Common Stock

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

Our directors, executive officers, their affiliates, and our principal stockholders beneficially own approximately 58% 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.

Certain anti-takeover provisions in our charter documents and Delaware law could make a third-party acquisition of us difficult. This could limit the price investors might be willing to pay in the future for our common stock.

Provisions in our amended and restated certificate of incorporation and restated bylaws could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, or control us. These factors could limit the price that certain investors might be willing to pay in the future for shares of our common stock. Our amended and restated certificate of incorporation allows us to issue preferred stock without the approval of our stockholders. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of our common stock or could adversely affect the rights and powers, including voting rights, of such holders. In certain circumstances, such issuance could have the effect of decreasing the market price of our common stock. Our restated bylaws eliminate the right of stockholders to call a special meeting of stockholders, which could make it more difficult for stockholders to effect certain corporate actions. Any of these provisions could also have the effect of delaying or preventing a change in control.

On July 18, 2014, the Board of Directors declared a distribution of one right for each outstanding share of common stock. The rights may have certain anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire us on terms not approved by the Board of Directors unless the offer is conditioned on a substantial number of rights being acquired. However, the rights should not interfere with any merger, statutory share exchange or other business combination approved by the Board of Directors since the rights may be terminated by us upon resolution of the Board of Directors. Thus, the rights are intended to encourage persons who may seek to acquire control of the Company to initiate such an acquisition through negotiations with the Board of Directors. However, the effect of the rights may be to discourage a third party from making a partial tender offer or otherwise attempting to obtain a substantial equity position in the equity securities of, or seeking to obtain control of, the Company. To the extent any potential acquirers are deterred by the rights, the rights may have the effect of preserving incumbent management in office.

ITEM 6. EXHIBITS

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

10.1	Sublicense Agreement by and between TG Therapeutics, Inc. and Checkpoint Therapeutics, Inc., dated May 26, 2016.*
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 August 9, 2016.
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 August 9, 2016.
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 August 9, 2016.
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 August 9, 2016.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statement of Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements (filed herewith).

* Subject to a request for confidential treatment.

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: August 9, 2016

By: /s/ Sean A. Power
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:

10.1	Sublicense Agreement by and between TG Therapeutics, Inc. and Checkpoint Therapeutics, Inc., dated May 26, 2016.*
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 August 9, 2016.
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 August 9, 2016.
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 August 9, 2016.
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 August 9, 2016.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statement of Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements (filed herewith).

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: August 9, 2016

/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: August 9, 2016

/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 June 30, 2016 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: August 9, 2016

/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 June 30, 2016 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: August 9, 2016

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

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

Exhibit No. 10.1

SUBLICENSE AGREEMENT

THIS SUBLICENSE AGREEMENT (the "**Agreement**") is dated as of May 26, 2016 (the "**Effective Date**") by and between Checkpoint Therapeutics, Inc, a Delaware corporation with its place of business at 2 Gansevoort Street, 9th Floor, New York, New York 10014 (" **Checkpoint**"), and TG Therapeutics, Inc., a Delaware corporation with its place of business at 2 Gansevoort Street, 9th Floor, New York, New York 10014 (" **TGTX**"). Checkpoint, on the one hand, and TGTX, on the other hand, shall each be referred to herein as a "**Party**" or, collectively, as the "**Parties**."

RECITALS:

WHEREAS, Checkpoint is party to that certain license agreement (the "License Agreement") dated the date hereof with Jubilant Biosys Limited ("Licensor"); and

WHEREAS, Jubilant is the owner of certain rights in Licensor Technology; and

WHEREAS, Jubilant has licensed rights to the Licensor Technology to Checkpoint; and

WHEREAS, Checkpoint is permitted under Section 2.1 of the License Agreement to grant sublicenses of the rights granted to it under the Licensor Technology; and

WHEREAS, TGTX is engaged in the research, development, manufacturing and commercialization of pharmaceutical products, and TGTX is interested in developing and commercializing products containing or comprising the Compounds; and

WHEREAS, TGTX desires to sublicense from Checkpoint, and Checkpoint wishes to sublicense to TGTX, on an exclusive basis, the right to use Licensor Technology to Develop and Commercialize products containing the Compounds in the Territory and for a defined field of use.

NOW, THEREFORE, in consideration of the foregoing and of the various promises and undertakings set forth herein, the Parties agree as follows:

ARTICLE I.

DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1. "**Abandoned Patent**" is defined in Section 6.1(b).

1.2. "**Abandoned Terminated Country**" is defined in Section 6.1(b).

1.3. "**Abandonment**" or "**Abandon**" is defined in Section 6.1(b).

1.4. "**Affiliate**" means a Person or entity that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this Section 1.4, the word "**control**" (including, with correlative meaning, the terms "**controlled by**" or "**under common control with**") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of at least 50% of the voting stock of such entity, or by contract or otherwise.

1.5. "**BLA**" means a Biologics License Application under the United States' Public Health Services Act and Federal Food, Drug and Cosmetics Act, each as amended, and the regulations promulgated thereunder, or a comparable filing seeking Regulatory Approval in any country.

1.6. "**Business Day**" means any day other than Saturday, Sunday, or a day that is a federal legal holiday in the U.S.

1.7. "**Calendar Quarter**" means each three -month period commencing January 1, April 1, July 1 or October 1, provided however that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the termination or expiration of this Agreement.

1.8. "**Calendar Year**" means the period beginning on the 1st of January and ending on the 31st of December of the same year, provided however that (a) the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the same calendar year as the Effective Date, and (b) the last Calendar Year of the Term shall commence on January 1 of the Calendar Year in which this Agreement terminates or expires and end on the date of termination or expiration of this Agreement.

1.9. "**cGCP**" means current Good Clinical Practices (a) as promulgated under 21 C.F.R. Parts 11, 50, 54, 56, 312 and 314, as the same may be amended or re-enacted from time to time and (b) required by law in countries other than the United States where clinical studies are conducted.

1.10. "**cGLP**" means current Good Laboratory Practices (a) as promulgated under 21 C.F.R. Part 58, as the same may be amended or re-enacted from time to time and (b) as required by law in countries other than the United States where non-clinical laboratory studies are conducted.

1.11. "**cGMP**" means current Good Manufacturing Practices (a) as promulgated under 21 C.F.R. Parts 210 and 211, as the same may be amended or re-enacted from time to time and (b) as required by law in countries other than the United States where pharmaceutical product Manufacturing is conducted.

1.12. "**Clinical Trial**" means any Phase 1 Trial, Phase 2 Trial, Phase 3 Trial, or Post-Marketing Study, as applicable.

1.13. "**Combination Product**" means (a) a product containing a Licensed Product together with one or more other active ingredients that have independent biologic or chemical activity when present alone that are sold as a single unit, or (b) a Licensed Product together with one or more products, devices, pieces of equipment or components thereof, that are sold as a single package at a single price.

1.14. "**Commercialization**" or "**Commercialize**" means (a) any and all activities undertaken at any time for a particular Licensed Product and that relate to the manufacturing, marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of the Licensed Product, (b) seeking Pricing Approvals and Reimbursement Approvals for such Licensed Product, (c) Post-Marketing Studies and (d) interacting with Regulatory Authorities regarding the foregoing (a) through (c).

1.15. "**Commercially Reasonable Efforts**" means the carrying out of obligations or tasks in a manner consistent with the efforts a Party (which in no event shall be less than the level of efforts and resources standard in the pharmaceutical industry for a company similar in size and scope to such Party) consistent with its normal business practices devotes to research, development or marketing of a pharmaceutical product or products of similar market potential, profit potential resulting from its own research efforts or for its own benefit, taking into account technical, regulatory and intellectual property factors, target product profiles, product labeling, past performance, costs, economic return, the regulatory environment and competitive market conditions in the therapeutic or market niche. Sublicensees shall be measured to the standard of Commercially Reasonable Efforts of the Party from whom they directly or indirectly licensed.

1.16. "**Competing Product**" means BRD4 inhibitors.

1.17. "**Compound**" means (i) the compounds set forth onSchedule 1 attached hereto and (ii) any all compounds structurally related to such compounds that are Covered by Licensor Patents set forth in Schedule 2 hereto.

1.18. "**Controlled**" means, with respect to (a) Patent Rights, (b) Know-How or (c) biological, chemical or physical material, that a Party or one of its Affiliates owns or has a license or sublicense to such Patent Rights, Know-How or material (or in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such Patent Rights, Know-How or material as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party.

1.19. "**Covered**" means that the use, manufacture, sale, offer for sale, development, commercialization or importation of the subject matter in question by an unlicensed entity would infringe a Valid Claim of a Patent Right; provided that infringement of any Valid Claim of a pending patent application shall be determined as if such Valid Claim were issued or granted.

1.20. "**Development**" or "**Develop**" means, with respect to a Licensed Product, (a) all non-clinical and clinical drug development activities that are undertaken after the Effective Date up to and including the date of obtaining Regulatory Approval of such Licensed Product including (i) the conduct of Clinical Trials, toxicology and pharmacology testing, test method development and stability testing, process development ("Process Development") (including the Manufacture of validation and engineering batches), formulation development, delivery system development, quality assurance and quality control development, analytical method development, human clinical studies and regulatory affairs activities and statistical analysis and report writing; (ii) the preparation of Clinical Trial design and operations; and (iii) preparing and filing Drug Approval Applications, (b) all activities related to the optimization of a commercial-grade Manufacturing process for the Manufacture of Licensed Product including, test method development and stability testing, formulation, validation, productivity, trouble shooting and next generation formulation, process development, Manufacturing scale-up, development-stage Manufacturing, and quality assurance/quality control development and (c) any and all other activities that may be necessary or useful to obtain Regulatory Approval. When used as a verb, "Developing" means to engage in Development and "Developed" has a corresponding meaning.

1.21. "**Development Inventions**" shall mean any inventions, improvements and Know-how (i) developed, generated, discovered, conceived or reduced to practice in whole or part by TGTX or its Affiliates, whether or not patentable, during the performance of the Development, relating to the development, use or manufacture of a (x) Compound or (y) Licensed Product, but only such distinct unit of such Licensed Product that contains no active ingredients other than Compounds, and (ii) solely owned by TGTX or its Affiliates. Development Inventions excludes Research Inventions.

1.22. "**Development Milestones**" means Milestones 1 through 5 in the table listing the Milestones in Section 5.2.

1.23. "**Development Patents**" means all Patent Rights Controlled by TGTX or its Affiliates Covering Development Inventions.

1.24. "**Development Plan**" means, with respect to a Compound and/or any Licensed Product, a high level non-binding written plan for, the Development activities anticipated to be conducted by TGTX or its Affiliates for such Compound and/or Licensed Product, as such written plan may be amended, modified or updated in accordance with Section 3.2. Topics that may be covered in the plan include (a) the Clinical Trials that are expected to be conducted, and the expected timeline for conducting such Clinical Trials; (b) the expected Drug Approval Applications to be required and prepared, and the expected timetable for making such Drug Approval Applications; (c) the proposed timelines for Manufacturing, Manufacturing scale-up, formulation, filling and/or shipping of the Product, and in each case the budgeted funding for such development activities.

1.25. "**Development Program**" means the Development activities to be conducted by TGTX during the Term with respect to the Compounds.

1.26. "**Development Report**" means with respect to a period, a report that summarizes: (a) significant Development activities conducted during such period and results obtained with respect to Compounds and Licensed Products (including the status of and plans for all Clinical Trials), (b) Significant Development Events applicable to the Compounds and/or Licensed Products, (c) a summary of all Development Inventions conceived or reduced to practice by TGTX over such period, and (d) an estimate of the expected timing of any Development Milestones with respect to the Licensed Products.

1.27. "**Drug Approval Application**" means, with respect to a Licensed Product in the Territory, an application for Regulatory Approval for such product in a country in the Territory. For purposes of clarity, Drug Approval Application shall include, without limitation, (a) an NDA or BLA (for U.S.) or MAA (for Europe); (b) a counterpart of an NDA, BLA or MAA in any country or region in the Territory; and (c) all supplements (including supplemental applications such as sNDAs) and amendments to the foregoing.

1.28. "**EMA**" means the European Medicines Agency or any successor agency.

1.29. "**Expert**" is defined in Section 11.2.

1.30. "**European Commission**" means the authority within the European Union that has the legal authority to grant Regulatory Approvals in the European Union based on input received from the EMA or other competent Regulatory Authorities.

1.31. "**EU**" means the member states of the European Union as of the Effective Date, as it is constituted on the Effective Date and as it may be expanded from time to time after the Effective Date.

1.32. "**FDA**" means the United States Food and Drug Administration, or a successor federal agency thereto.

1.33. "**FD&C Act**" means that federal statute entitled the Federal Food, Drug, and Cosmetic Act and enacted in 1938 as Public Law 75-717, as such may have been amended, and which is contained in Title 21 of the C.F.R. Section 301 et seq.

1.34. "**Field**" means all prophylactic, palliative, therapeutic or diangnostic uses in humans or animals for the prevention, diagnosis and treatment of hematological malignancies, including, without limitation, all Leukemia's, Lymphoma's, Multipe Myeloma and Waldenstrom's Macroglobulinemia.

1.35. "**First Commercial Sale**" means, with respect to a Licensed Product in any country, the first commercial sale, transfer or disposition of such Licensed Product in the Field in such country to a Third Party by TGTX, an Affiliate of TGTX and/or a Sublicensee, and shall include and mean to occur where the first commercial sale, transfer or disposition of any Licensed Product in that country takes place after Regulatory Approval therefor has been obtained in such country.

1.36. "**GAAP**" means United States generally accepted accounting principles.

1.37. "**Generic Product**" refers to any pharmaceutical product that is introduced in the applicable country by an entity other than TGTX or its Affiliates or Sublicensees, which contains the same or equivalent (by FDA or other Regulatory Authority standards, on a country-by-country basis) active pharmaceutical ingredient(s) as contained in a Licensed Product sold by TGTX or its Affiliate or Sublicensee in such country, including any such pharmaceutical product that is AB-rated or determined to be bioequivalent to a Licensed Product by the FDA or is otherwise substitutable for a Licensed Product or is similarly rated by other Regulatory Authorities outside the United States, on a country-by-country basis. For the avoidance of doubt, a Generic Product will not necessarily infringe a Licensor Patent.

