

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): April 1, 2012

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**TONIX PHARMACEUTICALS HOLDING CORP.**

(Exact name of registrant as specified in its charter)

Nevada  
(State or Other Jurisdiction  
of Incorporation)

333-150419  
(Commission  
File Number)

26-1434750  
(IRS Employer  
Identification No.)

509 Madison Avenue, Suite 306, New York, New York 10022  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (212) 980-9155

**Copy of correspondence to:**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*Appointment of Leland Gershell*

Effective April 1, 2012, the Board of Directors of Tonix Pharmaceuticals Holding Corp. (the “Company”) appointed Dr. Leland Gershell as the Company’s Chief Financial Officer.

From May 2011 to December 2011, Dr. Gershell was Managing Director and Senior Analyst at Madison Williams and Company, where he was responsible for equity research coverage of specialty pharmaceutical and biotechnology companies. From April 2010 to October 2010, Dr. Gershell was Senior Analyst at Favus Institutional Research, where he was responsible for issuing research reports on a variety of healthcare companies to institutional investors. From October 2008 to October 2009, Dr. Gershell was Senior Analyst at Apothecary Capital, a healthcare investment firm. From November 2004 to September 2008, Dr. Gershell was an equity research analyst at Cowen and Company, most recently as Vice President, where he was responsible for the equity research coverage of small and middle capitalization biotechnology companies. Dr. Gershell earned his M.D. and Ph.D. in Organic Chemistry from Columbia University and his B.A. *magna cum laude* in Chemistry and Asian Studies from Dartmouth College. Dr. Gershell is an inventor on Columbia’s patents for SAHA/vorinostat, which is marketed by Merck as Zolanza® and is the first histone deacetylase (HDAC) inhibitor to receive FDA approval.

Effective April 1, 2012, the Company entered into an employment agreement (the “Gershell Agreement”) with Dr. Gershell to serve as Chief Financial Officer. The base salary under the Gershell Agreement is \$175,000 per annum, which shall increase to \$325,000 per annum upon the Company consummating an equity sale of securities in excess of \$20 million (the “Gershell Threshold”). The Gershell Agreement provides for at-will employment and can be terminated at any time by either party, provided, however, that if the Company terminates Dr. Gershell for any reason other than cause (as defined in the Gershell Agreement), then Dr. Gershell shall be entitled to six weeks of severance, which severance payment shall increase to six months if such termination occurs after the Gershell Threshold. In addition, Dr. Gershell is entitled to participate in any and all benefit plans, from time to time, in effect for the Company’s employees, along with vacation, sick and holiday pay in accordance with its policies established and in effect from time to time.

*Resignation of Benjamin Selzer*

Effective April 1, 2012, Benjamin Selzer resigned as the Company’s interim Chief Financial Officer. Mr. Selzer remains as the Company’s Chief Operating Officer, Secretary and Treasurer.

*Employment Agreement with Benjamin Selzer*

Effective April 2, 2012, the Company entered into an employment agreement (the “Selzer Agreement”) with Benjamin Selzer to serve as Chief Operating Officer. The Selzer Agreement replaces and terminates the employment agreement Mr. Selzer had previously entered into with Tonix Pharmaceuticals, Inc., the Company’s wholly-owned subsidiary. The base salary under the Selzer Agreement is \$175,000 per annum, which shall increase to \$250,000 per annum effective October 7, 2012, and shall increase to \$320,000 per annum upon the Company consummating an underwritten public offering of equity securities in excess of \$10 million net to the Company (the “Selzer Threshold”). In the event that the Selzer Threshold occurs subsequent to October 7, 2012, Mr. Selzer shall be entitled to retroactive adjustment of the base salary to the \$320,000 per annum rate, not to exceed an aggregate adjustment of \$170,000.

The Selzer Agreement has an initial term of two years, and renews thereafter for additional one year terms unless either party provides 90 days written notice prior to the termination of a term not to extend the Selzer Agreement.

