

ARENA PHARMACEUTICALS INC
Form DEF 14A
April 23, 2002

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SCHEDULE 14A INFORMATION

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

Filed by the Registrant
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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

ARENA PHARMACEUTICALS, INC.

(Name of Registrant as specified in its charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- \$125 per Exchange Act Rules 0-11(c) (1) (ii), 14a-6(i) (1) or 14a-6(i) (2).
- \$500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i) (3).
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ARENA PHARMACEUTICALS, INC.

April 23, 2002

Jack Lief
President, Chief Executive Officer
and Director
Dear Arena Stockholder:

6166 Nancy Ridge Drive
San Diego, CA 92121

You are cordially invited to attend the 2002 Annual Meeting of the Stockholders of Arena Pharmaceuticals, Inc. The Annual Meeting will be held on Tuesday, June 11, 2002, at 10:00 a.m. San Diego local time, at the offices of Arena located at 6166 Nancy Ridge Drive, San Diego, California 92121. I look forward to meeting with as many of our stockholders as possible.

At the Annual Meeting, we will elect six directors, and act upon proposals to select independent auditors, approve the Arena Pharmaceuticals, Inc. 2002 Equity Compensation Plan and amend our charter to eliminate stockholder action by written consent without a meeting. There will also be a report on the Company's business, and you will have an opportunity to ask questions about your Company.

Whether or not you attend the Annual Meeting for your Company, it is very important that your shares be represented and voted at the meeting. Therefore, I urge you to sign, date, and promptly return the enclosed proxy card either in the enclosed envelope (no postage is required if mailed in the United States) or by fax to (303) 262-0700, Attention Proxy Department. By returning the proxy card, you can help your Company avoid the expense of duplicating proxy solicitations and possibly having to reschedule the Annual Meeting if a quorum is not present or represented by proxy. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so simply by voting in person at the Annual Meeting.

If you would like directions to the Company, please visit our web site at www.arenapharm.com under Corporate Info, where you will find a "Directions" section that has an easy to use map locator program.

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On behalf of the employees of your Company and the Board of Directors, I would like to express our appreciation for your continued interest in Arena.

Sincerely,

Jack Lief
President, Chief Executive Officer
and Director

For further information about the Annual Meeting, please call (858) 453-7200 ext. 253

Notice of Annual Meeting of Stockholders
To be held on June 11, 2002
ARENA PHARMACEUTICALS, INC.
6166 Nancy Ridge Drive
San Diego, California 92121

April 23, 2002

To the Stockholders of Arena Pharmaceuticals, Inc.:

The Annual Meeting of Stockholders of Arena Pharmaceuticals, Inc., a Delaware corporation (the "Company") will be held on Tuesday, June 11, 2002, at 10:00 a.m. San Diego local time, at the Company's offices, located at 6166 Nancy Ridge Drive, San Diego, California 92121, for the following purposes:

1. To elect directors to the Board of Directors to serve for the ensuing year and until their successors are elected and qualified.
2. To ratify the Company's selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2002.
3. To vote on a proposal to approve the Arena Pharmaceuticals, Inc. 2002 Equity Compensation Plan with 2,750,000 shares of common stock available for grant thereunder.
4. To approve an amendment to the Company's Restated Certificate of Incorporation to provide that actions required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and not by written consent.
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice.

Only stockholders of record at the close of business on April 15, 2002, are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

Whether or not you expect to attend in person, we urge you to sign, date, and return the enclosed Proxy at your earliest convenience. This will ensure the presence of a quorum at the meeting. **Promptly signing, dating, and returning the Proxy will save your Company the expense and extra work of additional solicitation.** An addressed envelope for which no postage is required if mailed in the United States is enclosed for this purpose. You also may return the Proxy by fax to (303) 262-0700, Attention Proxy Department. Sending in your Proxy will not prevent you from voting your stock at the meeting if you desire to do so, as your Proxy may be cancelled at your option.

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ARENA PHARMACEUTICALS, INC.
6166 Nancy Ridge Drive
San Diego, CA 92121

PROXY STATEMENT FOR ANNUAL MEETING
OF STOCKHOLDERS
To Be Held June 11, 2002, at 10:00 a.m. San Diego Local Time

Information Concerning Solicitation and Voting

General

The enclosed proxy is solicited on behalf of the Board of Directors of Arena Pharmaceuticals, Inc., a Delaware corporation (the "Company"), for use at the 2002 Annual Meeting of Stockholders to be held on Tuesday, June 11, 2002, at 10:00 a.m., San Diego local time, or at any adjournments or postponements thereof, for the purposes set forth in this Proxy Statement and the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the Company's offices, located at 6166 Nancy Ridge Drive, San Diego, California 92121.

This Proxy Statement, together with the Notice of Annual Meeting of Stockholders, the form of proxy and the Company's Annual Report to Stockholders, are being mailed on or about April 23, 2002, to all stockholders of record at the close of business on April 15, 2002 (the "Record Date").

Record Date, Outstanding Shares and Voting

Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting and any adjournment or postponement thereof. At the close of business on the Record Date, 27,607,508 shares of the Company's Common Stock were outstanding.

Each holder of record of Common Stock on such date will be entitled to one vote, for each share held, on all matters to be voted on at the Annual Meeting. Cumulative voting is not permitted with respect to any proposal to be acted upon at the Annual Meeting. Stockholders may vote in person or by proxy.

All votes will be tabulated by the inspectors of election appointed for the Annual Meeting who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. The presence, in person or by proxy, of the holders of a majority of outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum.

Votes withheld from any nominee for election as director, abstentions and broker non-votes will be counted as present for purposes of determining the presence or absence of a quorum for the transaction of business. A broker non-vote occurs when a nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because, in respect of such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

Abstentions will be included in the number of shares present and voting on each matter but will have the effect of a negative vote. Non-votes will not be included in the number of shares present and voting on each matter and will have the effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of votes from which a majority is calculated.