1.38. "**Governmental Body**" means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.39. "**Hatch-Waxman Act**" means the Drug Price Competition and Patent Term Restoration Act of 1984, as amended.

1.40. "**Know-How**" means any scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including, without limitation, discoveries, inventions, trade secrets, databases, practices, protocols, regulatory filings, methods, processes, techniques, software, works of authorship, plans, concepts, ideas, biological and other materials, reagents, specifications, formulations, formulae, data (including, but not limited to, pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, the FDA or other Regulatory Authorities, and manufacturing process and development information, results and data, whether or not patentable, all to the extent not claimed or disclosed in a patent or pending patent application. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, and/or a development relating to the item, is (and remains) not known to the public. "Know-How" includes any rights including copyright, moral, trade secret, database or design rights protecting such Know-How. "Know-How" excludes Patent Rights.

1.41. "**IND**" shall mean any Investigational New Drug Application (including any amendments thereto) filed with the FDA pursuant to 21 C.F.R. §321 before the commencement of clinical trials of a Licensed Product, or any comparable filings with any Regulatory Authority in any other jurisdiction.

1.42. "**Launch**" means the First Commercial Sale of a Licensed Product by TGTX.

1.43. "**Law**" or "**Laws**" means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

1.44. "**Licensed Product**" means any product, that contains or comprises, in part or in whole, a Compound (alone or with one or more other active ingredients), in any dosage form, formulation, presentation or package configuration.

1.45. "**Licensor Know-How**" means any and all Know-How that (a) is Controlled by Licensor or any of its Affiliates as of the Effective Date or at any time thereafter during the Term and (b) pertains to the Manufacture, use or sale of Licensed Products, including Research Inventions (other than Research Patents).

1.46. "**Licensor Patents**" means all Patent Rights (i) that are Controlled by Licensor or any of its Affiliates as of the effective date of the License Agreement that Cover the Compound or a Licensed Product, or their Manufacture, sale or use, including the patent applications listed on Schedule 2 attached hereto, (ii) consisting of Research Patents, and (iii) any Patent Rights arising from the patents and patent applications described in the foregoing subclauses (i) and (ii).

1.47. "**Licensor Technology**" means the Licensor Patents and the Licensor Know-How.

1.48. "**Major Countries**" means Japan, the United States, England, Germany and France.

1.49. "**Manufacture**" means all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping and holding of Licensed Product or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial manufacture and analytic development, product characterization, stability testing, quality assurance and quality control.

1.50. "**Market**" means to promote, advertise, distribute, market, offer to sell and/or sell for purposes of a commercial sale, and "**Marketing**" and "**Marketed**" have a corresponding meaning.

1.51. "**Marketing Plan**" is defined in Section 3.7.

1.52. "**Milestone**" is defined in Section 5.2.

1.53. "**Milestone Payment**" is defined in Section 5.2.

1.54. "**NDA**" means a New Drug Application filed with the FDA pursuant to 21 C.F.R. §200, as such regulations may be amended from time to time, for approval by such agency for the sale of Licensed Products in the U.S., and all supplements filed pursuant to the requirements of the FDA (including all documents, data and other information concerning a Licensed Product that are necessary for, or included in, FDA approval to market a Licensed Product).

1.55. "**Net Sales**" means the gross amount invoiced or otherwise charged by TGTX, its Affiliates and Sublicensees ("Selling Party") to Third Parties for sales of a Licensed Product, less:

(a) Normal and customary trade, quantity, cash and discounts and credits allowed and taken;

(b) Discounts, refunds, rebates, chargebacks, retroactive price adjustments and any other allowances given and taken which effectively reduce the net selling price, including, without limitation, Medicaid rebates, institutional rebates or volume discounts;

(c) Product returns and allowances granted to such Third Party;

(d) Normal and customary administrative fees paid to group purchasing organizations (e.g., Medicare) and government-mandated rebates;

(e) Shipping, handling, freight, postage, insurance and transportation charges, but all only to the extent included as a separate line item in the gross amount invoiced;

(f) Any tax, tariff or duties properly imposed on the production, sale, delivery or use of the Licensed Product, including, without limitation, sales, use, excise or value added taxes and customs and duties;

(g) Allowances for reasonable and verifiable distribution expenses; and

(h) Bad debt actually written off during the accounting period, as reported by the Selling Party in accordance with GAAP, applied on a consistent basis.

Licensed Products are considered "sold" when billed out or invoiced or, in the event such Licensed Products are not billed out or invoiced, when the consideration for sale of the Products is received. If a sale, transfer or other disposition with respect to Licensed Products involves consideration other than cash or is not at arm's length, then the Net Sales from such sale, transfer or other disposition shall be calculated from the average selling price for such Licensed Product during the Calendar Quarter in the country where such sale, transfer or disposition took place. Notwithstanding the foregoing, Net Sales shall not include, and shall be deemed zero with respect to: (i) Licensed Products used by TGTX, its Affiliates or Sublicensees for their internal use (without receipt of value in excess of the cost of goods), (ii) the distribution of promotional samples of Licensed Products provided free of charge, (iii) Licensed Products provided free of charge or at a price not to exceed the cost of goods by TGTX for Clinical Trials or research, development or evaluation purposes, or (iv) sales of Licensed Products among TGTX and its Sublicensees and their respective Affiliates for resale (provided such Affiliate or Sublicensee is not the end user).

Net Sales of any Licensed Product that is part of a Combination Product shall be determined on a country-by-country basis as follows: the Net Sales of the Combination Product (prior to application of the following adjustment) shall be multiplied by the fraction A/(A+B), where A is the net selling price in such country of a Licensed Product without the additional active ingredient in the Combination Product, if sold separately for the same dosage as contained in the Combination Product, and B is the net selling price in such country of any other active ingredients in the combination if sold separately for the same dosage (or form) as contained in the Combination Product. All net selling prices of the elements of such Combination Product shall be calculated as the average net selling price of the said elements during the applicable accounting period for which the Net Sales are being calculated. In the event that, in any country, no separate sale of either such above-designated Licensed Product (containing only such Licensed Product and no other active ingredients) or any one or more of the active ingredients included in such Combination Product are made during the accounting period in which the sale was made or if the net selling price for an active ingredient cannot be determined for an accounting period, Net Sales for purposes of determining payments under this Agreement shall be calculated by multiplying the sales price of the Combination Product by a mutually agreed percentage based on the relative contribution of the Licensed Product and the other additional active ingredients.

Notwithstanding anything to the contrary, in the case of discounts on “bundles” of separate products or services which include Licensed Products (such “bundles” including but not limited to (w) situations where the Licensed Product is sold at a discount to induce the sale of other related or unrelated products, (x) contingent arrangements involving drugs that share the same NDC (whether the same or different package sizes), drugs with different NDCs, (y) circumstances in which a discount is conditioned on the achievement of some other performance requirement for the Licensed Product (e.g. achievement of market share or placement on a formulary tier), or (z) otherwise where the resulting price concessions or discounts are greater than those which would have been available had the bundled products been purchased separately or outside the bundled arrangement), TGTX may calculate Net Sales and royalties due hereunder by applying a discount to the price of a Licensed Product equal to the average percentage discount of all products of TGTX, its Affiliate(s), or Sublicensee(s) in a particular “bundle”, calculated as follows:

Average percentage

discount on a = [1 - (X/Y)] x 100

particular “bundle”

where X equals the total discounted price of a particular “bundle” of products, and Y equals the sum of the undiscounted bona fide list prices of each unit of every product in such “bundle”. If a Licensed Product in a “bundle” is not sold separately, and no bona fide list price exists for such Licensed Product, TGTX and Checkpoint shall, for purposes of calculating Net Sales and royalties due hereunder, negotiate in good faith a reasonable imputed list price for such Licensed Product and Net Sales with respect thereto shall be based on such imputed list price..

Undefined terms in the definition of Net Sales shall be construed in accordance with GAAP but only to the extent consistent with the express terms of the definition of Net Sales.

1.56. "**Paragraph IV Certification**" means a certification pursuant to the Drug Price Competition and Patent Term Restoration Act of 1984 (Public Law 98-417), as amended, which shall include but not be limited to any such certification pursuant to 21 U.S.C. §355(b)(2)(A)(iv) or 21 U.S.C. §355(j)(2)(A)(vii)(IV), or any reasonably similar or equivalent certification or notice in the United States or any jurisdiction outside the United States, included in (or made with respect to or in connection with) a Regulatory Filing concerning a Licensed Product and challenging the validity, infringement, or enforceability of any Licensor Patent.

1.57. "**Patent Prosecution**" means, with respect to any Patent Right (a) preparing, filing and prosecuting applications (of all types), (b) paying filing, issuance and maintenance fees, (c) managing and conducting any interference, opposition, invalidation, re-issue, reexamination, renovations, nullification, post-grant review, inter partes review, derivation proceeding, cancellation proceeding or other similar administrative proceeding or administrative appeal thereof and (d) subject to Sections 6.3(d) and 6.4(f), settling any interference, opposition, revocation, nullification or cancellation proceeding. A Party responsible for Patent Prosecution shall be responsible for all of its fees and expenses incurred in connection therewith (including, without limitation, attorneys' fees).

1.58. "**Patent Right**" means: (a) an issued or granted patent, including any extension, supplemental protection certificate, registration, confirmation, reissue, reexamination, extension or renewal thereof; (b) a pending patent application, including any continuation, divisional, continuation-in-part, substitute or provisional application thereof; and (c) all counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction.

1.59. "**Person**" means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

1.60. "**Phase I Trial**" means a clinical trial of a Licensed Product in human patients conducted primarily for the purpose of determining the safety, tolerability and preliminary activity of the Licensed Product, including, without limitation, for determining the maximum tolerated dose, or optimal dose. For purposes of this Agreement, a Phase I trial shall specifically exclude a study in healthy volunteers.

1.61. "**Phase II Trial**" means a clinical trial of a Licensed Product in human patients commenced after identifying the maximum tolerated dose, or a lower dose if it is determined to be the optimal dose by TGTX, conducted primarily for the purpose of obtaining sufficient information about the Licensed Product's safety and efficacy to permit the design of a Phase III Trial.

1.62. "**Phase III Trial**" means a clinical trial of a Licensed Product in human patients, which trial is designed (a) to establish that the Licensed Product is safe and efficacious for its intended use; (b) to define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; (c) to be, either by itself or together with one or more other clinical trials having a comparable design and size, the pivotal human clinical trial in support of an application for Regulatory Approval or label expansion of the Licensed Product, and (d) consistent with 21 CFR § 312.21(c) (as hereafter modified or amended), or with respect to a jurisdiction other than the United States, a similar clinical study.

1.63. "**Phase IV Clinical Trial**" or "**Post-Marketing Study**" means a post-marketing human clinical trial for a Licensed Product commenced after receipt of a Regulatory Approval in the country for which such trial is being conducted and that is conducted within the parameters of the Regulatory Approval for the Product. Phase IV Clinical Trials may include, without limitation, epidemiological studies, modeling and pharmacoeconomic studies, investigator-sponsored clinical trials of Product and post-marketing surveillance studies.

1.64. "**Pivotal Clinical Trial**" means (a) a Phase III Trial or, (b) a Phase II Trial to the extent: (i) in the United States, the protocol for that Phase II Trial shall have been reviewed by the FDA under its current Special Protocol Assessment Guidelines (or equivalent guidelines issued in the future), and any comments from the FDA on that protocol are incorporated in the final protocol for that Phase II Trial or are resolved to the FDA's satisfaction as evidenced by further written communications from the FDA; or (ii) a process with a comparable result – acceptance of a Phase II Trial protocol as "potentially pivotal" – has occurred with the EMA or other Regulatory Authorities in the EU; or (iii) based on the results of that Phase II Trial, either the FDA or the EMA has determined that the Phase II Trial can be considered as a pivotal clinical trial for purposes of obtaining Regulatory Approval.

1.65. "**Pricing Approval**" means any approval or authorization of any Governmental Body or Regulatory Authority establishing prices for a Licensed Product in a jurisdiction in the Territory.

1.66. "**Product Trademarks**" means the Trademark(s) to be used in connection with the Commercialization of Licensed Products in the Territory and any registrations thereof or any pending applications relating thereto (excluding, in any event, any trademarks, service marks, names or logos that include any corporate name or logo of the Parties or their Affiliates).

1.67. "**Proprietary Materials**" means any tangible chemical, biological or physical materials that are conceived or reduced to practice by TGTX in the conduct of the Development Program and/or in connection with the Commercialization of Licensed Products.

1.68. "**Regulatory Authority**" means (a) the FDA, (b) the EMA or the European Commission, or (c) any regulatory body with similar regulatory authority over pharmaceutical or biotechnology products in any other jurisdiction anywhere in the world.

1.69. "**Regulatory Approval**" means the license or marketing approval necessary as a prerequisite for Marketing a product in a country in the Territory. For the avoidance of doubt, Regulatory Approval outside of the United States shall include any Pricing Approval or marketing approval needed prior to the sale of a Licensed Product in the Field.

1.70. "**Regulatory Filing**" shall mean any filing or application with any Regulatory Authority, including INDs, NDAs and BLAs and their foreign equivalents with respect to a Licensed Product.

1.71. "**Reimbursement Approval**" means any approval or authorization of any Regulatory Authority or Governmental Body for establishing a health insurance or drug reimbursement scheme for a Licensed Product in a jurisdiction in the Territory.

1.72. "**Research Inventions**" shall mean any inventions, discoveries, improvements, processes, techniques, Know-How, information and data developed, generated, discovered, conceived or reduced to practice during the performance of the Work Plan (as defined in Section 4.1) and relating to the Compounds, whether or not patentable.

1.73. "**Research Patents**" means all Patent Rights Covering Research Inventions.

1.74. "**Response**" shall have the meaning set forth in Section 11.1.

1.75. "**Royalty Term**" means, and determined on a Licensed Product-by-Licensed Product and country-by-country basis, the period commencing from the First Commercial Sale of a given Licensed Product in such country and ending on the expiry of the last-to-expire Licensor Patent containing a Valid Claim Covering such Licensed Product in such country.