If the Company terminates Mr. Selzer after the Selzer Threshold and for any reason other than cause (as defined in the Selzer Agreement), then Mr. Selzer shall be entitled to six months of severance. In addition, Mr. Selzer is entitled to participate in any and all benefit plans, from time to time, in effect for the Company's employees, along with vacation, sick and holiday pay in accordance with its policies established and in effect from time to time.

#### **ITEM 7.01 Regulation FD Disclosure.**

The Company intends to utilize an updated investor presentation to conduct meetings with investors, stockholders and analysts and at investor conferences, and which the Company intends to place on its website, which may contain non-public information. A copy of the presentation is filed as Exhibit 99.01.

The information contained in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to, and shall not be deemed to be "filed" for the purposes of, Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information contained in Item 7.01 of this Current Report shall not be incorporated by reference into any registration statement or any other document filed pursuant to the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing. By filing this Current Report on Form 8-K and furnishing the information contained in this Item 7.01, including Exhibit 99.01, the Company makes no admission as to the materiality of any such information that it is furnishing.

#### **ITEM 8.01 Other Events.**

On April 4, 2012, the Company issued a press release relating to the appointment of Dr. Leland Gershell, as discussed in Item 5.02 above, as well as the appointment of Dr. Bruce Daugherty as the Company's Senior Director of Drug Development. A copy of the press release that discusses these matters is filed as Exhibit 99.02 to, and incorporated by reference in, this report. The information in this Item 8.01 of this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Item 8.01 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as shall be expressly set forth by specific reference in any such filing.

#### **ITEM 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

10.01 Employment Agreement, between Tonix Pharmaceuticals Holding Corp. and Leland Gershell, dated April 1, 2012.

10.02 Employment Agreement, between Tonix Pharmaceuticals Holding Corp. and Benjamin Selzer, dated April 2, 2012.

99.01 Corporate Presentation by the Company \*

99.02 Press Release, issued by Tonix Pharmaceuticals Holding Corp. on April 4, 2012.

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\* Furnished herewith.

**SIGNATURE**

Pursuant to the requirement 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.

**TONIX PHARMACEUTICALS HOLDING CORP.**

Date: April 5, 2012

By: /s/ SETH LEDERMAN  
Seth Lederman  
President and Chief Executive Officer

**Exhibit 10.01**

**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is dated as of April 1, 2012, between Tonix Pharmaceuticals Holding Corp., a Nevada corporation (the "Company"), and Leland Gershell (the "Executive").

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. Employment.**

The Company agrees to employ the Executive in the position of Chief Financial Officer with the Company, and Executive agrees to render such services to the Company upon the terms and conditions hereinafter set forth commencing on April 1, 2012 (the "Agreement Effective Date").

**SECTION 2. At-Will Employment.**

The Executive's employment by the Company is on an at-will basis and, therefore, may be terminated at any time with or without notice and with or without cause. It is understood, however, that absent unusual circumstances, the Executive will provide at least two weeks notice of an intent to terminate the employment relationship, as will the Company. Except as expressly provided herein, the Executive shall, upon termination, be entitled to no further compensation other than earned salary Base Salary (as defined below) through his last day of active employment.

**SECTION 3. Position and Duties.**

(a) During the Employment Period, the Executive shall serve as the Chief Financial Officer of the Company. The Executive shall have such duties and responsibilities as are typically performed by a Chief Financial Officer of a public company and as may be assigned to him from time to time by the President and/or the Board of Directors of the Company (the "Board").

(b) The Executive shall report to the President of the Company and shall devote his best efforts and substantially all of his active business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) on a full-time basis to the business and affairs of the Company and its affiliates. The Executive shall perform his duties and responsibilities to the best of his abilities in a diligent and professional manner. The Executive shall perform his duties principally at the Company's offices in New York City, and, to the extent reasonably requested by the President or the Board, shall provide services as needed at the Company's other offices. During the Employment Period, the Executive shall not engage in any outside business activity without the prior written approval of the Board, whether or not such activity is pursued for gain, profit or other pecuniary advantage.