The election of directors by the stockholders will be determined by a plurality of votes cast by stockholders entitled to vote, and votes withheld will not be counted toward the achievement of a plurality. On all other matters being submitted to the stockholders, the affirmative vote of a majority of the shares, present in person or represented by proxy at the meeting and entitled to vote, will be required for approval.

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Any proxy which is returned using the form of proxy enclosed and is not marked as to a particular item will be voted for the election of directors named in the proxy, for the ratification of the selection of the designated independent auditors, for the approval of the Arena Pharmaceuticals Inc. 2002 Equity Compensation Plan with 2,750,000 shares of common stock reserved for issuance thereunder, for the approval of the amendment to the Company's Restated Certificate of Incorporation to prohibit stockholder action by written consent, and, as the proxy holders deem advisable, on other matters that may come before the meeting, as the case may be. In the event that any nominee for director should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as designated by the present Board of Directors.

Revocability of Proxies

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing, with the Secretary of the Company at 6166 Nancy Ridge Drive, San Diego, California 92121, a written notice of revocation or a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person.

Cost of Solicitation

The cost of soliciting proxies will be borne by the Company. In addition, the Company expects to reimburse brokerage firms and other persons representing beneficial owners of Common Stock for their expenses in forwarding solicitation material to such beneficial owners. The original solicitation of proxies by mail may be supplemented by solicitation by certain of the Company's directors, officers and regular employees, without additional compensation, in person or by mail, telephone, facsimile, e-mail or telegram.

Proposal 1

ELECTION OF DIRECTORS

The persons named below are nominees for director to serve until the next annual meeting of stockholders and until their successors have been elected and qualified or until their early resignation or removal. The Company's bylaws provide that the authorized number of directors shall be determined by a resolution of the Board of Directors. The authorized number of directors is currently six.

Each nominee listed below is currently a director of the Company. Directors are elected by a plurality of votes present in person or by proxy and entitled to vote at the Annual Meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the nominees named below. In the event that any nominee of the Company is unavailable to serve as a director at the time of the Annual Meeting, the proxies will be voted for any substitute nominee who shall be designated by the present Board of Directors. Management has no reason to believe that any nominee will be unavailable to serve.

The Board of Directors recommends a vote "FOR" each named nominee below.

Nominees

The following table sets forth information regarding the nominees.

Name	Positions and Offices Held	Year First Elected Director	Age
Jack Lief(1)	President, CEO and Director	1997	56
Dominic P. Behan, Ph.D.	Vice President, Research and Director	2000	38
Derek T. Chalmers, Ph.D.	Vice President, Research and Director	2000	38
John P. McAlister, III, Ph.D.(2)	Director	1997	53
Michael Steinmetz, Ph.D.(1)(2)(3)	Director	1999	54
Stefan Ryser, Ph.D.(1)(2)(3)	Director	1999	42

(1) Member of Compensation Committee

(2) Member of Audit Committee

(3) Member of Equity Compensation Plan Committee

Business Experience of Directors

Jack Lief is a co-founder of the Company and has served as a director, President and Chief Executive Officer since April 1997. Mr. Lief is also currently serving as a director, Chief Executive Officer and President of Aressa Pharmaceuticals, Inc. and of BRL Screening, Inc. Mr. Lief also serves as a director of ChemNavigator. The Company owns 35% of ChemNavigator. From 1995 until April 1997, Mr. Lief served as an advisor and consultant to numerous biopharmaceutical organizations. From 1989 to 1994, he served as Senior Vice President, Corporate Development and Secretary of Cephalon, Inc., a biotechnology company. From 1983 to 1989, Mr. Lief served as Director of Business Development and Strategic Planning for Alpha Therapeutic Corporation, a manufacturer of biological products. Mr. Lief joined Abbott Laboratories, a pharmaceutical company, in 1972 where he served until 1983, most recently as the head of International Marketing Research. Mr. Lief holds a B.A. from Rutgers University and a M.S. in Psychology (Experimental and Neurobiology) from Lehigh University.

Dominic P. Behan, Ph.D. is a co-founder of the Company and has served as Vice President, Research since April 1997 and a director since April 2000. From 1993 to January 1997, Dr. Behan directed various research programs at Neurocrine Biosciences, a biopharmaceutical company. From 1990 until 1993, he was engaged in research at the Salk Institute. Dr. Behan holds a Ph.D. in Biochemistry from Reading University, England.

Derek T. Chalmers, Ph.D. is a co-founder of the Company and has served as Vice President, Research since April 1997 and as a director since April 2000. From 1994 to January 1997, Dr. Chalmers directed various research programs at Neurocrine Biosciences. From 1990 until 1994, he was engaged in research at the University of Michigan. Dr. Chalmers holds a Ph.D. in Neuroscience and Neuropharmacology from the University of Glasgow, Scotland.

John P. McAlister, III, Ph.D. has served as a director since July 1997. Dr. McAlister joined Tripos, Inc., a provider of discovery research software and services to the life sciences industry, in 1982, and since 1988 has served as President and Chief Executive Officer of Tripos. Dr. McAlister holds a Ph.D. in Biochemistry and X-Ray Crystallography from the University of Wisconsin, Madison. He currently also serves as a director of Tripos.

Michael Steinmetz, Ph.D. has served as a director since May 1999. Since 1997, he has served as General Partner for MPM Capital, a venture capital firm focusing on investments in the biotechnology industry, and he is a Managing Director of MPM Asset Management LLC. From 1991 to 1997, he served as Vice President Preclinical Research and Development of various divisions of Hoffmann-La Roche Ltd., a pharmaceutical company. Dr. Steinmetz holds a Ph.D. in Natural Sciences from the University of Munich, Germany. He previously served as Chairman of GPC Biotech and Coelacanth Corporation. Dr. Steinmetz also currently serves as director of Acorda Therapeutics, Amphora, Biovitrum, Atugen, Cellular Genomics, Epigenomics, IDEA, MacroGenics, TaiGen and Xcyte.