1.76. "**Significant Development Event**" means any of the following material Development events, a summary of which shall be included in any Development Report: (a) any material interaction and/or written correspondence between TGTX or its Sublicensees and any Regulatory Authority with respect to a Compound or a Licensed Product; (b) any material event with respect to any Clinical Trial involving the Compound and/or a Licensed Product, including any such event that is ongoing as of the date of the applicable Development Report, or is reasonably expected to occur or be initiated within twelve (12) months of the date of the applicable Development Report; and (c) any material result obtained in the conduct of any Clinical Trial involving a Compound and/or a Licensed Product during the period covered by the Development Report. For purposes of this definition, "material" shall be defined as any event and/or result which have had or may have a significant impact on the activities and timelines defined in the Development Plan of a Licensed Product.

1.77. "**sNDA**" means a supplemental New Drug Application, as defined in the FD&C Act and applicable regulations promulgated thereunder.

1.78. "**Sublicense**" means an agreement under which Licensee grants a sublicense under the license set forth in Section 2.1.

1.79. "**Sublicensee**" means a Third Party or Affiliate to which TGTX has, pursuant to Section 2.2, granted sublicense rights under any of the license rights granted under Section 2.1.

1.80. "**Tax**" or "**Taxes**" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.81. "**Technical Dispute**" shall have the meaning set forth in Section 11.2.

1.82. "**Terminated Country(ies)**" is defined in Section 10.9.

1.83. "**Territory**" means worldwide.

1.84. "**Third Party**" means any Person other than Licensor, Checkpoint, TGTX or their Affiliates.

1.85. "**Third Party Action**" means any claim or action made by a Third Party against a Party that claims that a Licensed Product's use, Development, manufacture or sale by TGTX or its Sublicensees infringes such Third Party's intellectual property rights in the Territory.

1.86. "**Trademark**" shall include any word, name, symbol, color, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, service mark, trade name, logo, design mark or domain name, whether or not registered.

1.87. "**United States**" or "**U.S."** means the United States of America and its territories and possessions.

1.88. "**Valid Claim**" means a claim of any pending Patent Right (including patent applications) or any issued, unexpired United States or granted foreign patent that has not been dedicated to the public, disclaimed, abandoned or held invalid or unenforceable by a court or other body of competent jurisdiction from which no further appeal can be taken, and that has not been explicitly disclaimed, or admitted in writing to be invalid or unenforceable or of a scope not covering a particular product or service through reissue, disclaimer or otherwise, provided that if a particular claim has not issued within eight (8) years of its initial filing, it shall not be considered a Valid Claim for purposes of this Agreement unless and until such claim is included in an issued or granted Patent, notwithstanding the foregoing definition.

ARTICLE II.

LICENSES AND OTHER RIGHTS

2.1. **Grant of License to TGTX.** Checkpoint, on behalf of itself and its Affiliates, hereby grants to TGTX and its Affiliates, and TGTX and its Affiliates hereby accept, an exclusive (even as to Checkpoint), royalty-bearing right and license (with the right to grant sublicenses in accordance with the provisions of Section 2.2) under the Licensor Technology to research, Develop, have Developed, Manufacture, have Manufactured, use, import, Commercialize and have Commercialized the Compound and Licensed Products in and for the Field and Territory.

2.2. **Grant of Sublicenses by TGTX.** The rights and licenses granted in Section 2.1 includes the right to grant sublicenses through multiple tiers of Sublicensees directly or through Sublicensees, provided: (i) TGTX shall enter into a Sublicense with each of its Sublicensees that contains terms and conditions that are consistent in all material respects with the terms and conditions of this Agreement and that provide that upon termination of this Agreement with respect to a country covered by such Sublicense, Checkpoint and Licnesor are third party beneficiaries of such Sublicense; (ii) each Sublicensee agrees in writing with TGTX to maintain accurate and complete books and records and permit Checkpoint and Licensor to review such books and records (including through the audit provisions of this Agreement); and (iii) such Sublicense agreement permits TGTX or a Sublicensee to assign to Checkpoint (or Licensor, as required) such Sublicense agreement. Notwithstanding the foregoing sentence, it is not required that a Sublicense include provisions for the Sublicensee to pay Royalties or make milestone payments directly to Checkpoint or to provide royalty reports directly to Checkpoint. TGTX shall be and remain fully responsible for the compliance by Sublicensees with the terms and conditions of this Agreement applicable to such Sublicensees. TGTX shall not be relieved of its obligations pursuant to this Agreement as a result of such Sublicense, except to the extent such obligations are satisfactorily performed by any such sublicensee. With respect to each Sublicense (and any amendments thereto), TGTX shall forward to Checkpoint (x) a copy of any Sublicense and any amendments thereto, and (y) a certificate in writing that the Sublicense (and any amendments thereto) are in compliance with the terms of this Agreement and the License Agreement, within twenty (20) days following the full execution thereof, provided that TGTX shall have the right to remove from such copy any confidential information therein.

2.3. **Bankruptcy Code.** All rights and licenses granted under or pursuant to this Agreement by Checkpoint to TGTX are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that TGTX, as a sublicensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code.

2.4. **Technology Transfer.** As soon as reasonably practicable after the Effective Date, but in no event later than thirty (30) days following the Effective Date, Checkpoint will provide to TGTX a copy of all Licensor Know-How (including but not limited to any preclinical data, clinical data, assays and associated materials, protocols, and procedures pertaining to Licensor's Development of the Licensed Products as of the Effective Date). All such transfers will be done in a reasonably secure manner using either encrypted media or encrypted transfer technology, or, if paper utilizing secure courier or tracked delivery processes. If, during the term of this Agreement Checkpoint possesses Licensor Know-How not previously provided to TGTX, it shall, within thirty (30) days after it comes into possession of such Licensor Know-How, provide copies of such Know-How to TGTX.

2.5. **Non-Compete.** On a country-by-country basis during the Royalty Term for each country (and with respect to an Abandoned Terminated Country, the Royalty Term for the United States), TGTX, its Affiliates and its Sublicensees shall not directly or indirectly engage in the research, development, Manufacture or commercialization of a Competing Product in such country. On a country-by-country basis during the Royalty Term for each country, Checkpoint, its Affiliates shall not directly or indirectly engage in the research, development, Manufacture or commercialization of a Competing Product in such country. This Section 2.5 shall not apply to Competing Products or prospective Competing Products acquired after the Effective Date by either Party or its Affiliates through acquisition of or merger with a Third Party or by purchase of substantially all of the assets of a Third Party.

ARTICLE III.

DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION

3.1 **Objective of Development Program and Diligence by Checkpoint.**

(a) Pursuant to the Development Program, TGTX, itself or through or with its Affiliates or Sublicensees, shall use Commercially Reasonable Efforts to Develop and to Commercialize at least one Licensed Product in and for the Field in each of the Major Countries and use Commercially Reasonable Efforts to Develop and to Commercialize at least one Licensed Product in and for the Field in at least one country that is not a Major Country. In addition, TGTX shall use Commercially Reasonable Efforts to Develop and to Commercialize the Licensed Products in and for the Field in the rest of the Territory; provided, however, for the sake of clarity, TGTX will not be in breach or violation of its requirement to use such Commercially Reasonable Efforts in a country (other than such Major Countries and such other one country that is not a Major Country), if the Development and/or Commercialization in such country is not economically prudent or feasible as reasonably determined by TGTX in its sole discretion.

(b) TGTX and/or its Affiliates and Sublicensees shall perform Development of the Licensed Product in good scientific manner and in compliance in all material respects with all applicable Laws and with cGLPs, cGMPs and cGCPs (or, if and as appropriate under the circumstances, International Conference on Harmonization ("**ICH**") guidance (or other comparable regulation and guidance of any Regulatory Authority in the Territory).

3.2. **Development Plan and Report.** Within ninety (90) days of the Effective Date, TGTX shall provide Checkpoint a Development Plan. Within twenty (20) days of the end of each Calendar Year, TGTX shall prepare and provide to Checkpoint an updated Development Plan detailing any amendments, modifications and/or updates to any existing Development Plan along with a Development Report. For the avoidance of doubt, Development Plans are nonbinding and TGTX shall not be in breach of this Agreement if it does not Develop the Compound or Licensed Products in accordance with any Development Plan. Upon Regulatory Approval of a Licensed Product for a particular Major Country, TGTX's obligations under this Section 3.2 shall terminate for that country.

3.3. **Authority.** As between TGTX and Checkpoint, TGTX shall have the exclusive right, and sole decision-making authority, to Develop, manufacture and Commercialize any Licensed Products in and for the Field (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees).

3.4. **Costs and Expenses.** As between Checkpoint and TGTX, (a) TGTX shall be solely responsible for all costs and expenses related to clinical Development, Manufacture and Commercialization of the Licensed Products, including without limitation costs and expenses associated with all clinical trials, drug supply and regulatory filings and proceedings relating to Licensed Products in the Field, (b) the costs of all IND enabling work, including without limitation, all pre-clinical toxicology, pharmacology, CMC, and other work required for the filing of an IND shall be Shared Development Expenses; however, Shared Development Expenses shall include only external costs incurred and each Party shall be responsible for its own internal costs (personnel, overhead, etc.) incurred in connection with an IND filing, (c) each Party shall pay the costs of filing their own IND, and (d) all CMC and formulation development costs shall be Shared Development Expenses. Shared Development Expenses shall be borne 50% by Checkpoint and 50% by TGTX.

3.5. **Regulatory.** TGTX and Sublicensees shall be responsible for, and shall control all filings and interactions with Regulatory Authorities with respect to the Licensed Products in and for the Field, and TGTX and its Sublicensees shall control and coordinate all clinical and regulatory strategy for the Licensed Products in and for the Field.

3.6. **Manufacturing.** During the Term, TGTX and its Sublicensees shall have the sole obligation and responsibility, and at their sole cost and expense, for all aspects of Manufacturing, including without limitation, testing packaging and labeling the Licensed Products in and for the Field, and any costs associated with storage, release and Third Party logistics. TGTX and Sublicensees may engage contract Manufacturers to Manufacture (including labeling, packaging and testing) the Product. As a part of such responsibilities, TGTX covenants and agrees to use Commercially Reasonable Efforts to obtain the right under any agreement with a Third Party providing for the Manufacture or distribution of the Product to assign such agreement to Checkpoint, or at Checkpoint's election, to Licensor or any Affiliate of Licensor, upon termination of this Agreement in the circumstance where the provisions of Section 10.7 are applicable. TGTX shall or shall cause all Manufacturing to be done in accordance with cGMP and applicable Law.

3.7. **Marketing.** Following receipt of Marketing Approval for a Licensed Product in a jurisdiction in the Territory in and for the Field and during the remainder of the Term:

(a) TGTX shall be solely responsible to Market the Licensed Product in and for the Field in the Territory using Commercially Reasonable Efforts. As used in this Section, "TGTX" includes its Affiliates and Sublicensees.

(b) At least once per calendar year following the first Regulatory Approval of a Licensed Product in a jurisdiction, TGTX shall provide to licensor a high level written status report summarizing the material Marketing activities conducted by TGTX and its Affiliates (but not its Sublicensees) pertaining to the Licensed Product in and for the Field.

ARTICLE IV.

LICENSOR RESEARCH

4.1. **Overview.** As part of the License Agreement, Licensor and Checkpoint entered into a research project (the "**Research Project**") described in Schedule 4 hereto (the "**Work Plan**"), whereby the Licensor agreed to use Commercially Reasonable Efforts to conduct and complete the Research Project in accordance with the timeline set forth in the Work Plan. Upon completion of all of the tasks set forth in the Work Plan, Licensor shall deliver to Checkpoint, and Checkpoint shall deliver to TGTX, the deliverables set forth in the Work Plan. All Licensor Know-How generated in connection with such Research Project shall be delivered to TGTX within thirty (30) days following its receipt from the Licensor and shall deemed Licensor Know-How sublicensed to TGTX hereunder.

4.2. **Payment.** Fees and expenses incurred by Checkpoint for Licensor's performance of the Research Project, which are outlined in the Work Plan, shall be Shared Development Expenses and borne 50% by Checkpoint and 50% by TGTX.

4.3. **Status.** Checkpoint shall promptly provide to TGTX all Licensor written reports received by Checkpoint regarding the deliverables provided in the Work Plan and use reasonable efforts to keep TGTX updated on the status of the work and deliverables.

4.4. **Research Inventions.** Notwithstanding anything to the contrary contained in the Work Plan, Licensor shall own all right, title and interest in and to the Research Inventions, including, without limitation, all Research Patents and all other intellectual property rights appurtenant to the Research Inventions. Research Patents shall be Licensor Patents and come within the ambit of the license of Section 4.1.

ARTICLE V.

Financial Provisions

5.1. **License Fee.** TGTX shall pay to Checkpoint a non-refundable, non-creditable license fee of one million U.S. dollars ($1,000,000) within thirty (30) days of the Effective Date. As of the Effective Date, there are no pending performance obligations on Checkpoint to receive the license fee.

5.2. **Milestone Payments.** TGTX shall, with respect to the first Licensed Product to achieve a milestone event below (a "**Milestone**"), pay to Checkpoint the respective non-refundable and non-creditable milestone payment ("**Milestone Payment**") under the column "First Achievement Milestone Payment" within twenty (20) days following TGTX's receipt of actual knowledge of such achievement. In the event a Milestone (other than the first Milestone listed below) is achieved by a Second Licensed Product (as defined below), TGTX shall pay to Checkpoint the respective milestone payment under the column "Second Product Milestone Payment" within twenty (20) days following TGTX's receipt of actual knowledge of such achievement. For avoidance of doubt, each Milestone Payment in the table below shall only be paid once under this Agreement, regardless of the number of times such Milestone may be achieved. "**Second Licensed Product**" means, with respect to a Milestone, a Licensed Product containing a Compound that was not contained in the Licensed Product that first achieved such Milestone. For clarity, with respect to each Milestone, a Second Product Milestone cannot be triggered by a Licensed Product containing the same Compound that achieved the respective First Achievement Milestone, even if for a different indication. By way of further clarification, with respect to a Licensed Product contained in a Combination Product, the Net Sales that trigger the Milestone Payment will be that portion of Net Sales attributable to the Licensed Product as provided in the definition of "Net Sales". Notwithstanding the table below, upon achievement of a Development Milestone, payments for such Development milestone and all prior Development Milestones shall be due and payable to the extent not already paid.