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(c) The foregoing restrictions shall not limit or prohibit the Executive from engaging in passive investment, and community, charitable and social activities not interfering with the Executive's performance and obligations hereunder.

#### SECTION 4. Base Salary

(a) From the Agreement Effective Date to the date on which the Company consummates the sale of at least Twenty Million Dollars (\$20,000,000) in additional equity securities (the "Financing") the Executive's base salary shall be one hundred seventy five thousand dollars (\$175,000) per annum.

(b) In the event, and upon the consummation, of the Financing, the Executive's base salary shall be increased to Three Hundred Twenty-Five Thousand Dollars (\$325,000) per annum, or such other higher rate at such time or thereafter as the Board may designate from time to time.

(c) The Executive may be eligible to earn annual bonuses as shall be determined by the Board in its sole discretion based upon the Executive's performance and the financial performance of the Company. The Board shall determine the amount of each such annual bonus, if any, promptly following the close of the calendar year and shall pay such bonus by no later than March 15th of the year immediately following the year in which the bonus was earned.

(d) The Executive shall be permitted during the term of this Agreement, if and to the extent eligible, to participate in all employee benefit plans, policies and practices now or hereafter maintained by or on behalf of the Company commensurate with the Executive's position with the Company. Nothing in this Agreement shall preclude the Company from terminating or amending any such plans or coverage so as to eliminate, reduce or otherwise change any benefit payable thereunder to the extent permissible under the terms of the plan.

(e) The Company shall, in accordance with policies then in effect with respect to payments of business expenses, pay or reimburse the Executive for all reasonable out-of-pocket business expenses actually incurred by the Executive during the Employment Period in performing services hereunder; provided, however that to the extent required to comply with the provisions of Section 409A ("Code Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"), (1) no reimbursement of expenses incurred by the Executive during any taxable year shall be made after the last day of the following taxable year of the Executive, (2) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a taxable year of the Executive shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, to the Executive in any other taxable year, and (3) the right to reimbursement of such expenses shall not be subject to liquidation or exchange for another benefit. All expenses shall be accounted for in such reasonable detail as the Company may require.

(f) During the Employment Period, the Executive shall be entitled to twenty (20) vacation days per year, as well as holidays, sick days and personal days in accordance with the Company's policies, as such policies may be amended from time to time. The Executive may not carry forward any unused vacation, holiday, sick or personal days into subsequent years.

SECTION 5. Termination.

(a) Termination upon Death. If the Executive dies during the term of this Agreement, this Agreement shall terminate as of the date of his death.

(b) Termination upon Disability. If after the Agreement Effective Date the Executive becomes physically or mentally disabled, whether totally or partially, so that the Executive is unable to perform his essential job functions for a period aggregating 120 consecutive days during any twelve month period, and it is determined by a physician reasonably acceptable to both the Company and the Executive that, by reason of such physical or mental disability, the Executive shall be unable to perform the essential job functions required of him for such period or periods, the Company may, by written notice to the Executive, terminate this Employment Agreement, in which event such termination shall be effective thirty (30) days after the date upon which the Company shall have given notice to the Executive of its intention to terminate this Agreement.

(c) Termination for Cause. The Company may at any time by written notice to the Executive terminate this Agreement for "Cause" and the Executive shall have no right to receive any compensation or benefit hereunder on and after the date of such notice. For purposes of this Agreement "Cause" shall include

(1) the failure by the Executive to perform such duties as are within the scope of this Agreement and as are reasonably requested in good faith by the President or the Board in the course of the Executive's performance of his duties hereunder;

(2) gross negligence, recklessness or willful misconduct by the Executive in the performance of his duties;

(3) a conviction of or a plea of guilty or nolo contendere by the Executive to a crime involving fraud, embezzlement, theft, other financial dishonesty or moral turpitude;

(4) the material breach by the Executive of this Agreement or of any other agreement or contract with the Company, or any of its affiliates; or

(5) the Board's reasonable determination that the Executive has engaged in a violation of state or federal law relating to the workplace environment (including, without limitation, laws relating to sexual harassment or age, sex or other prohibited discrimination).