Stefan Ryser, Ph.D. has served as a director since January 1999. In April 2000, Dr. Ryser became a Managing Director of Bear Stearns and founding Managing Partner of Bear Stearns Health Innoventures Management LLC, a company that manages venture capital investments in the health care industry. From January 1998 to April 2000, Dr. Ryser served as Chief Executive Officer of International Biomedicine Management Partners Inc., a Swiss company that manages investments in the biotechnology industry. From January 1985 to December 1997, Dr. Ryser held various positions at Hoffmann-La Roche Inc., a pharmaceutical company, in Basel, Switzerland, and in Nutley, New Jersey, including Head of Global Research Staff and Scientific Assistant to the President of Global Research and Development. Dr. Ryser holds a Ph.D. in Molecular Biology from the University of Basel, Switzerland. He previously served as a director of Genaissance Pharmaceuticals, Inc. and Cytokinetics, Inc. Dr. Ryser currently serves as a director of Telik, Inc., Entelos, Inc. and Achillion Pharmaceuticals, Inc.

Committees of the Board of Directors

The Company has an Audit Committee, a Compensation Committee and a Equity Compensation Plan Committee. The Company does not have a nominating committee or a committee that performs the functions of a nominating committee.

The Audit Committee reviews the financial information to be provided to stockholders, monitors the integrity of the Company's internal controls and monitors the independence and performance of the Company's independent auditors. The Audit Committee currently consists of the outside directors, Dr. McAlister, Dr. Ryser and Dr. Steinmetz. The Audit Committee held eight meetings during the fiscal year ended December 31, 2001.

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The Compensation Committee reviews and approves the compensation and benefits for directors and the executive officers, and makes recommendations to the Board of Directors regarding these matters. The Compensation Committee currently consists of Mr. Lief, Dr. Ryser and Dr. Steinmetz. The Compensation Committee held two meetings during the fiscal year ended December 31, 2001.

The Equity Compensation Plan Committee authorizes and approves stock option grants to officers, employees, consultants and non-employee members of the Board of Directors, under the Company's 2000 Equity Compensation Plan. The Equity Compensation Plan Committee currently consists of the outside directors Dr. Ryser and Dr. Steinmetz. The Equity Compensation Plan Committee held six meetings during the fiscal year ended December 31, 2001.

Attendance at Meetings of the Board of Directors and Committees Thereof

The Board of Directors held a total of seven meetings during the fiscal year ended December 31, 2001. Each incumbent director who served as a director attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by all committees of the Board on which such director served during the periods in which he served.

Proposal 2

RATIFICATION OF INDEPENDENT AUDITORS

The Board of Directors has selected Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2002. Ernst & Young LLP has audited the Company's financial statements since its inception in 1997. To the best knowledge of the Company, neither the firm nor any of its members has any relationship with the Company or any of its affiliates, except in the firm's capacity as the Company's auditors.

Stockholder ratification of the selection of Ernst & Young LLP as the Company's independent auditors is not required by the Company's bylaws or otherwise. The Board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice.

In the event that the stockholders fail to ratify the selection, the Audit Committee and the Board will reconsider its selection. Even if the selection is ratified, the Audit Committee and the Board in their discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the Company's and its stockholders' best interest.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting, and will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

The affirmative vote of the holders of a majority of shares represented and voting at the meeting will be required to ratify the selection of Ernst & Young LLP.

The Board of Directors recommends that stockholders vote "FOR" the ratification of the selection of Ernst & Young LLP to serve as the Company's independent auditors for the year ending December 31, 2002.

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Proposal 3

APPROVAL OF THE ARENA PHARMACEUTICALS, INC. 2002 EQUITY COMPENSATION PLAN

This proposal is to approve the Arena Pharmaceuticals, Inc. 2002 Equity Compensation Plan (the "Plan") and the reservation of 2,750,000 shares of common stock for issuance thereunder. On January 15, 2002 the Board of Directors determined that it was in the Company's best interest and in the best interest of the Company's stockholders to adopt the Plan which is described below and attached to this Proxy Statement as Exhibit A. The Board has adopted the Plan and reserved common stock for issuance thereunder, subject to stockholder approval, in the amount of 2,750,000 shares.

The purpose of the Plan is to provide employees of the Company and its subsidiaries, as well as certain consultants and advisors who provide valuable services to the Company or its subsidiaries ("Key Advisors") and non-employee members ("Non-Employee Directors") of the Board of Directors of the Company (the "Board") with the opportunity to receive grants of incentive stock options ("ISOs"), nonqualified stock

options ("NQSOs") and restricted stock awards ("Stock Awards"). The Company believes that the Plan encourages participants to contribute significantly to the growth of the Company, thereby benefiting the Company's stockholders. It is the Company's view that the Plan aligns the economic interests of the participants with those of the stockholders.

The following is a summary of the material features of the Plan. The summary is not a complete description of all the provisions of the Plan.

Material Features of the Plan

General. The Plan provides for the grant of ISOs or NQSOs, (collectively, "Stock Options") and Stock Awards. The Plan authorizes up to 2,750,000 shares of Common Stock of the Company for issuance pursuant to the terms of the Plan. However, the number of shares that can be the subject of Stock Options and/or Stock Awards in any one calendar year, under the Plan, is limited to 5% of the number of shares of the Company then outstanding. The maximum share limits are subject to adjustment in the event of a stock dividend, spinoff, recapitalization, split, combination, exchange, reclassification, merger or other corporate change. If and to the extent Stock Options granted under the Plan terminate, expire or are canceled without being exercised, or if any shares subject to a Stock Award are forfeited, the shares subject to such option or award will become available again for purposes of the Plan.

Administration. The Plan will be administered and interpreted by a Committee, which consists of not less than two persons appointed by the Board from among its members, each of whom must be "non-employee directors" as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and each of whom must be "outside directors" as defined under section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") and related Treasury regulations. The Board reserves the right to ratify or approve grants and the Board is authorized to take any action that the Committee is authorized to take under the Plan.