Milestone Event	First Achievement Milestone Payment	Second Product Milestone Payment
1.*	$ *	N/A
2.*	$ *	$ *
3.*	$ * (subject to the below)	$ *
4.*	$ *	$ *
5.	$ *	$ *
6.*	$ *	$ *
7.*	$ *	$ *
8.*	$ *	$ *
9.*	$ *	$ *
10.*	$ *	$ *
11.*	$ *	$ *
12.*	$ *	$ *

Within twenty (20) days of achieving a Milestone, TGTX shall provide written notice to Checkpoint of such achievement. If at any time Checkpoint disputes whether a Development Milestone has been achieved, the matter shall be referred for resolution in accordance with Section 11.2 as a Technical Dispute.

* Confidential material redacted and filed separately with the Commission.

In the event that TGTX achieves Milestone 3 set forth above, and Checkpoint, in its discretino, determines that, as a result it can proceed immedieatly to * with respect to Checkpoint's Development outside of the Field, or if both parties co-sponsor * meeting Milestone 3 set forth above, then TGTX's First Achievement Milestone Payment in Milestone 3 shall be reduced in half to $*.

5.3. **Royalty Payments for Licensed Product**.

(a) In addition to those payments due to Checkpoint under 5.1 and 5.2 above, TGTX shall pay to Checkpoint a royalty at a rate of * percent (*%) on the Calendar Year, worldwide aggregate Net Sales of all Licensed Products during the Licensed Product-by-Licensed Product and country-by-country Royalty Terms by TGTX and its Affiliates and Sublicensees (but excluding Net Sales of a given Licensed Product in a given country after its applicable Royalty Term).

(b) On a Licensed Product-by-Licensed Product and country-by-country basis upon expiration of the Royalty Term, for a Licensed Product in a country, the rights, licenses and sublicenses granted to TGTX hereunder with respect to such Licensed Product in such country shall continue in effect but become exclusive fully paid-up, royalty-free, transferable (to the extent not transferable previously), perpetual and irrevocable, provided that TGTX shall remain liable for any unpaid Milestone Payments and any royalty payments previously owed or accrued. For the avoidance of doubt, in a country where no Licensor Patent containing a Valid Claim covering a Licensed Product has ever existed nor ever exists, no royalties shall be due.

5.4. **Timing of Payment.** Payments in the nature of royalties payable under Section 5.3(a) shall be payable on actual Net Sales and shall accrue at the time provided therefor by GAAP. Payments in the nature of royalty obligations that have accrued during a particular Calendar Quarter shall be paid, on a Calendar Quarter basis, within 45 days after the end of each Calendar Quarter commencing with the Calendar Quarter in which the First Commercial Sale occurred.

* Confidential material redacted and filed separately with the Commission.

5.5. **Royalty Reports and Records Retention.** Within forty-five (45) days after the end of each Calendar Quarter during which Licensed Products have been sold, TGTX shall deliver to Checkpoint, together with the applicable royalty/payment in the nature of royalties payment due, a written report, on a Licensed Product-by-Licensed Product and country-by-country basis, of Net Sales for such Calendar Quarter. Such report shall (i) total Net Sales for each Licensed Product and Combination Product (including an itemization of the deductions applied to such gross sales to derive such Net Sales and if a Licensed Product is part of a Combination Product the percentage of the Combination Product's Net Sales attributed to the Licensed Product) during the relevant Calendar Quarter, in each case on a dosage-by-dosage, country-by-country basis, including a summary of currency exchange rates used in the calculations, and (ii) the calculation of royalties due on the foregoing. In addition for any Sublicense, the report shall provide the information in clauses (i) through (ii) above. Such report shall be deemed "Confidential Information" of TGTX subject to the obligations of Article VII of this Agreement. For three years after each sale of a Licensed Product, TGTX shall keep (and shall cause its Affiliates and Sublicensees to keep) complete and accurate records of such sale in sufficient detail to confirm the accuracy of the royalty or royalty/payment in the nature of royalties calculations hereunder.

5.6. **Audits**.

(a) Upon the written request of Checkpoint, and not more than once in each Calendar Year, TGTX shall permit an independent certified public accounting firm ("**Auditors**") of nationally recognized standing selected by Checkpoint and reasonably acceptable to TGTX, at Checkpoint's expense, to have access to and to review, during normal business hours upon reasonable prior written notice, the applicable records of TGTX and its Affiliates or Sublicensees to verify the accuracy of the royalty reports and the Milestone Payments for Milestones which are not Development Milestones. Such review may cover: (i) the records for sales made in any Calendar Year ending not more than three years before the date of such request, and (ii) only those periods that have not been subject to a prior audit. The accounting firm shall disclose to Checkpoint only whether the royalty reports and Milestone Payments are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Checkpoint by the Auditors. This right to audit shall remain in effect during the Term of this Agreement and for a period of two (2) years after the termination of this Agreement.

(b) If such accounting firm concludes that additional royalties or Milestone Payments were owed during such period, TGTX shall pay the additional royalties and Milestone Payments within 20 days after the date such public accounting firm delivers to TGTX such accounting firm's written report. If such accounting firm concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods or at TGTX's request, shall be reimbursed to TGTX within 30 days after the date such public accounting firm delivers such report to TGTX. Checkpoint shall pay for the cost of any audit by Checkpoint, unless TGTX has underpaid Checkpoint by $50,000 or more for a specific royalty period, in which case TGTX shall pay for the reasonable costs of audit.

(c) Each Party shall treat all information that it receives under this Section 5.6 in accordance with the confidentiality provisions of Article VII of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with the audited Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, except to the extent necessary for a Party to enforce its rights under the Agreement.

5.7. **Mode of Payment and Currency.** All payments to Checkpoint under this Agreement, whether or not in respect of Net Sales or milestone events, shall be made by deposit of U.S. Dollars in the requisite amount to such bank account as Checkpoint may from time to time designate by advance written notice to TGTX. Conversion of sales or expenses recorded in local currencies to Dollars will be performed in a manner consistent with TGTX's normal practices used to prepare its audited financial statements for external reporting purposes, provided that such practices use a widely accepted source of published exchange rates. These practices are set forth on Schedule 5 attached hereto. Based on the resulting Net Sales in U.S. Dollars, the then applicable royalties/payment in the nature of royalties shall be calculated.

5.8. **Late Payments.** If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a rate equal to the lesser of (a) U.S. Dollar one-month LIBOR as of the date such payment was due (taken from a widely accepted source of published interest rates), plus three (3) percentage points, or (b) the maximum rate permissible under applicable Law. Accrual and payment of interest shall not be deemed to excuse or cure breaches of contract arising from late payment or nonpayment.

5.9. **Taxes.** All amounts due hereunder exclude all applicable sales, use, and other taxes and duties, and TGTX shall be responsible for payment of all such taxes (other than based on Checkpoint's income) and duties and any related penalties and interest, arising from the payment of amounts due under this Agreement. The Parties agree to cooperate with one another and use Commercially Reasonable Efforts to avoid or reduce tax withholding or similar obligations in respect of payments in the nature of royalties, Milestone Payments, and other payments made by TGTX to Checkpoint under this Agreement. To the extent TGTX is required to withhold taxes on any payment to Checkpoint, TGTX shall pay the amounts of such taxes to the proper governmental authority in a timely manner and promptly transmit to Checkpoint official receipts issued by the appropriate taxing authority and/or an official tax certificate, or such other evidence as Checkpoint may reasonably request, to establish that such taxes have been paid. Checkpoint shall provide TGTX any tax forms that may be reasonably necessary in order for TGTX to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. Checkpoint shall use Commercially Reasonable Efforts to provide any such tax forms to TGTX at least 45 days before the due date for any payment for which Checkpoint desires that TGTX apply a reduced withholding rate. Each Party shall provide the others with reasonable assistance to enable the recovery, as permitted by applicable law, of withholding taxes, value added taxes, or similar obligations resulting from payments made under this Agreement, such recovery to be for the benefit of the Party bearing such withholding tax or value added tax. Notwithstanding the foregoing, if TGTX transfers or sublicenses any rights under this Agreement, Drug Approval Applications or Regulatory Approvals, Development Inventions or relocates or assigns this Agreement and as a result TGTX or its assignee is required to withhold or deduct any taxes by any government outside the United States, any subdivision thereof, or any other governmental unit within the territory of such government (such taxes collectively referred to as "**Charges**"), in excess of Charges that Checkpoint would otherwise be required to pay had such transfer, relocation, or assignment not been made, or Checkpoint is required to pay any Charge imposed by any government outside the United States in excess of Charges that Checkpoint would otherwise be required to pay had such transfer or assignment not been made, TGTX shall pay such additional amounts so that payments received by Checkpoint net of all Charges, shall equal the amount to which Checkpoint would have been entitled had there been no such Charges, provided, however that TGTX shall have no obligation to pay any additional amount to the extent that the Charges are imposed by reason of Checkpoint failing to provide a form or similar other evidence reasonably requested by TGTX that would allow for a reduction or exemption of such Charges that Checkpoint is legally able to provide (including, for the avoidance of doubt, Checkpoint's qualification for the benefit of an applicable income tax convention).

ARTICLE VI.

Inventions and Patents

6.1. **Patent Prosecution and Maintenance.**

(a) **Patents.** TGTX shall reimburse Checkpoint up to $25,000 in expenses (including attorney's fees) paid by Checkpoint to Licensor for filing of patent applications (national, international or PCT) included in the Licensor Patents and filed prior to the Effective Date within thirty (30) days of receipt of Checkpoint's invoice for such expenses. As between TGTX and Checkpoint, Checkpoint shall be solely responsible for Patent Prosecution of the Licensor Patents in the Territory. Checkpoint shall keep TGTX informed of material actions with respect to the filing and prosecution of Licensor Patents or related proceedings (e.g. interferences, oppositions, reexaminations, reissues, revocations or nullifications) in a timely manner, and shall reasonably consider the advice of TGTX and its patent counsel, and Checkpoint will authorize its patent counsel to speak directly with TGTX and its counsel. Checkpoint shall not abandon prosecution or maintenance of any Licensor Patent in the Territory without first notifying TGTX in a reasonably timely manner of Checkpoint's intention and reason therefor, and providing TGTX with reasonable opportunity to consider to assume, with no obligation to do so, responsibility for prosecution and maintenance of such Licensor Patent in the Territory as set forth in Section 6.1(b). TGTX shall reimburse Checkpoint for 50% of the reasonable out-of-pocket expenses incurred by Checkpoint in filing, prosecuting and maintaining the Licensor Patents in the Territory. Payments are due within thirty (30) days of receipt of Checkpoint's invoice for such expenses.

(b) **Abandonment.** If Checkpoint provides TGTX with written notification that it will no longer support or pursue the filing, prosecution, or maintenance ("**Abandonment**" and when uses as a verb "**Abandon**") of a specified Licensor Patent in a particular country (an "**Abandoned Patent**") in the Territory, then (a) Checkpoint's responsibility for such filing, prosecution, or maintenance of the Abandoned Patent in such country, and the fees and costs related thereto, will terminate on the earlier of (x) the date forty-five (45) Calendar Days after TGTX's receipt of such written notice from Checkpoint or (y) TGTX's assumption of the filing, prosecution and maintenance of such Abandoned Patent in such country at TGTX's sole expense. If TGTX does not assume the filing, prosecution and maintenance of such Abandoned Patent in such country within forty-five (45) Calendar days after TGTX's receipt of such written notice from Checkpoint, the specified Abandoned Patent shall no longer be deemed a Licensor Patent hereunder. If Checkpoint Abandons all Licensor Patents in a country in the Territory, without the assumption by TGTX of the filing, prosecution and maintenance of any such Licensor Patent in such country, Licensor by notice to Checkpoint may terminate such country from the License Agreement and such country will become an "**Abandoned Terminated Country**" under this Agreement. Following Licensor's notice to Checkpoint, which shall be promptly sent to TGTX, TGTX's (and its Sublicensees') rights to any Licensor Patents in such country shall terminate. If TGTX assumes an Abandoned Patent, thereafter TGTX shall be solely responsible for Patent Prosecution of the Abandoned Patent in the Territory. Except as provided below, TGTX shall assume and have sole responsibility for Patent Prosecution for the Abandoned Patent in the Territory. TGTX will, to the extent reasonably practicable, provide Licensor a reasonable opportunity to review and comment on any material patent filings or correspondence with patent authorities pertaining to the Abandoned Patents, provided that all decisions with respect to Patent Prosecution of the Abandoned Patents shall be made by TGTX in its sole reasonable discretion. TGTX shall not abandon prosecution or maintenance of any Abandoned Patent without first notifying Licensor in a reasonably timely manner of TGTX's intention and reason therefor, and providing Licensor with reasonable opportunity to consider to assume, with no obligation to do so, responsibility for prosecution and maintenance of such Abandoned Patent.

6.2. **Certification under Drug Price Competition and Patent Restoration Act.** Each of Checkpoint and TGTX shall immediately give written notice to the other of any Paragraph IV Certification.

6.3. **Enforcement of Patents**.

(a) **Notice.** If either Party becomes aware of (i) any actual, potential, or alleged infringement of any of the rights to Licensor Patents under this Agreement with respect to Licensed Products in the Field, (ii) misappropriation of any Licensor Know-How that materially adversely affects exploitation of Licensed Products in the Field, or (iii) a Paragraph IV Certification (each of subclauses (i), (ii) and (iii), an "**Infringement**") and, such Party shall give to the other Party prompt and reasonably detailed written notice of such actual, potential, or alleged Infringement. Notwithstanding the foregoing, each Party shall notify the other Party within two (2) Business Days of its receipt of, or receipt of notice of, any Paragraph IV Certification. This Section 6.3 sets forth the rights of the Parties to commence and prosecute an action relating to such Third Party Infringement (an "**Offensive Enforcement Action**").