The Committee has the sole authority to determine (i) the persons to whom Stock Options and Stock Awards (collectively "Grants") may be granted under the Plan, (ii) the type, size and other terms and conditions of each Grant, (iii) the time when the Grants are to be made and the duration of any applicable exercise or restriction period, including the criteria for vesting and the acceleration of vesting, and (iv) any other matters arising under the Plan. The Committee's interpretations and determinations will be conclusive and binding on all persons having an interest in the Plan or in any Grants awarded.

Grants. All Grants are subject to the terms and conditions set forth in the Plan and to those other terms and conditions consistent with the Plan as the Committee deems appropriate and as are specified in

writing by the Committee to the designated individual (the "Grant Instrument"). Grants under the Plan need not be uniform as among other recipients of the same type of Grant.

Eligibility. All employees of the Company and its subsidiaries are eligible to participate in the Plan (including officers and employees who are members of the Board). In addition, Non-Employee Directors and Key Advisors are eligible to participate in the Plan.

As of March 1, 2002, approximately 230 employees (including ten executive officers), ten Key Advisors, and three Non-Employee Directors were eligible for grants under the Plan. The Committee is authorized, in its discretion, to select the employees, Key Advisors and Non-Employee Directors who will receive Grants (the "Grantees") from among those eligible and to determine the number of shares of Common Stock that are subject to each Grant. Non-Employee Directors are only eligible to receive NQSOs under the Plan as described below.

Stock Options. The Committee may grant Stock Options intended to qualify as ISOs within the meaning of section 422 of the Code or NQSOs, that are not intended to so qualify, or any combination of ISOs and NQSOs. Non-Employee Directors and Key Advisors may only receive NQSOs.

The Committee will set the exercise price per share on the date of grant. The exercise price per share of a NQSO may be greater than, less than or equal to the fair market value of the underlying shares of Common Stock on the date of grant. The option exercise price of any ISO granted under the Plan may not be less than the fair market value of the underlying shares of Common Stock on the date of grant. The measure of fair market value on a particular date is the closing price of a share of Common Stock as reported on the Nasdaq National Market on that date or if the Company's stock were not principally traded on the Nasdaq National Market, then the fair market value would be the mean between the last reported "bid" and "asked" prices of Company stock on the relevant date, as reported on Nasdaq. However, if the Grantee of an ISO is a person who holds more than 10% of the combined voting power of all classes of outstanding stock of the Company, the option price per share of an ISO must be at least 110% of the fair market value of a share of Common Stock on the date of grant. To the extent that the aggregate fair

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market value of shares of Common Stock, determined on the date of grant, with respect to which ISOs become exercisable for the first time by a Grantee during any calendar year exceeds \$100,000, such ISOs are treated as NQSOs. The closing price of our Common Stock on March 1, 2002 was \$9.91 per share.

The Committee determines the term of each Stock Option; provided, however, that the option term may not exceed ten years from the date of grant and, if the Grantee of an ISO is a person who holds more than 10% of the combined voting power of all classes of outstanding stock of the Company, the option term may not exceed five years from the date of grant. The exercise period for Stock Options commences on the date of grant and ends on such date as is determined by the Committee, in its sole discretion, which is specified in the Grant Instrument, provided however that Stock Options shall vest over a period of not more than five years and at a rate of not less than 20% per year. A Grantee may exercise a Stock Option by delivering notice of exercise to the Company with accompanying payment of the option price. The Grantee may pay the option exercise price in cash, or subject to approval by the Committee, by delivering shares of Common Stock already owned by the Grantee and having a fair market value on the date of exercise equal to the option exercise price, or by any other method that the Committee may approve.

Stock Awards. The Committee may issue or transfer shares of Common Stock pursuant to a Stock Award to employees, Non-Employee Directors or Key Advisors under the Plan. Shares may be issued or transferred for consideration or for no consideration, as the Committee determines. The number of shares of Common Stock granted to each Grantee is determined by the Committee. The Grant Instrument may provide for a period (the "Restriction Period") during which the Grant will remain subject to certain restrictions, including restrictions on transferability. During the Restriction Period, a Grantee may not sell, assign, transfer, pledge, or otherwise dispose of the shares of Common Stock to which the Restriction Period applies, except to a successor grantee in the event of the Grantee's death. If a Grantee's

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employment terminates or if a Grantee who is a Key Advisor ceases to perform services for the Company during the Restriction Period, the Stock Award terminates with respect to all of the shares of Common Stock covered by the Stock Award as to which the restrictions have not lapsed, and those shares of Common Stock shall be forfeited and if issued, immediately returned to the Company. All restrictions imposed under the Stock Award lapse upon the expiration of the applicable Restriction Period. In addition, the Committee may determine as to any or all Stock Awards that all restrictions will lapse under such other circumstances, as it deems appropriate. The Committee may determine that the Company will retain possession of certificates for Stock Awards until all restrictions on such shares have lapsed.

Withholding Tax. All Grants under the Plan are subject to applicable federal (including FICA), state and local tax withholding requirements. The Company may require that the Grantee or other person receiving or exercising Grants pay to the Company the amount of any federal, state or local taxes that the Company is required to withhold with respect to such Grants, or the Company may deduct from other wages paid by the Company the amount of any withholding taxes due with respect to such Grants. The Plan also allows, if the Committee so permits, a Grantee to elect, in a form and manner prescribed by the Committee, to satisfy the Company's income tax withholding obligation with respect to a Grant by having shares withheld up to an amount that does not exceed the Grantee's minimum marginal tax rate for federal (including FICA), state and local tax liabilities.

Section 162(m). Under section 162(m) of the Code, the Company may be precluded from claiming a federal income tax deduction for total remuneration in excess of \$1,000,000 paid to the Chief Executive Officer or to any of the other four most highly compensated officers in any year. Total remuneration includes taxable amounts received upon the exercise of Stock Options granted under the Plan and the value of shares received when shares subject to Stock Awards became transferable (or such other time when income is recognized). However, an exception is available for "qualified performance-based compensation" that meets certain requirements. The Plan is structured to permit Stock Options to meet the requirements of "qualified performance-based compensation" under section 162(m). Generally, Stock Awards will not meet the requirements of "qualified performance-based compensation."