(b) **Right to Bring an Action for Licensor's Patents.** Checkpoint and Licensor shall have (i) the right, but not the obligation to undertake control of, and manage and prosecute, compromise or settle, including selection of counsel (collectively, "**Prosecute**"), any Offensive Enforcement Action relating to a Paragraph IV Certification and (ii) the right but not the obligation to Prosecute any other Offensive Infringement Action. If Checkpoint has not exercised their first right to Prosecute a non Paragraph IV Offensive Infringement Action within one hundred twenty (120) days of receipt of notice of the same, or a Paragraph IV Offensive Infringement Action within ten (10) days of receipt of notice of same, Checkpoint shall within five (5) days notify TGTX in writing and TGTX may, by written notice to Checkpoint no later than five (5) days following TGTX's receipt of notice from Checkpoint, Prosecute such action (either such Party who Prosecutes such action, the "**Prosecuting Party**"). The non-Prosecuting Party may, in its sole discretion and at its expense, join in any Offensive Infringement Action and in such case shall reasonably cooperate with the Prosecuting Party. At the Prosecuting Party's request the non-Prosecuting Party shall provide the Prosecuting Party with all relevant documentation (as may be requested by the Prosecuting Party) evidencing that the Prosecuting Party is validly empowered by the non-Prosecuting Party to initiate an Offensive Infringement Action. The non-Prosecuting Party shall be under the obligation to join the Prosecuting Party in its Offensive Infringement Action if the Prosecuting Party determines that this is necessary to demonstrate "standing to sue", provided that the Prosecuting Party shall pay the fees (including attorneys' fees) if the non-Prosecuting Party retains its own counsel. The Prosecuting Party shall have the sole and exclusive right to select counsel for any suit initiated by it pursuant to this Section 6.3 (but not the non-Prosecuting Party's counsel). Checkpoint's or TGTX's rights under this Section may be exercised by their respective Affiliates or in TGTX's case, Sublicensees.

(c) **Costs and expenses of an Action.** Subject to Section 6.3(b) and (f), each Party involved in an Action under Section 6.3(b) shall pay its own costs and expenses incurred in connection with such Action.

(d) **Settlement.** No Party shall settle or otherwise compromise (or resolve by consent to the entry of judgment upon) any Offensive Infringement Action or Patent Prosecution by admitting that any Licensor Patent is to any extent invalid or unenforceable or any settlement (or consent to the entry of a judgment) that entails any payment by the other Party, any license, covenant not to sue relating to, dedication to the public of, abandonment of, any Licensor Technology or would otherwise grant any rights to Manufacture, use, sell or otherwise commercialize a Competing Product, or materially adversely affect the rights of the other Party, without the other Party's prior written consent.

(e) **Reasonable Assistance.** Each Party (if it is not the Party Prosecuting or defending Licensor's Patent Rights) shall provide reasonable assistance to the other Party, including providing access to relevant documents and other evidence and making its employees and consultants available, subject to the other Party's reimbursement of any reasonable out-of-pocket expenses incurred on an on-going basis by the non-enforcing or non-defending Party in providing such assistance.

(f) **Distribution of Amounts Recovered.** Any amounts recovered by the Party initiating an Offensive Infringement Action pursuant to this Section 6.3, whether by settlement or judgment, shall be allocated in the following order: (i) to reimburse the Prosecuting Party for any costs incurred; (ii) to reimburse the non-Prosecuting Party and Licensor for its costs incurred in such Offensive Infringement Action, if it joins (as opposed to taking over) such Offensive Infringement Action; and (iii) the remaining amount of such recovery shall (A) if TGTX (or a Sublicensee) is the Prosecuting Party in the Offensive Infringement Action, the remainder shall be allocated to TGTX and the portion thereof attributable to "lost sales" shall be deemed to be Net Sales for the Calendar Quarter in which the amount is actually received by TGTX and TGTX shall pay to Checkpoint a royalty on such portion based on the royalty rates set forth in Section 5.3(a), and the portion thereof not attributable to "lost sales" shall be allocated to TGTX, (B) if Checkpoint is the Prosecuting Party then the remaining amount of the recovery shall be retained by Checkpoint. and (C) if Licensor is the Prosecuting Party then the remaining amount of the recovery shall be retained by the Licensor.

(g) Irrespective of whether Checkpoint, TGTX or the Licensor decide to take any action under Section 6.3(b), the payment obligations under Section 5 shall remain unaffected.

6.4. **Third Party Actions Claiming Infringement**.

(a) **Notice.** If either Checkpoint or TGTX becomes aware of any Third Party Action, such Party shall promptly notify the other of all details regarding such claim or action that is reasonably available to such Party.

(b) **Duty to Defend.** Subject to the respective indemnity obligations of the Parties set forth in Article IX, TGTX shall have the obligation, at its sole cost and expense, to defend a Third Party Action described in Section 6.4(a) and (subject to Section 6.4(f)) to compromise or settle such Third Party Action. TGTX shall have the sole and exclusive right to select counsel for such Third Party Action.

(c) **Consultation.** The Party defending a Third Party Action shall be the "**Controlling Party**". The Controlling Party shall consult with the non-Controlling Party, pursuant to an appropriate joint defense or common interest agreement, on all material aspects of the defense. The non-Controlling Party shall have a reasonable opportunity for meaningful participation in decision-making and formulation of defense strategy. The Parties shall reasonably cooperate with each other in all such actions or proceedings. The non-Controlling Party will be entitled to join the Third Party Action and be represented by independent counsel of its own choice at its own expense.

(d) **Appeal.** Subject to the respective indemnity obligations of the Parties set forth in Article IX, in the event that a judgment in a Third Party Action is entered against Licensor or Checkpoint, and an appeal is available, the Controlling Party shall, in the absence of the non-Controlling Party's written consent to the contrary, have the obligation to file such appeal. If applicable Law requires the non-Controlling Party's involvement in an appeal, the non-Controlling Party shall be a nominal party in the appeal and shall provide reasonable cooperation to such Party at such Party's expense.

(e) **Costs and expenses of an Action.** Subject to the respective indemnity obligations of the Parties set forth in Article IX, the Controlling Party shall pay all costs and expenses associated with such Third Party Action other than the expenses of the other Party if the other Party elects to join such Third Party Action, (as provided in the last sentence of Section 6.4(c)). For the avoidance of doubt, all damage and liability awards and settlement payments shall be paid by the Controlling Party subject to the respective indemnity obligations of the Parties set forth in Article IX.

(f) **No Settlement without Consent.** Neither Checkpoint or TGTX shall settle or otherwise compromise (or resolve by consent to the entry of judgment upon) any Third Party Action or Patent Prosecution by admitting that any Licensor Patent is to any extent invalid or unenforceable or that any Licensed Product, or its use, Development, importation, manufacture or sale infringes such Third Party's intellectual property rights, or entering into a settlement providing for a license, covenant not to sue relating to, dedication to the public of, abandonment of, any Licensor Technology or would otherwise grant any rights to Manufacture, use, sell or otherwise commercialize a Competing Product or materially adversely affects the rights of the other Party, in each case without the other Party's prior written consent.

(g) The payment obligations under Section 5 shall remain unaffected during or following any Third Party Action.

6.5. **Trademark Infringement**.

(a) With respect to any and all claims instituted by Third Parties against Licensor, Checkpoint or TGTX or any of their respective Affiliates or Sublicensees for Trademark infringement involving the Marketing of the Licensed Products, TGTX, its Sublicensees and Affiliates shall be solely responsible for, and indemnify Licensor and Checkpoint against, any and all Losses arising out of or resulting from the use of any Trademarks.

(b) In the event that a Party becomes aware of actual or threatened infringement of a Trademark used by TGTX, its Sublicensees or Affiliates in connection with a Licensed Product in the Field, that Party shall promptly notify the other Party in writing. TGTX, its Sublicensees and its Affiliates shall have the right but not the obligation to bring an action with respect to such infringement against any Third Party for infringement of a Trademark used in connection with a Licensed Product in the Field. TGTX shall bear all out-of-pocket costs and expenses of the action (including court costs, reasonable fees of attorneys, accountants and other experts and other expenses of litigation or proceedings) and shall be entitled to any recovery in such infringement action.

ARTICLE VII.

CONFIDENTIALITY

7.1. **Confidentiality Obligations.** The Parties agree that, for the Term and for five (5) years thereafter, each Party will keep completely confidential and will not disclose, and will not use for any purpose except for the purposes contemplated by this Agreement, any Confidential Information of the other Party. "**Confidential Information**" means all information and know-how and any tangible embodiments thereof provided by or on behalf of one Party to the other Party either in connection with the discussions and negotiations pertaining to this Agreement or in the course of performing under this Agreement, which may include data, knowledge, practices, processes, ideas, research plans, formulation or manufacturing processes and techniques, scientific, manufacturing, marketing and business plans, and financial and personnel matters relating to the disclosing Party or to its present or future products, sales, suppliers, customers, employees, investors or business; provided that, information or know-how of a Party will not be deemed Confidential Information of such Party for purposes of this Agreement if such information or know-how: (a) was already known to the receiving Party, other than under an obligation of confidentiality or non-use, at the time of disclosure to such receiving Party, as can be shown by written records; (b) was generally available or known to parties reasonably skilled in the field to which such information or know-how pertains, or was otherwise part of the public domain, at the time of its disclosure to such receiving Party; (c) became generally available or known to parties reasonably skilled in the field to which such information or know-how pertains, or otherwise became part of the public domain, after its disclosure to such receiving Party through no fault of the receiving Party; (d) was disclosed to such receiving Party, other than under an obligation of confidentiality or non-use, by a Third Party who had no obligation to the disclosing Party not to disclose such information or know-how to others, as can be shown by written records; or (e) was independently discovered or developed by such receiving Party, as can be shown by its written records, without the use or benefit of, or reliance on, Confidential Information belonging to the disclosing Party.

7.2. **Authorized Disclosure.** Each Party may disclose Confidential Information of the other Party to the extent that such disclosure is:

(a) made in response to a valid order of a court of competent jurisdiction; provided, however, that in each case such disclosing Party will, to the extent reasonably practicable, (i) first have given written notice to the other Party and given such other Party a reasonable opportunity to take appropriate action and (ii) cooperate with such other Party as necessary to obtain an appropriate protective order or other protective remedy or treatment; provided, further, that in each case, the Confidential Information disclosed in response to such court or governmental order will be limited to that information which is legally required to be disclosed in response to such court or governmental order, as determined in good faith by counsel to the Party that is obligated to disclose Confidential Information pursuant to such order;

(b) otherwise required to be disclosed by any applicable law, rule, or regulation (including, without limitation, the U.S. and foreign securities laws and the rules and regulations promulgated thereunder) or the requirements of any stock exchange to which a Party is subject; provided, however, that the Party that is so required will provide such other Party with written notice of such disclosure reasonably in advance thereof to the extent reasonably practicable and reasonable measures will be taken to assure confidential treatment of such information, including such measures as may be reasonably requested by the disclosing Party with respect to such Confidential Information;

(c) is in such Party's or its Affiliates' financial statements or the notes thereto and is required under the applicable accounting standard or under regulation;

(d) made by such Party, in connection with the performance of this Agreement, to such Party's Affiliates, licensees or sublicensees, directors, officers, employees, consultants, representatives or agents, or to other Third Parties, in each case on a need to know basis and solely to use such information for business purposes relevant to and permitted by this Agreement, and provided that (i) each individual and entity to whom such Confidential Information is disclosed is bound in writing to non-use and non-disclosure obligations no less than substantially as restrictive as those set forth in this Agreement and (ii) the Party making such disclosure shall be liable for such Third Parties' compliance with such obligations; or

(e) made by such Party to existing or potential acquirers, existing or potential collaborators, licensees, licensors, sublicensees, investment bankers, accountants, attorneys, existing or potential investors, merger candidates, partners, venture capital firms or other financial institutions or investors for use of such information for business purposes relevant to this Agreement or for due diligence in connection with the financing, licensing or acquisition of such Party (or such Party's acquisition of, or merger with, a Third Party), and provided that (i) each individual and entity to whom such Confidential Information is disclosed is bound in writing to non-use and non-disclosure obligations (or in the case of attorneys or accountants, an equivalent professional duty of confidentiality) at least as restrictive as those set forth in this Agreement and (ii) the Party making such disclosure shall be liable for such Third Parties' compliance with such obligations.

7.3. **Publicity**.

(a) The Parties recognize that each Party may from time to time desire to issue press releases and make public statements or disclosures regarding the subject matter of this Agreement. In such event, the Party desiring to issue an additional press release or make a public statement or disclosure shall provide the other Party with a copy of the proposed press release, statement or disclosure for review and approval in advance, provided, however, that if in the reasonable opinion of a Party's legal counsel a press release or disclosure in respect of this Agreement is required to satisfy applicable Law or applicable stock exchange rule or regulation, such Party shall submit the proposed press release or disclosure in writing to the other Party as far in advance as reasonably practicable (and in no event less than two (2) Business Days prior to the anticipated date of disclosure if reasonably practicable,) so as to provide a reasonable opportunity to comment thereon (and such comments shall be considered in good faith). Once any public statement or disclosure has been made in accordance with Section 7.3(b) or this Section 7.3(a), then either Party may appropriately communicate information contained in such permitted statement or disclosure.

(b) Notwithstanding the provisions of Section 7.3(a):

(i) To the extent a Party determines in good faith that it is required by applicable Laws or the rules or regulations of a stock exchange on which the securities of the disclosing Party are listed to publicly file, or otherwise disclose, this Agreement or any of its terms to or with a Regulatory Authority or Governmental Body, such disclosing Party shall provide a proposed redacted form of this Agreement to the other Party within a reasonable amount of time prior to filing or disclosure (and in any event at least five (5) Business Days before filing or disclosure) for the other Party to review and comment upon such redacted form. The Party making such filing, registration, notification or disclosure shall consider in good faith the reviewing Party's reasonable comments regarding such redacted form and shall use commercially reasonable efforts to seek confidential treatment for the redacted terms, to the extent such confidential treatment is applicable and reasonably available consistent with applicable Laws or the rules or regulations of the applicable stock exchange. Each Party shall be responsible for its own legal and other external costs in connection with any such filing, registration or notification.

(ii) Each Party may disclose to any actual or potential or actual investor, lender, investment bank or other bank, acquirer, acquisition or merger target, licensee, licensor, or other strategic partner to the extent necessary or useful in connection with the evaluation or negotiation of a potential transaction or contractual relationship, or performance of obligations or enforcement of rights under such a transaction or relationship, in each case pursuant to a written obligation of confidentiality and non-use substantially as stringent as those set forth in this Article VII, a complete copy of this Agreement or any of the terms thereof.

ARTICLE VIII.

REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1. **Representations and Warranties of Checkpoint.** Checkpoint represents and warrants to TGTX as of the Effective Date that:

(a) Checkpoint is a corporation, duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, with full corporate power and authority to operate its properties and to carry on its business as presently conducted.

(b) Checkpoint has full power and authority to execute, deliver and perform this Agreement. There are no liens or other encumbrances on the Licensor Technology or any part thereof which would interfere with the rights granted, or assignment of assets, to TGTX hereunder. This Agreement constitutes the legally binding and valid obligation of Checkpoint, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, moratorium and other laws affecting creditors' rights generally.

(c) The execution, delivery and performance by Checkpoint of this Agreement and the consummation of the transactions contemplated hereby will not result in any violation of, conflict with, result in a breach of or constitute a default under any contract or agreement to which Checkpoint or any Affiliate thereof is a party.

(d) There is no action, suit, proceeding or investigation pending or, to Checkpoint's and its Affiliates' knowledge, currently threatened in writing against or affecting Checkpoint or any Affiliate thereof that questions the validity of this Agreement or the right of Checkpoint to enter into this Agreement or consummate the transactions contemplated hereby and, to Checkpoint's and its Affiliates' knowledge, there is no basis for the foregoing.

(e) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority, or any Third Party, on the part of Checkpoint or any Affiliate thereof is required in connection with the execution, delivery and performance of this Agreement.

(f) Checkpoint has disclosed in writing to TGTX all Patent Rights owned or Controlled by Licensor or its Affiliates as of the Effective Date that Cover any Licensed Products incorporating Compound thereof in the Field, or which relate to Developing, manufacturing or Commercializing Licensed Products, and all such Patent Rights are set forth on Schedule 2 attached hereto.

8.2. **Representations and Warranties of TGTX.** TGTX represents and warrants to Checkpoint as of the Effective Date and also covenants with respect to Section 8.2(d) or 8.2(g), that:

(a) TGTX is a corporation, duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, with full corporate power and authority to operate its properties and to carry on its business as presently conducted.

(b) TGTX has full power and authority to execute, deliver and perform this Agreement. This Agreement constitutes the legally binding and valid obligations of TGTX, enforceable in accordance with their terms, except as such enforcement may be limited by applicable bankruptcy, moratorium and other laws affecting creditors' rights generally.

(c) The execution, delivery and performance by TGTX of this Agreement and the consummation of the transactions contemplated thereby will not result in any violation of, conflict with, result in a breach of or constitute a default under any contract or agreement material to TGTX, its business or its assets.

(d) Without limiting any other term or provision of this Agreement, TGTX shall comply with all applicable Laws in performing this Agreement, including all laws and regulations concerning corrupt practices or which in any manner prohibit the giving of any financial or other advantage including all Marketing activities conducted by it or its Affiliates, including, without limitation, the Federal Health Care Programs Anti-Kickback Law, Title 42 of the U.S. Code Section 1420a-7(b)(b), and any comparable or similar state anti-kickback laws or regulations, and all federal, state and foreign health care fraud and abuse statute and regulations, except where the failure to so comply would not reasonably be expected to have a material adverse effect on the Licensed Patents or Net Sales.

(e) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of TGTX is required in connection with the execution, delivery and performance of this Agreement.

(f) There is no action, suit, proceeding or investigation pending or, to TGTX's knowledge, currently threatened against or affecting TGTX or that questions the validity of this Agreement, or the right of TGTX to enter into this Agreement or consummate the transactions contemplated hereby and, to TGTX's knowledge, there is no reasonable basis for the foregoing.

(g) TGTX will notify Checkpoint in writing if it determines that it will or does (i) permanently cease all Development, Manufacture and Commercialization of Licensed Products in the Field or (ii) suspend all Development, Manufacture and Commercialization of Licensed Products in the Field for more than nine (9) months ("**Notice of Termination or Suspension**").

8.3. **Disclaimer.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, INCLUDING SECTIONS 8.1 AND 8.2, AS APPLICABLE, THE PARTIES MAKE NO REPRESENTATIONS AND GRANT NO WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND THE PARTIES EACH SPECIFICALLY DISCLAIM ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, OR AS TO THE SUCCESS OR LIKELIHOOD OF SUCCESS OF THE RESEARCH, DEVELOPMENT OR COMMERCIALIZATION OF LICENSED PRODUCT UNDER THIS AGREEMENT.

ARTICLE IX.

INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE

9.1. **Indemnification by TGTX.** TGTX shall indemnify, defend and hold harmless (i) Licensor and its Affiliates, and each of their respective employees, officers, directors and agents (the "**Licensor Indemnitees**") and (ii) Checkpoint and its Affiliates and each of their respective employees, officers, directors and agents (the "**Checkpoint Indemnitees**") against any and all liabilities, damages, penalties, fines, losses, costs and expenses (including reasonable attorneys' fees and expenses) (individually and collectively, "**Losses**") to the extent arising out of any and all Third Party claims, demands, actions or other proceedings (each, a "**Claim**") arising out of (a) the testing, use, Development or Commercialization of a Compound or any Licensed Product by or on behalf of TGTX, any of the TGTX Indemnitees or any Sublicensee, (b) TGTX's, its Affiliates' or its Sublicensees' material breach of this Agreement, (c) misappropriation or infringement of, or the use of, any Product Trademarks, (d) TGTX's or its Affiliates' breach or noncompliance with the terms of any Sublicense arising prior to or as a result of the termination of this Agreement, or (e) TGTX's, its Affiliates' or its Sublicensees' gross negligence or willful misconduct, excluding, in the case of each of (a)-(d) above, any Claim or Loss with respect to which Checkpoint has an obligation to indemnify TGTX Indemnitees pursuant to Section 9.2.

9.2. **Indemnification by Checkpoint.** Checkpoint shall indemnify, defend and hold TGTX and its Affiliates and each of their respective agents, employees, officers and directors (the "**TGTX Indemnitees**") harmless from and against any and Losses to the extent arising out of any and all Claims arising out of (a) Checkpoint's material breach of this Agreement, (b) the use, Development or Commercialization of a Compound or any Licensed Product by or on behalf of Checkpoint or any of the Checkpoint Indemnitees or any licensee thereof (specifically excluding product liability claims arising out of Licensed Product sold or distributed by TGTX, its Affiliates or Sublicensee), or (c) Checkpoint's gross negligence, willful misconduct, excluding, in the case of each of (a)-(c) above, any Claim or Loss with respect to which TGTX has an obligation to indemnify Checkpoint Indemnitees pursuant to Section 9.1.

9.3. **Procedure**.

(a) The Party or other Person intending to claim indemnification under this Article IX (an "Indemnified Party") shall promptly notify the opposed Party (the "Indemnifying Party") of any Claim in respect of which the Indemnified Party intends to claim such indemnification (provided, that no delay or deficiency on the part of the Indemnified Party in so notifying the Indemnifying Party will relieve the Indemnifying Party of any liability or obligation under this Agreement except to the extent the Indemnifying Party has suffered actual prejudice directly caused by the delay or other deficiency), and the Indemnifying Party shall assume the defense thereof (with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party) whether or not such Claim is rightfully brought; provided, however, that an Indemnified Party shall have the right to retain its own counsel and to participate in the defense thereof, with the fees and expenses to be paid by the Indemnified Party unless the Indemnifying Party does not assume the defense or unless a representation of both the Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them, in which case the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Indemnifying Party. (Provided, that in no event shall the Indemnifying Party be required to pay for more than one separate counsel no matter the number or circumstances of all Indemnified Parties.)

(b) If the Indemnifying Party shall fail to timely assume the defense of and reasonably defend such Claim, the Indemnified Party shall have the right to retain or assume control of such defense and the Indemnifying Party shall pay (as incurred and on demand) the fees and expenses of counsel retained by the Indemnified Party.

(c) The Indemnifying Party shall not be liable for the indemnification of any Claim settled (or resolved by consent to the entry of judgment) without the written consent of the Indemnifying Party. Also, if the Indemnifying Party shall control the defense of any such Claim, the Indemnifying Party shall have the right to settle such Claim; provided, that the Indemnifying Party shall obtain the prior written consent (which shall not be unreasonably withheld or delayed) of the Indemnified Party before entering into any settlement of (or resolving by consent to the entry of judgment upon) such Claim unless (i) there is no finding or admission of any violation of law or any violation of the rights of any person by an Indemnified Party, no requirement that the Indemnified Party admit negligence, fault or culpability, and no adverse effect on any other claims that may be made by or against the Indemnified Party and (ii) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party and such settlement does not require the Indemnified Party to take (or refrain from taking) any action.

(d) The Indemnified Party, and its employees and agents, shall cooperate fully with the Indemnifying Party and its legal representatives in the investigations of any Claim.

(e) Regardless of who controls the defense, each Party hereto shall reasonably cooperate in the defense as may be requested.

9.4. **Expenses.** As the Parties intend complete indemnification, all costs and expenses of enforcing any provision of this Article IX shall also be reimbursed by the Indemnifying Party.

9.5. **Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY OR ITS AFFILIATES BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR LOST PROFITS ARISING OUT OF A BREACH OF THIS AGREEMENT, PROVIDED THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING SHALL NOT BE CONSTRUED TO LIMIT THE INDEMNITY OBLIGATIONS SET FORTH IN SECTIONS 9.1 AND 9.2, OR EITHER PARTY'S LIABILITY FOR A BREACH OF ARTICLE VII.

9.6. **Insurance.** During the term of this Agreement and for a period of five (5) years after its expiration or earlier termination (measured by termination or expiration of the last Licensed Product for a country whose Royalty Term is in effect), TGTX shall obtain insurance as follows. The insurance shall insure TGTX against all liability related to its activities relating to the Development, Manufacture or sale of Licensed Products subject to this Agreement, subject to the limits set forth above. The insurance above, shall be in amounts that are reasonable and customary in the pharmaceutical industry for the Territory, but in no event shall any TGTX's liability insurance relating to commercial Manufacture, sale or distribution of a Licensed Product provide coverage less than two million U.S. dollars (U.S. $2,000,000) per occurrence (or claim) and an annual aggregate of two million U.S. dollars (U.S. $2,000,000). Policies for the Development, commercial Manufacture, sale or distribution of a Licensed Product shall include a contractual endorsement naming Checkpoint and Licensor as an additional insured in relation to liabilities arising from its obligations under the terms of this Agreement and require the insurance carriers to provide Checkpoint with no less than thirty (30) days' written notice of any change in the terms or coverage of the policies or their cancellation.

ARTICLE X.

TERM AND TERMINATION

10.1. **Term and Expiration.** The term of this Agreement shall commence on the Effective Date and, unless earlier terminated as provided in this Article X, shall continue in full force and effect, on a country-by-country and Licensed Product-by-Licensed Product basis until the Royalty Term in such country with respect to such Licensed Product expires, at which time this Agreement shall expire in its entirety with respect to such Licensed Product in such country (the "**Term**").

10.2. **Termination upon Material Breach.** If a Party breaches any of its material obligations under this Agreement (a "**Material Breach**"), the other Party may give to the breaching Party a written notice specifying the nature of the Material Breach, requiring it to cure such Material Breach, and, if desired, stating its intention to terminate this Agreement if such Material Breach is not cured. If such Material Breach is not capable of being cured, or is capable of being cured but nonetheless has not within 60 days after the receipt of such notice been cured, then the non-breaching Party (in addition to and not in lieu of all other available rights and remedies) be entitled to at its option either (a) terminate this Agreement immediately by written notice to the other Party, or (b) continue this Agreement in full force and effect and seek any legal or equitable remedies that the non-breaching Party may have.

10.3. **Termination for Insolvency.** Either Party (i.e., the non-insolvent Party) may terminate this Agreement, if, at any time, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of the Party or of substantially all of its assets, or if the other Party proposes a written agreement of composition or extension of substantially all of its debts, or if the other Party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) days after the filing thereof, or if the other Party shall propose or be a party to any dissolution or liquidation, or if the other Party shall make an assignment of substantially all of its assets for the benefit of creditors.

10.4. **Termination for Patent Challenge.** Checkpoint will be permitted to terminate this Agreement by written notice effective upon receipt if TGTX or its Affiliates or its Sublicensees, directly or indirectly through assistance granted to a Third Party, commence any interference or opposition proceeding, challenge in a legal or administrative proceeding the validity or enforceability of, or oppose in a legal or administrative proceeding any extension of or the grant of a supplementary protection certificate with respect to, any Licensor Patents (a "Patent Challenge"). TGTX will include provisions in all agreements granting Sublicenses of TGTX's rights hereunder (other than agreements with manufacturers, services providers, distributors and other agents) providing that if the Sublicensee or its Affiliates undertake a Patent Challenge with respect to any Licensor Patents under which the Sublicensee is Sublicensed, TGTX will be permitted to terminate such Sublicense agreement. If a Sublicensee of TGTX (or an Affiliate of such Sublicensee) undertakes a Patent Challenge of any such Licensor Patent Rights under which such Sublicensee is sublicensed, then TGTX upon receipt of notice from Checkpoint of such Patent Challenge will terminate the applicable Sublicense agreement. If TGTX fails to so terminate such Sublicense agreement, Checkpoint may terminate TGTX's right to Sublicense in the country(ies) covered by such Sublicense agreement and any Sublicenses previously granted in such country(ies) shall automatically terminate. In connection with such Sublicense termination, TGTX shall cooperate with Checkpoint's reasonable requests to cause such a terminated Sublicensee to discontinue activities with respect to the Licensed Product in such country(ies).