Transferability. Grants are generally not transferable by the Grantee, except in the event of death, or, if permitted by the Committee with respect to NQSOs or Stock Awards, pursuant to a domestic relations order or to permit a grantee to transfer NQSOs to family members or trusts or entities for the benefit of family members, on such terms as the Committee deems appropriate, provided that the grantee receives no consideration and the option continues to be subject to the same terms and conditions after the transfer.

Amendment and Termination. The Committee may amend or terminate the Plan at any time. However, no amendment may be made without stockholder approval if stockholder approval is required in order to comply with the requirements of Section 422 or Section 162(m) of the Code.

Amendment and Termination of Outstanding Grants. The termination or amendment of the Plan after a Grant is made may not materially impair the rights of a Grantee unless (i) the Grantee consents, (ii) the Committee revokes the Grant because it is contrary to law, or

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(iii) the Committee modifies the Grant to comply with a valid and mandatory government regulation. Whether or not the Plan has terminated, an outstanding grant may be terminated or amended by the Committee in accordance with the preceding sentence or may be amended by agreement of the Company and the Grantee.

Change of Control of the Company. In the event of a "Change of Control" all outstanding Stock Options will automatically vest and become immediately exercisable and all restrictions with respect to Stock Awards will lapse unless, and only to the extent that, such Grants and options are assumed or replaced by the successor corporation (or parent thereof) with options or awards meeting certain requirements as specified in the Plan.

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A "Change of Control," under the Plan is defined as (i) the circumstance where any person, becomes a beneficial owner of more than 50% of the voting power of the then outstanding securities of the Company or (ii) a stockholder-approved transaction to which the Company is a party including: (a) a merger or consolidation in which more than 50% of the combined voting power of the Company's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction, or (b) the sale or other disposition of all or substantially all of the Company's assets or (c) a liquidation or dissolution of the Company.

Stock Awards. The table below shows, as to the Company's Chief Executive Officer and its four other most highly paid executive officers and the various indicated individuals and groups, the amount of stock option transactions that would have occurred under the Plan, if the Plan had been in effect during the period from January 1, 2001 to December 31, 2001: the number of shares of common stock subject to options granted during the period and the weighted average option price payable per share.

Name and Title	Options Granted (Number of Shares)	Weighted Average Exercise Price of Options Granted
Jack Lief, Chief Executive Officer	200,000	\$ 20.89
Dominic P. Behan, Ph.D., Vice President Research	50,000	\$ 25.58
Derek T. Chalmers, Ph.D., Vice President Research	50,000	\$ 25.58
Elaine Alexander, M.D., Ph.D., Vice President, Experimental and Clinical Research		
Joyce H. Williams, R.A.C., Vice President, Drug Development		
Richard P. Burgoon, Jr., Former Officer	25,000	\$ 25.58
All current executive officers as a group (10 persons)	420,000	\$ 20.94
All non-executive directors and director nominees as a group (3 persons)	30,000	\$ 16.00
All employees, including current officers who are not executive officers as a group (approximately 12 persons)	427,700	\$ 17.04

Federal Income Tax Consequences of Grants Under the Plan

The current federal income tax treatment of grants under the Plan is generally described below. Local and state tax authorities may also tax incentive compensation awarded under the Plan, and tax laws are subject to change. Grantees are urged to consult with their personal tax advisors concerning the application of the general principles discussed below to their own situations and the application of state and local tax laws.

There are no federal income tax consequences to a Grantee or to the Company upon the grant of a NQSO under the Plan. Upon the exercise of a NQSO, a Grantee will recognize ordinary compensation income in an amount equal to the excess of the fair market value of the shares at the time of exercise over the exercise price of the NQSO, and the Company generally will be entitled to a corresponding federal income tax deduction. Upon the sale of shares acquired by the exercise of a NQSO, a Grantee will have a capital gain or loss in an amount equal to the difference between the amount realized upon the sale and the Grantee's adjusted tax basis in the shares (the exercise price plus the amount of ordinary income recognized by the Grantee at the time of exercise of the NQSO). The capital gain tax rate will depend upon the length of time the shares are held and certain other factors.

A Grantee who is granted an ISO will not recognize taxable income for purposes of the regular federal income tax, upon either the grant or exercise of the ISO. However, for purposes of the alternative minimum tax imposed under the Code, in the year in which an ISO is exercised, the amount by which the fair market value of the shares acquired upon exercise exceeds the exercise price will be treated as an item of adjustment and included in the computation of the recipient's alternative minimum taxable income in

the year of exercise. A Grantee who disposes of the shares acquired upon exercise of an ISO after two years from the date the ISO was granted and after one year from the date such shares were transferred to him or her upon exercise of the ISO will recognize capital gain or loss in the amount of the difference between the amount realized on the sale and the exercise price (or the Grantee's other tax basis in the shares), and the Company will not be entitled to any tax deduction by reason of the grant or exercise of the ISO.

Generally, if a Grantee disposes of the shares acquired upon exercise of an ISO before satisfying both holding period requirements (a "disqualifying disposition"), his or her gain recognized on such a disposition will be taxed as ordinary income to the extent of the difference between the fair market value of such shares on the date of exercise and the exercise price, and the Company will be entitled to a deduction in that amount. The gain, if any, in excess of the amount recognized as ordinary income on such a disqualifying disposition will be capital gain, depending upon the length of time the Grantee held his or her shares prior to the disposition and certain other factors.

A Grantee normally will not recognize taxable income upon receiving a Stock Award, and the Company will not be entitled to a deduction, until such stock is transferable by the Grantee or no longer subject to a substantial risk of forfeiture for federal tax purposes, whichever occurs earlier. When the stock is either transferable or no longer subject to a substantial risk of forfeiture, the Grantee will recognize ordinary compensation income in an amount equal to the fair market value of the shares (less any amount paid for such shares) at that time, and the Company generally will be entitled to a deduction in the same amount. A Grantee may, however, elect to recognize ordinary compensation income in the year the Stock Award is made in an amount equal to the fair market value of the shares subject to the Stock Award (less any amount paid for such shares) at that time, determined without regard to the restrictions. In such event, the Company generally will be entitled to a corresponding deduction in the same year. Any gain or loss recognized by the Grantee upon subsequent disposition of the shares will be capital gain or loss.

The Company's income tax deduction in any of the foregoing cases may be limited by the \$1,000,000 limit of Code section 162(m) if the grant does not qualify as "qualified performance-based compensation" under Code section 162(m) (see "Section 162(m)" above).

The affirmative vote of the holders of a majority of shares represented and voting at the meeting will be required to approve the 2002 Equity Compensation Plan.

The Board of Directors recommends that stockholders vote "FOR" the approval of the 2002 Equity Compensation Plan described above, and reservation of 2,750,000 shares of common stock for issuance thereunder.

Proposal 4

AMENDMENT TO THE RESTATED CERTIFICATE OF INCORPORATION TO PROVIDE STOCKHOLDER ACTION BE TAKEN ONLY AT AN ANNUAL OR SPECIAL MEETING OF STOCKHOLDERS AND TO PROHIBIT STOCKHOLDER ACTION BY WRITTEN CONSENT

The Board of Directors proposes to amend the Company's Restated Certificate of Incorporation to add a new provision to require that stockholder action be taken only at an annual or special meeting of stockholders and to prohibit stockholder action by written consent.

Under Delaware law, any actions required or permitted to be taken by stockholders may be taken (unless a company's certificate of incorporation otherwise provides) without a meeting, without giving prior notice and without a stockholder vote if a written consent setting forth the action to be taken is signed by the holders of stock having the requisite number of votes. The Company's Restated Certificate of Incorporation currently does not prohibit stockholder action by written consent and the Company's by-laws currently provide that stockholder action may be taken by written consent. Consequently, unless Proposal 4 is approved, persons holding a majority interest in the Company could take significant corporate action without giving all other stockholders the opportunity to attend a stockholder meeting, discuss the issues and vote.

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The Board of Directors has approved the proposed amendment to the Company's Restated Certificate of Incorporation and has voted to recommend that the Company's stockholders approve such amendment. The Board of Directors believes that the approval of Proposal 4 is advantageous to the Company and its stockholders. The provision prohibiting stockholder action by written consent would give all stockholders in the Company, entitled to vote on a particular matter, advance notice of and the opportunity to participate in the determination of any proposed action on such matter and the chance to protect their interests. Prohibiting stockholder action by written consent would also prevent the holders of a majority of the voting power of the Company from using the written consent procedure to take stockholder action to the detriment of the minority. Requiring stockholder actions take place only at a stockholder meeting allows all stockholders to participate, express their views and vote on the matter.

If Proposal 4 is adopted by the stockholders, a new article will be added to the Restated Certificate of Incorporation which will read as follows:

Article VIII

No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

If Proposal 4 is approved by the stockholders, the Board of Directors plans to adopt a conforming amendment to the Company's by-laws, that eliminates the section in the by-laws permitting stockholder action by written consent.

The affirmative vote of the holders of a majority of shares represented and voting at the meeting will be required to approve the proposal to Amend the Company's Restated Certificate of Incorporation to Prohibit Stockholder Action By Written Consent.

The Board of Directors believes that Proposal 4 is in the best interests of the Company and its stockholders and recommends that stockholders vote "FOR" the proposal to Amend the Company's Restated Certificate of Incorporation to Prohibit Stockholder Action By Written Consent.

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Compensation and Other Information Concerning Officers, Directors and Certain Stockholders

Executive Officers

The executive officers of the Company are appointed annually by the Board of Directors and serve at the discretion of the Board of Directors. Set forth below are the names and certain biographical information regarding the executive officers of the Company.

Name	Age	Position
Jack Lief	56	President and Chief Executive Officer
Dominic P. Behan, Ph.D.	38	Vice President, Research
Derek T. Chalmers, Ph.D.	38	Vice President, Research
Robert Hoffman, CPA	36	Vice President, Finance
Joyce H. Williams R.A.C.	56	Vice President, Drug Development
Nigel R.A. Beeley, Ph.D.	51	Vice President, Chief Chemical Officer
Elaine Alexander, M.D., Ph.D.	49	Vice President, Experimental and Clinical Research
Louis J. Scotti	46	Vice President, Business Development
Joseph F. Mooney	54	Chief Financial Officer
Steven W. Spector	37	Vice President, General Counsel and Secretary

See "Proposal No. 1 Election of Directors" for biographical information regarding Mr. Lief, Dr. Behan and Dr. Chalmers, who are also directors.

Robert Hoffman, CPA, has served as the Company's Vice President, Finance since April 2000 and served as the Company's Controller from August 1997 until April 2000. Mr. Hoffman also serves as the Chief Financial Officer of ChemNavigator and as Vice President, Finance of BRL Screening, Inc. From 1994 to 1997, he served as Assistant Controller for Document Sciences Corporation, a software company. Mr. Hoffman

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holds a B.B.A. from St. Bonaventure University in New York and is licensed as a CPA in the state of California.

Joyce H. Williams, R.A.C., has served as the Company's Vice President, Drug Development since February 1998. Ms. Williams began serving as Vice President, Regulatory & Clinical Affairs of Aressa Pharmaceuticals, Inc. in October 2000. From January 1997 to February 1998, Ms. Williams served as regulatory consultant to various biotechnology and medical device companies. From 1995 to 1996, she served as Executive Director, Regulatory Affairs at Advanced Sterilization Products, a division of Johnson & Johnson, a pharmaceutical and health care product company. Ms. Williams has over 20 years of experience in regulatory affairs with pharmaceutical and medical technology firms. Ms. Williams holds a B.A. from Case Western Reserve University and an M.B.A. from Pepperdine University. Ms. Williams has earned the designation Regulatory Affairs Certified, or R.A.C.