10.5. **Termination for Convenience**. This Agreement may be terminated by TGTX at any time for its convenience upon sixty (60) days prior written notice to Checkpoint.

10.6. **Termination for Suspension of Development**. If prior to Regulatory Approval of a Licensed Product, TGTX or its Affiliates provides Notice of Termination or Suspension, then Checkpoint may terminate this Agreement on thirty (30) days' notice to TGTX.

10.7. **Termination for Good Scientific Reason.** TGTX may terminate this Agreement with respect to any specific Compound and the related Licensed Product upon sixty (60) days' prior written notice to Checkpoint if (i) such Compound or Licensed Product has an adverse safety profile or causes serious adverse reactions; or (ii) TGTX reasonably determines that such Licensed Product will not qualify for Regulatory Approval in the United States.

10.8. **Termination for Abandonment.** If Checkpoint Abandons all Licensor Patents in a country, and TGTX does not assume the filing, prosecution and maintenance of such Abandoned Patent in such country, then Checkpoint may terminate the Agreement with respect to such country on thirty (30) days' written notice to TGTX.

10.9. **Effects of Termination/Expiration**.

(a) If this Agreement is terminated by TGTX under Sections 10.3, 10.5 or 10.7, or by Checkpoint under Sections 10.3, 10.4, 10.6 or 10.8, with respect to one or more Licensed Products ("Terminated Products"), in all or any countries of the Territory (the "**Terminated Country(ies)**"):

(i) Any and all licenses granted by Checkpoint to TGTX under this Agreement with respect to the Terminated Products shall terminate in their entirety or with respect to the Terminated Country(ies), as the case may be, on the effective date of such termination;

(ii) Upon Checkpoint's written request, TGTX shall transfer the following assets (collectively, the "**Transferred Product Assets**") to Checkpoint without charge (except as provided in Section 10.9(c), below), provided that Checkpoint shall be responsible for all of costs and expenses incurred by TGTX in connection with such transfer:

(1) TGTX shall promptly transfer to Checkpoint, at Checkpoint's expense, copies of all data, reports, records and documentation and materials that both (i) it Controls and (ii) relate solely to the unit of the Terminated Product that contains no active ingredients other than Compounds ("Covered Product") (e.g. a tablet that contains other active ingredients would not be a distinct unit but if the Terminated Products consisted of two tablets one could be a distinct unit), in such Terminated Country(ies), provided that TGTX shall redact information to the extent possible not relating to the Compound or Covered Product;

(2) TGTX shall, to the extent transferable, assign and transfer to Checkpoint all of its and its Affiliates' right, title and interest in and to all Regulatory Approvals and Drug Approval Applications and Regulatory Filings that it solely owns, prepared (whether completed or partially completed), filed and/or granted solely for terminated Compounds and Covered Products in such Terminated Country(ies), and TGTX shall promptly file with any applicable Regulatory Authority notice of such transfer and assignment;

(3) TGTX shall, to the extent of its Control, transfer to Checkpoint all relevant records and materials in TGTX's possession containing Confidential Information relating solely to the terminated Compounds and Covered Product in such Terminated Country(ies), provided, however, that TGTX may keep one copy of such Confidential Information for archival purposes only and such Confidential Information shall be Confidential Information of Checkpoint;

(4) To the extent TGTX solely owns any right, title and interest in any Trademarks, trade names and/or logos under which only the terminated Covered Product has been or is being marketed or sold in the Terminated Country(ies) (excluding for avoidance of doubt the TGTX's or its Affiliates corporate Trademarks), or internet domain registrations for any such Trademarks or tradenames (excluding for avoidance of doubt domain name registrations incorporating the TGTX's or its Affiliates corporate Trademarks (in whole or in part)), TGTX shall assign the same to Checkpoint;

(iii) At Checkpoint's request, TGTX shall assign to Checkpoint, any clinical trial agreements (to the extent assignable without the written consent of the other parties to such clinical trial agreements) with respect solely to such terminated Compound and Licensed Product in such Terminated Country(ies), provided that Checkpoint agrees to assume all liabilities under such clinical trial agreements pursuant to a form of assumption agreement mutually agreed upon by Checkpoint and TGTX.;

(iv) Any transfers under this Section 10.9(a) shall be transferred on an "as-is" basis, and all documents and information transferred to Checkpoint, to the extent solely related to the terminated Licensed Product or Compound, shall be deemed Checkpoint's Confidential Information;

(v) Checkpoint's and TGTX's restrictive covenants in Sections 2.5 (except if termination is pursuant to Section 10.8) shall terminate with respect to the terminated Licensed Product in such Terminated Country(ies); and

(vi) If at the time of such termination or thereafter, no license granted by TGTX or its Affiliates under the Development Inventions or Development Patents to a Sublicensee under a Sublicense agreement (or options to acquire such a license) is in effect with respect to (A) a Terminated Product, (B) a Terminated Country or (C) a Terminated Product in a Terminated Country, then upon Checkpoint's written request to TGTX, TGTX, on behalf of itself and its Affiliates, shall grant, and shall be deemed to have granted without further action required, to Checkpoint and its Affiliates, or upon Checkpoint's election, to Licensor or an Affiliate of Licensor, an exclusive royalty-bearing (as provided in Section 10.9(c), non-transferable (except in connection with an assignment of this Agreement permitted pursuant to Section 12.2), sublicensable, perpetual license or sublicense (with respect to rights licensed by Third Parties to TGTX), under all Development Inventions and Development Patents Controlled by TGTX, to Develop and Manufacture, in the case of (A) above, the Terminated Product in the Territory, in the case of (B) above the Terminated Product or Licensed Product in the Terminated Countries, and in the case of (C) above, the Terminated Product in the Terminated Countries.

(b) If this Agreement is terminated by TGTX under Section 10.2 or if this Agreement is terminated by Checkpoint under Section 10.2, then in addition to any other remedies available to such Party:

(i) All licenses granted by TGTX to Checkpoint under this Agreement shall terminate; and

(ii) All licenses granted by Checkpoint to TGTX shall terminate.

(c) If this Agreement is terminated by TGTX under Section 10.7, or by Checkpoint under Sections 10.6 or 10.8, in each case, with respect to a Terminated Product or Terminated Country or in its entirety, then following issuance of a request under Sections 10.9(a)(ii), 10.9(a)(iii) or 10.9(a)(vi), Checkpoint shall pay TGTX (x) ⋆% of Sublicensing Royalty Revenue (as defined below), but in no event greater than the royalties that would be payable by Checkpoint pursuant to the royalty rates provided below in this Section 10.9(c) (applying such rates to Net Sales by Existing Sublicensees (as defined below)), and (y) a royalty (the **Reverse Royalty**") on Net Sales of Licensed Products (expressly excluding Net Sales by Existing Sublicensees) during the Reverse Royalty Term (as defined below) as follows:

(i) if the termination occurs before completion (where "completion" means receipt of a final study report meeting the guidelines of the International Conference on Harmonization) of a Phase III Study for a Licensed Product, then ⋆ percent (⋆%) royalty on Net Sales;

⋆ Confidential material redacted and filed separately with the Commission.

(ii) if the termination occurs after completion (where "completion" means receipt of a final study report meeting the guidelines of the International Conference on Harmonization) of a Phase III Study for a Licensed Product but before approval of an NDA or BLA for such Licensed Product in such country, then a * percent (*%) royalty on Net Sales; or

(iii) if the termination occurs after approval of an NDA or BLA for a Licensed Product, then a* percent (*%) royalty on Net Sales.

"**Reverse Royalty Term**" means, and determined on a Licensed Product-by-Licensed Product and country-by-country basis, the period commencing from the First Commercial Sale of a given Licensed Product in such country and ending on the expiry of the last-to-expire Licensor Patent containing a Valid Claim Covering such Licensed Product in such country.

For purposes of this Section 10.9(c), the definition of "Net Sales," and Sections 5.4 through 5.9 shall apply*mutatis mutandis* to the calculation, payment, recording, and auditing of Checkpoint's obligations to pay Reverse Royalties under this Section 10.9 as they apply to TGTX and, solely for such purpose, each reference in each such Section (and any related definitions) to TGTX shall be deemed to be a reference to Checkpoint, and (y) a Sublicensee shall be deemed to be a reference to a licensee or sublicensee of Checkpoint or any of its Affiliates (and expressly excluding Existing Sublicensees) with respect to the Licensed Product. Notwithstanding the foregoing, no Reverse Royalty shall be due or payable by Checkpoint relating to Net Sales of Sublicensees under any Sublicense in effect at the date of termination of this Agreement (Sublicensees under such Sublicenses, "**Existing Sublicensees**"). **"Sublicensing Royalty Revenue"** means sales-based royalties, and minimum sales royalties, each as actually received by Checkpoint or its Affiliate from an Existing Sublicensee as consideration for the grant of rights to Patent Rights.

In no event shall Checkpoint transfer (i) its, right, title or interest in Patent Rights Covering a terminated Compound or Licensed Product or (ii) any of the Transferred Assets, unless the assignee assumes Checkpoint's obligations to pay royalties under this Section 10.9 pursuant to a commercially reasonable assignment and assumption agreement providing that (x) TGTX is a third party beneficiary to such agreement for the purpose of enforcing such payment obligations and (y) any further assignment by such assignee is subject to the requirements set forth in this paragraph.

(d) Articles I (Definitions), VI (Patents and Infringement), VII (Confidentiality), IX (Indemnification; Limitation of Liability; Insurance), XI (Dispute Resolution) and XII (Miscellaneous Provisions) and Section 2.5 (but only with respect to TGTX in connection with a termination under Section 10.8), Sections 5.1, 5.3(b), 5.5 (Royalty Reports and Records Retention), 5.6 (Audits), 5.8 (Late Payments), 5.9 (Taxes) and 10.9 (Effects of Termination/Expiration) hereof shall survive the expiration or termination of this Agreement for any reason. A termination of any Compound from this Agreement shall also terminate the related Licensed Product and termination of any Licensed Product shall terminate the related Compound.

* Confidential material redacted and filed separately with the Commission.

(e) Termination or expiration of this Agreement shall not relieve the Parties of any liability that accrued hereunder before the effective date of such termination or expiration. In addition, termination or expiration of this Agreement shall not preclude either Party from pursuing all rights and remedies it may have hereunder or at Law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

(f) Effect on Sublicenses.

(i) Upon the termination of this Agreement in its entirety, each Sublicense which provides for its survival upon such termination shall survive such termination (but in no event for longer than the period TGTX's licenses hereunder would have been in effect had termination not occurred) and remain in full force and effect, with Checkpoint or upon Checkpoint's election, to Licensor or an Affiliate of Licensor, as the Sublicensee's direct licensor solely with respect to the Licensor Technology ("**Surviving Sublicense**"). Upon Checkpoint's written request, provided that a Surviving Sublicense does not include licenses to products other than Licensed Products, TGTX shall assign a Surviving Sublicense to Checkpoint or upon Checkpoint's election, to Licensor or an Affiliate of Licensor. If a Surviving Sublicense includes licenses to products other than Licensed Products, TGTX shall require that the terms of such Surviving Sublicense permits the assignment in part to Checkpoint or upon Checkpoint's election, to Licensor or an Affiliate of Licensor, relating to the Licensor Technology and shall, upon Checkpoint's written request, assign to Checkpoint or upon Checkpoint's election, to Licensor or an Affiliate of Licensor, the portion of such Surviving Sublicense pertaining to the Licensor Technology.

(ii) Upon the termination of this Agreement with respect to a Terminated Product in a Terminated Country, each Sublicense that includes such Terminated Product in such Terminated Country which provides for its survival upon such termination shall survive such termination (but in no event for longer than the period TGTX's licenses hereunder would have been in effect had termination not occurred) and remain in full force and effect, with (i) Checkpoint or upon Checkpoint's election, Licensor or an Affiliate of Licensor, as the Sublicensee's direct licensor solely with respect to the Licensor Technology and the portion of such Sublicense that includes such Terminated Product in such Terminated Country ("**Surviving Partial Sublicenses**") and (ii) TGTX continuing as the Sublicensee's direct licensor with respect to all other rights granted under such Sublicense. Upon such termination, Checkpoint and Licensor shall be third party beneficiaries of the Surviving Partial Sublicense with respect to the portion thereof pertaining solely to the Terminated Products in the Terminated Countries. Each Sublicense that provides for survival as set forth in this Section shall provide for such third party beneficiary status.

(iii) With respect to each Surviving Sublicense and Surviving Partial Sublicense, in the absence of written notice from Checkpoint to a Sublicensee under a Surviving Sublicense or Surviving Partial Sublicense provided within forty five (45) days of the termination of this Agreement electing to continue the payment terms under such Sublicense, in which case such Sublicense payment terms shall continue, the Sublicensee's payment obligations with respect to its exercise of its surviving rights to the Licensor Technology (but not with respect to its exercise or enjoyment of any other rights or assets) thereunder shall, in lieu of any payment obligations set forth in the Sublicense, be the corresponding payment obligations set forth in this Agreement, provided that (a) with respect to Milestone Payments under such Sublicense where such Sublicense is for less than the entire Territory and the Milestone Payment is based on cumulative worldwide Net Sales, the portion of such Milestone Payment for which such Sublicensee shall be liable shall be such Milestone Payment multiplied by: (I) cumulative Net Sales in such Sublicensee's territory (and not worldwide Net Sales) divided by (II) cumulative worldwide Net Sales and (b) with respect to royalties payable under such Sublicense, if the royalty set forth in such Sublicense is equal to or greater than five percent (5%) of such Sublicensee's Net Sales, then such amount shall be payable under such Sublicense in accordance with the terms thereof (in lieu of any royalty payments pursuant to the terms of Section 5.3(a)), and if such royalty is less than five percent (5%) of such Sublicensee's Net Sales, then the royalty payable under such Sublicense shall be the amounts set forth in Section 5.3(a) (in lieu of any royalty payments pursuant to the terms of such Sublicense) and the royalty tiers will, for the avoidance of doubt, be achieved based on worldwide Net Sales as calculated in accordance with this Agreement, and Checkpoint shall notify such Sublicensee within thirty (30) days following it becoming aware of a Net Sales tier higher than the then-current Net Sale tier applying to the calculation of royalties pursuant to Section 5.3(a). Notwithstanding the foregoing, within thirty (30) days after the effective date of termination of this Agreement, Checkpoint shall have the right to terminate a Sublicense granted to an Affiliate of TGTX.