Nigel R.A. Beeley, Ph.D. has served as the Company's Vice President and Chief Chemical Officer since March 1999. From 1994 to 1998 he was Senior Director of Chemistry at Amylin Pharmaceuticals, Inc., a biotechnology company, and from 1988 to 1994 he served as Head of Oncology-Chemistry for Celltech, a biotechnology company. From 1980 to 1988 he held positions of increasing seniority in the cardiovascular group at Synthelabo Research, a pharmaceutical company, and from 1978 to 1980 he was a CNS Medicinal Chemist, in the pharmaceutical division of Reckitt and Coleman, a conglomerate. From 1976 to 1978 Dr. Beeley held a Royal Society Overseas Research Fellow at ETH, Zurich, Switzerland. Dr. Beeley has a BSc Honours (Class 1) degree in Chemistry from the University of Liverpool, UK and a Ph.D. in Chemistry from the University of Manchester, UK.

Elaine Alexander, M.D., Ph.D. has served as the Company's Vice President, Experimental and Clinical Research since May 1999. Dr. Alexander also serves as the Company's Chief Medical Officer and

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as the Director of Translational Medicine. From 1998 to 1999, she served as a consultant to biotechnology companies and the National Institutes of Health. From 1993 to 1997, she served as Director of Experimental and Exploratory Research for Cephalon, Inc., a biotechnology company. Dr. Alexander holds a Ph.D. and M.D. from the University of California, Los Angeles.

Louis J. Scotti has served as the Company's Vice President, Business Development since August 1999. From June 1998 until July 1999, Mr. Scotti served as President and Chief Executive Officer for ProtoMed, Inc., a biopharmaceutical research company. From April 1996 to June 1998, he served as Executive Director of Licensing for Ligand Pharmaceuticals, Inc., a drug discovery company. From 1986 to 1995, he served in various positions at Reed & Carnrick Pharmaceuticals, a pharmaceutical company, most recently as Vice President of Marketing and Business Development. Mr. Scotti holds a B.S.E. in Biomedical Engineering from the University of Pennsylvania.

Joseph F. Mooney has served as the Company's Chief Financial Officer since September 2000. Mr. Mooney also serves as a director and as Treasurer of BRL Screening, Inc. From 1995 to 2000 he was Managing Principal of Liquidity Sources LLC, a commercial factoring company. From 1987 to 1993 he was with Tucson Resources, Inc., a subsidiary of Tucson Electric Power, most recently as the Vice President, Securities and Treasurer. Mr. Mooney holds an MBA from the Graduate School of Business at the University of Chicago and a MSc from the London School of Economics and Political Science, as well as degrees in mathematics from Boston College and Brandeis University.

Steven W. Spector has served as the Company's Vice President, General Counsel since October 2001. Mr. Spector also serves as Secretary of the Company and ChemNavigator, and as a director of BRL Screening, Inc. and ChemNavigator. Prior to joining the Company, Mr. Spector was a partner with the law firm of Morgan, Lewis & Bockius LLP, where he had worked since 1991 and a member of Morgan Lewis' Technology Steering Committee. He had been the Company's outside corporate counsel from 1998 until October 2001. Mr. Spector holds B.A. and J.D. degrees from the University of Pennsylvania.

Director Compensation

In January of 2001, the Company granted each non-employee member of the Board of Directors, other than Dr. Steinmetz, a stock option to purchase 15,000 shares of the Company's common stock, under the Company's 2000 Equity Compensation Plan. Dr. Steinmetz determined that he would be unable to receive any stock options because of his relationship with MPM Capital, one of the principal stockholders of the Company. The exercise price of the options granted to non-employee members of the Board of Directors was \$16.00 per share. The exercise price per share of each option was equal to the fair market value of the Company's Common Stock on the date of grant, as determined in accordance with the Company's 2000 Equity Compensation Plan. The options vest at the rate of 25% per year, over a four-year period, with the first 25% vesting in January 2002. Each option granted non-employee members of the Board of Directors has a maximum term of 10 years measured from the grant date, subject to earlier termination following the optionee's cessation of Board service.

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In addition, each non-employee member of the Board of Directors is also entitled to reimbursement for all of such director's reasonable out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors and Committees.

Under the Company's 2000 Equity Compensation Plan, non-employee directors are also eligible to receive direct stock issuances, although no non-employee director received any direct stock issuances during 2001. Directors who are also employees do not receive additional compensation for serving as directors.

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Executive Compensation

Summary of Cash and Certain Other Compensation

The following table sets forth certain information concerning the compensation paid or accrued by the Company for services rendered to the Company in all capacities for the fiscal years ended December 31, 2001, 2000 and 1999 by the Company's Chief Executive Officer and its four other most highly paid executive officers (collectively, the "Named Executive Officers"):

Name and Principal Position	Year	Annual Compensation		Long Term Compensation Awards	All Other Compensation
		Salary(1)	Other Annual Compensation	Securities Underlying Options/SARs #	
Jack Lief President and Chief Executive Officer	2001	\$ 502,083	\$	200,000	\$
	2000	321,667		300,000	
	1999	197,600		12,500	(5)
Dominic P. Behan, Ph.D. Vice President, Research	2001	262,083	(55,000)(2)	50,000	
	2000	200,000	55,000 (2)	200,000	
	1999	137,500		12,500	2,404(4)
Derek T. Chalmers, Ph.D. Vice President, Research	2001	262,083	(55,000)(2)	50,000	
	2000	200,000	55,000 (2)	200,000	3,365(4)
	1999	137,500		12,500	4,807(4)
Joyce H. Williams, R.A.C. Vice President, Drug Development	2001	197,027			
	2000	164,167		10,000	
	1999	154,283		30,000	
Elaine Alexander, M.D., Ph.D. Vice President, Experimental and Clinical Research	2001	192,500			7,692(4)
	2000	164,375		10,000	6,538(4)
	1999	96,875		10,000	
Richard P. Burgoon, Jr.(6) Former Officer	2001	233,333		25,000	6,834(3)(4)
	2000	209,279		100,000	23,653(4)
	1999	156,183		22,500	2,981(4)

(1)

In accordance with the rules of the SEC, the compensation described in this table does not include medical, group life insurance or other benefits received by the Named Executive Officers which are available generally to all salaried employees of the Company and certain perquisites and other personal benefits received by the Named Executive Officers which do not exceed the lesser of \$50,000 or 10% of any such officer's salary and bonus disclosed in this table. Amounts earned during the years 2001, 2000 and 1999 but deferred

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at the election of the Named Executive Officer pursuant to the Company's 401(k) plan are included in the Salary column.