(g) Termination of the License Agreement.

(i) Upon the termination of the License Agreement in its entirety, this Agreement will remain in full force and effect, with Licensor as TGTX's direct licensor solely with respect to the Licensor Technology ("**Surviving Agreement**"), and in the event of such a termination of the License Agreement, Checkpoint has the right to assign, in whole or in part, the Surviving Agreement to Licensor.

(ii) Upon the termination of the License Agreement with respect to a Terminated Product in a Terminated Country, this Agreement will remain in full force and effect, with (i) Licensor as TGTX's direct licensor solely with respect to the Licensor Technology and the portion of this Agreement that includes such Terminated Product in such Terminated Country ("**Surviving Partial Agreement**") and (ii) Checkpoint continuing as TGTX's direct licensor with respect to all other rights granted under such Surviving Partial Agreement. Upon such termination, Licensor shall be a third party beneficiary of the Surviving Partial Agreement with respect to the portion thereof pertaining solely to the Terminated Products in the Terminated Countries.

(iii) With respect to the Surviving Agreement and Surviving Partial Agreement, the payment terms under this Agreement will continue, except that payment with respect to the Licensed Products will be made directly to Licensor and not Checkpoint.

ARTICLE XI.

DISPUTE RESOLUTION

11.1. **General.** Checkpoint and TGTX shall endeavor to resolve any claim or controversy arising out of the threatened breach, breach, enforcement, interpretation, termination or validity of this Agreement informally by good faith negotiation between the senior executives, officers or management of Checkpoint and TGTX. Either Party may give the other Party written notice of any claim or controversy not resolved in the normal course of business (the "**Disputing Party Notice**"). Within thirty (30) calendar days after the delivery of the Disputing Party Notice, the receiving Party shall submit to the other Party a written response (the "**Response**"). The Disputing Party Notice and Response shall include a statement of each Party's position and a summary of the arguments supporting that position. Within thirty (30) days after the Disputing Party Notice, such designated senior executives, officers or management of Checkpoint and TGTX shall meet at a mutually acceptable time and place and thereafter as often as they reasonably deem necessary to attempt to resolve the claim or controversy. If such efforts do not result in mutually satisfactory resolution of the dispute, the matter shall be referred to the chief executive officers of Checkpoint and TGTX, or their designees. The chief executive officers, or their designees, as the case may be, shall negotiate in good faith to resolve such dispute in a mutually satisfactory manner for up to thirty additional (30) days, or such longer period of time to which the chief executive officers may agree. All negotiations pursuant to this Article 11 are confidential and without prejudice and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the chief executive officers, or their designees, as the case may be,are unable to determine a resolution in the time frame set forth above, the matter may be resolved through arbitration in accordance with the provisions set forth in Section 11.2, in the event of a Technical Dispute or Section 11.3, in the event of other disputes, as applicable, upon notice by a Party on the other Party specifically requesting such arbitration. This Article 11 shall not prohibit a Party from seeking injunctive relief from a court of competent jurisdiction in the event of a breach or prospective breach of this Agreement by any Party which would cause irreparable harm to the other Party.

11.2. **Technical Disputes.** In the event a dispute over (i) whether a Milestone has been achieved, (ii) whether TGTX has used Commercially Reasonable Efforts to Develop the Licensed Product, (iii) the proper allocation of Net Sales to a Licensed Product where the Licensed Product is sold as part of a Combination Product, or (iv) the Combination Percentage (each, a "**Technical Dispute**") is not resolved in accordance with the negotiation and mediation dispute resolution processes described in Section 11.1 above, then either Party may submit the matter to expert intervention in accordance with this Section 11.2. Any such intervention may be initiated by a Party by written notice to the other Party specifying the subject of the requested intervention. The Technical Dispute hearings shall be convened in New York, New York and shall be resolved by one expert, to be mutually selected by the Parties; or if the Parties fail to agree on the expert within ten (10) business days following the date of such written notice, then the Parties shall cause their respective nominees to select a third individual within ten (10) business days to serve as the expert (the "**Expert**"). The Expert shall be required to have pharmaceutical industry experience specifically related to conducting formulation development activities and clinical trials, and shall not be any employee, agent or consultant of any Party or an Affiliate of any Party at such time, or otherwise involved (whether by contract or otherwise) in the affairs of any Party at such time. Each Party simultaneously shall submit to the Expert its proposal with respect to its position on the resolution of the Technical Dispute without having seen the other Party's proposal, along with a discussion document explaining the rationale therefor. The Expert shall have the right to meet with the Parties, either alone or together, and shall have the right to request additional information and documents from each Party. The Expert shall select only one of the Parties' proposals based on the Expert's determination of which proposal is more consistent with the Expert's opinion on the resolution of the Technical Dispute (and consistent with the terms of this Agreement), and shall provide a brief written rationale for such selection. The Expert's decision shall be final and shall be binding upon the Parties under this Agreement. The Parties shall submit their documentation to the Expert within fifteen (15) days of selection of the Expert and provide any requested additional information and documents within ten (10) days of such request. The Expert shall make his or her decision within fifteen (15) days of such submission (extended by the Expert in his discretion to provide adequate time to review requested documents but in no event shall the decision be made more than thirty (30) days after submission).

11.3. **Other Disputes.** Where a Party has served a written notice upon the other requesting arbitration of a dispute that is not subject to Section 11.2, any such dispute shall be submitted to final and binding arbitration under the then current commercial arbitration rules of the American Arbitration Association (the "**AAA**") in accordance with this Section 11.3. The place of arbitration of any dispute shall be New York, New York. Such arbitration shall be conducted by one (1) arbitrator mutually agreed by the Parties but if such agreement cannot be reached within ten (10) days of the commencement of the arbitration, then an arbitrator appointed by the AAA. The arbitrator shall be a person with relevant experience in the pharmaceutical industry. The arbitration proceeding shall be held as soon as practicable but in any event within ninety (90) days of appointment of the arbitrator. Any award rendered by the arbitrators shall be final and binding upon the Parties. Judgment upon any award rendered may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The arbitrator shall render a formal, binding, non-appealable resolution and award as expeditiously as possible, but not more than thirty (30) days after the hearing. Each Party shall pay its own expenses of arbitration, and the expenses of the arbitrator shall be equally shared between the Parties unless the arbitrators assess as part of their award all or any part of the arbitration expenses of a Party (including reasonable attorneys' fees) against the other Party. A Party may make application to the Arbitrator for the award and recovery of its fees and expenses (including reasonable attorneys' fees).

ARTICLE XII.

MISCELLANEOUS PROVISIONS

12.1. **Relationship of the Parties.** Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, joint venture or employer-employee relationship between the Parties. No Party shall have any right or authority to commit or legally bind any other Party in any way whatsoever including, without limitation, the making of any agreement, representation or warranty and each Party agrees to not purport to do so.

12.2. **Assignment.** Neither Party may assign this Agreement, or any of its rights or obligations hereunder without the other Party's prior written consent, provided that each Party will, notwithstanding anything to the contrary, be entitled, without the other Party's prior written consent, to assign or transfer this Agreement: (i) in connection with the transfer or sale of all or substantially all of such Party's assets or business (or that portion thereof related to the subject matter of this Agreement) to a Third Party, (ii) in the event of such Party's merger, consolidation, reorganization, with or into a Third Party, change of control or similar transaction, with a Third Party, or (iii) to an Affiliate of such Party, provided that in the case of an assignment to an Affiliate, the assigning Party shall remain primarily liable for the obligations of such Affiliate except where the non-assigning Party provided its prior written consent to such assignment, such consent to not be unreasonably withheld or delayed (in which case the assigning Party shall not remain primarily liable). Any permitted assignee of either Party will, as a condition to such assignment, assume all obligations of its assignor arising under this Agreement following such assignment. Any purported assignment by a Party of this Agreement, or any of such Party's rights or obligations hereunder, in violation of this Section 12.2 will be void ab initio.

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

12.4. **Force Majeure.** Except for TGTX's obligation to pay the agreed amounts to Checkpoint, no Party shall be liable to any other Party or be deemed to have breached or defaulted under this Agreement for failure or delay in the performance of any of its obligations under this Agreement (other than obligations for the payment of money) for the time and to the extent such failure or delay is caused by or results from acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, omissions or delays in acting by a governmental authority, acts of a government or an agency thereof or judicial orders or decrees or restrictions or any other like reason which is beyond the control of the respective Party (a "**Force Majeure Event**"). The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and shall use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable, and the time for performance shall be extended for a number of days equal to the duration of the force majeure. The Party not subject to the Force Majeure Event may terminate this Agreement if such Force Majeure Event exists for 90 days in any 365-day period on ten (10) days' notice to the other Party.

12.5. **Entire Agreement of the Parties; Amendments.** This Agreement and the Schedules hereto constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancel and supersede any and all prior or contemporaneous negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter (provided, that any and all previous nondisclosure/nonuse obligations are not superseded and remain in full force and effect in addition to the nondisclosure/nonuse provisions hereof). Each Party acknowledges that it has not relied, in deciding whether to enter into this Agreement on this Agreement's expressly stated terms and conditions, on any representations, warranties, agreements, commitments or promises which are not expressly set forth within this Agreement. No modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

12.6. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, excluding application of any conflict of laws principles. With respect to docketing an arbitration award or seeking injunctive relief, each Party (a) irrevocably submits to the exclusive jurisdiction in the United States District Court for the Southern District of New York located in New York, New York and any State courts sitting in New York, New York (collectively, the "Courts"), and (b) agrees not to raise any objection at any time to the laying or maintaining of the venue of any such action, suit or proceeding in any of the Courts, irrevocably waives any claim that such action, suit or other proceeding has been brought in an inconvenient forum and further irrevocably waives the right to object, that such Courts do not have any jurisdiction over such Party. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement.

12.7. **Notices and Deliveries.** All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed given upon receipt if delivered personally or mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by prepaid express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by the notice; provided that notices of a change of address shall be effective only upon receipt thereof):

If to Checkpoint, addressed to:

Checkpoint Therapeutics, Inc.
2 Gansevoort Street, 9th Floor
New York, NY 10014
Attention: President

If to TGTX, addressed to:

TG Therapeutics, Inc
2 Gansevoort Street, 9th Floor
New York, NY 10014
Attention: President

12.8. **Waiver.** No waiver of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of the waiving Party. A waiver by a Party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any other term or condition hereof.

12.9. **Rights and Remedies are Cumulative.** Except to the extent expressly set forth herein, all rights, remedies, undertakings, obligations and agreements contained in or available upon violation of this Agreement shall be cumulative and none of them shall be in limitation of any other remedy or right authorized in law or in equity, or any undertaking, obligation or agreement of the applicable Party.

12.10. **Severability.** This Agreement is severable. When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be to any extent prohibited by or invalid under applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement (or of such provision). The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

12.11. **Third Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of each Party hereto and their respective successors or permitted assigns and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person, including without limitation Sublicensees. If a provision provides a benefit to a Sublicensee or indemnitee, such benefits can only be enforced through a Party or by a separate agreement between such Person and the Party or Parties providing the benefit.

12.12. **Equitable Relief.** Each Party recognizes that the covenants and agreements herein and their continued performance as set forth in this Agreement are necessary and critical to protect the legitimate interests of the other Party, that the other Party would not have entered into this Agreement in the absence of such covenants and agreements and the assurance of continued performance as set forth in this Agreement, and that a Party's breach or threatened breach of such covenants and agreements may cause the opposed Party irreparable harm and significant injury, the amount of which will be extremely difficult to estimate and ascertain, thus potentially making any remedy at law or in damages inadequate. Therefore, each Party agrees that an opposed Party shall be entitled to seek specific performance, an order restraining any breach or threatened breach of Article VII or Section 2.5 and all other provisions of this Agreement, and any other equitable relief (including but not limited to temporary, preliminary and/or permanent injunctive relief). This right shall be in addition to and not exclusive of any other remedy available to such other Party at law or in equity.

12.13. **Interpretation.** The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no provision of this Agreement shall be interpreted for or against a Party because that Party or its attorney drafted the provision.

12.14. **Construction.** The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement unless the context shall otherwise require.

12.15. **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A portable document format (.pdf) copy of this Agreement, including the signature pages, will be deemed an original.

[the remainder of this page has been left blank intentionally]

IN WITNESS WHEREOF, the Parties have caused this Sublicense Agreement to be executed and delivered by their respective duly authorized officers as of the day and year first above written.

Checkpoint Therapeutics, Inc.

By: /s/ James F. Oliviero
Name: James F. Oliviero
Title: President & CEO

TG Therapeutics, Inc.

By: /s/ Michael S. Weiss
Name: Michael S. Weiss
Title: Chief Executive Officer

Schedule 1

Compounds

1. JBET070
2. JBET050

Schedule 2

Licensor Patents

Case No.	Title	Country	Status	Application No.	Filing Date	Publication No.	Publication Date
1	*	*	*	*	*	*	N/A
2	*	*	*	*	*	*	N/A

NOTE: The complete specification and PCT application for * under progress and shall be filed on or before *.

* Confidential material redacted and filed separately with the Commission.

Schedule 3

[Reserved]

Schedule 4

Work Plan

*

* Confidential material redacted and filed separately with the Commission.

Schedule 5

TGTX's Exchange Rate Policies

Net Sales and royalties payable shall be expressed in United States Dollars equivalent, calculated using the simple average of the exchange rate published in the Wall Street Journal on the last day of each month of the Reporting Period.

Schedule 6

[Reserved]

Schedule 7

Success Criteria for Toxicology Study

* studies will comprise the following:

Activities	**Success Criteria**
*	*
*	*
*	*
**	*
**	*

**.

*.

Any dispute as to whether * studies meet the success criteria will be resolved pursuant to Section 11.2.

*

* Confidential material redacted and filed separately with the Commission.