- (2) During the year 2000, each of Dr. Behan and Dr. Chalmers received an advance on their salary in the amount of \$80,000. Each of Dr. Behan and Dr. Chalmers had offset their advances by \$25,000 in the form of salary reductions through December 31, 2000. This has resulted in a net advance of \$55,000 to each of Dr. Behan and Dr. Chalmers during 2000. As of December 31, 2001, each of Dr. Behan and Dr. Chalmers had offset their advances by \$55,000 in the form of salary reductions.
- (3) Upon Mr. Burgoon's resignation, Mr. Burgoon and the Company agreed that the Company would pay Mr. Burgoon \$43,750 as severance pay and \$974 for an insurance premium of cover Mr. Burgoon's

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health insurance benefits from October 1, 2001 through November 15, 2001. In addition, the Company agreed to allow 46,250 shares of Company restricted stock, that Mr. Burgoon had received upon the exercise of unvested options, to vest prematurely.

- (4) After their annual anniversary hire date, each of the Company's employees may elect to be paid for unused vacation time in the form of additional salary. Dr. Behan elected to be paid in the form of additional salary for one week of unused vacation time in the year ended December 31, 1999. Dr. Chalmers elected to be paid in the form of additional salary for one week and two weeks of unused vacation time in the years ended December 31, 2000 and 1999, respectively. Dr. Alexander elected to be paid in the form of additional salary for two weeks of unused vacation in each of the years ended December 31, 2000 and 1999. Mr. Burgoon elected to be paid in the form of additional salary for one week, six weeks and one week of unused vacation time in the years ended December 31, 2001, 2000 and 1999, respectively. In addition, Mr. Burgoon was paid for his unused vacation balance upon his resignation.
- (5) Pursuant to a four-year consulting agreement with ChemNavigator, Mr. Lief was awarded 200,000 shares of common stock of ChemNavigator in May 1999. The shares vest at a rate of 50,000 shares a year beginning in May 2000, provided that Mr. Lief remains employed by the Company. Pursuant to a four year consulting agreement with ChemNavigator, Mr. Burgoon was awarded 175,000 shares of common stock of ChemNavigator in May 1999. The shares vested at a rate of 43,750 shares a year beginning in May 2000, as long as Mr. Burgoon remained employed by the Company. When Mr. Burgoon resigned in September of 2001, ChemNavigator repurchased 87,500 of the shares of ChemNavigator that were unvested as of September 2001.
- (6) In September of 2001, Mr. Burgoon resigned from his positions with the Company, Aressa Pharmaceuticals, Inc., BRL Screening, Inc., and ChemNavigator.

Option/SAR Grants In Last Fiscal Year

The following table sets forth certain information regarding options granted during the fiscal year ended December 31, 2001, by the Company to the Named Executive Officers:

Option/SAR Grants in Last Fiscal Year

Name	Individual Grants						Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(1)	
	Number of Securities Underlying Options/SARs Granted(#)	Percent of Total Options/SARs Granted	Exercise Price Per Share	Market Price on Date of Grant	Expiration Date			
						5%	10%	
Jack Lief	100,000	11.2%	\$ 16.00	\$ 16.00	1/16/11	\$ 1,006,231	\$ 2,549,988	
	100,000	11.2	25.58	25.58	7/31/11	1,743,712	4,211,793	
Dominic P. Behan, Ph.D.	50,000	5.6	25.58	25.58	7/31/11	804,356	2,038,397	
Derek T. Chalmers, Ph.D.	50,000	5.6	25.58	25.58	7/31/11	804,356	2,038,397	
Joyce H. Williams, R.A.C.								
Elaine Alexander, M.D., Ph.D.								
Richard P. Burgoon, Jr.(2)	25,000	2.8	25.58	25.58	7/31/11	402,178	1,019,198	

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- (1) The potential realizable value is based on the term of the option at its time of grant (10 years). It is calculated by assuming that the stock price on the date of grant appreciates at the indicated annual rate, compounded annually for the entire term of the option, and the option is exercised and sold on the last day of its term for the appreciated stock price. The 5% and 10% assumed rates of appreciation are mandated by the rules of the SEC and do not represent the Company's estimate or projection of the future common stock price.
- (2) In September of 2001, Mr. Burgoon resigned from his positions with the Company, Aressa Pharmaceuticals, Inc., BRL Screening, Inc., and ChemNavigator.

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The Company does not provide assurance to any executive officer or any other holder of the Company's securities that the actual stock price appreciation over the ten year option term will be at the assumed 5% and 10% levels or at any other defined level. Unless the market price of the common stock does in fact appreciate over the option term, no value will be realized from the option grants made to the executive officers.

Pursuant to stock option agreements between the Company and its employees, each of its employees is entitled to exercise their options prior to vesting, subject to certain exceptions. If they exercise their options prior to vesting, they will receive restricted shares which will vest in accordance with the normal vesting schedule set forth in their stock option agreement and are subject to repurchase by the Company if they cease to be employed by the Company.

Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year End Option/SAR Values

The following table shows for the fiscal year ended December 31, 2001, certain information regarding options exercised by, and held at year end by, the Named Executive Officers:

Name	Number of Shares Acquired on Exercise	Value Realized\$(1)	Number of Securities Underlying Unexercised Options/SARs At December 31, 2001(2)		Value of Unexercised In-the-Money Options/SARs At December 31, 2001(3)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Jack Lief		\$	50,000	350,000	\$	\$
Dominic P. Behan, Ph.D.			59,375	203,125	392,906	892,969
Derek T. Chalmers, Ph.D.	31,250	547,500	28,125	203,125	35,719	