(d) Termination without Cause. The Company may terminate this Employment Agreement at any time without Cause, upon written notice by the Company to the Executive and, except as provided in Sections 6(a) and (b) hereof, the Executive shall have no right to receive any compensation or benefit hereunder after the effective date of such termination.

SECTION 6. Severance Payments

(a) If Company terminates this Agreement other than for Cause as defined in Section 5(c) before consummation of the Financing, Executive shall continue to receive his Base Salary for the six (6) week period following such termination, payable in accordance with Company's normal payroll practices.

(b) If Company terminates this Agreement other than for Cause as defined in Section 5(c) after consummation of the Financing, Executive shall continue to receive his Base Salary for the six (6) month period following such termination, payable in accordance with Company's normal payroll practices.

(c) *Compliance With Code Section 409A.* Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and shall operate so that the payments and benefits set forth herein either shall be exempt from the requirements of Code Section 409A or shall comply with the requirements of such provision; provided, however, that in no event shall the Company be liable to the Executive for or with respect to any taxes, penalties or interest which may be imposed upon the Executive pursuant to Code Section 409A. For purposes of this Agreement, the terms "termination," "termination of employment" and variations thereof shall mean a "separation from service" as defined in Treasury Regulation Section 1.409A-1(h) ("Separation From Service"). To the extent that any Severance payment constitutes a "deferral of compensation" subject to Code Section 409A (a "409A Payment"), then, (A) in the event that a termination of Executive's employment does not constitute a Separation From Service, such 409A Payment shall begin at such time as the Executive has otherwise experienced such a Separation from Service, and the date of such Separation from Service shall be deemed to be his termination date for purposes of Section 4(a) hereof, and (B) if on the date of the Executive's Separation from Service, the Executive is a "specified employee" of a public company, as such term is defined in Treasury Regulation Section 1.409A-1(i), as determined from time to time by the Company, then such 409A Payment shall not be made to the Executive until the earlier of six (6) months and one day after the Executive's Separation from Service and shall be paid without adjustment for the delay in payment. The Executive hereby acknowledges that he has been advised to seek and has sought the advice of a tax advisor with respect to the tax consequences to the Executive of all payments pursuant to this Agreement, including any adverse tax consequences or penalty taxes under Code Section 409A and applicable state tax law. The Executive hereby agrees to bear the entire risk of any such adverse federal and state tax consequences and penalty taxes in the event any payment pursuant to this Agreement is deemed to be subject to Code Section 409A, and that no representations have been made to the Executive relating to the tax treatment of any payment pursuant to this Agreement under Code Section 409A and the corresponding provisions of any applicable state income tax laws.

(d) Notwithstanding the foregoing, all payments and obligations of the Company under this Section 6 shall be conditioned upon the execution and delivery by Executive to the Company of a full and effective release by Executive of any liability by the Company to Executive in form and substance reasonably satisfactory to the Company.



SECTION 7. Nondisclosure and Nonuse of Confidential Information.

(a) The Executive shall not disclose or use at any time without the written consent of the Company, either during the Employment Period or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance in good faith of duties assigned to the Executive by the Company or is required to be disclosed by law, court order, or similar compulsion; provided, however, that such disclosure shall be limited to the extent so required or compelled; and provided, further, that the Executive shall give the Company notice of such disclosure and cooperate with the Company in seeking suitable protection. The Executive acknowledges that the Company's Confidential Information has been generated at great effort and expense by the Company and its predecessors and affiliates and has been maintained in a confidential manner by the Company, its predecessors and affiliates. The Executive does not claim any rights to or lien on any Confidential Information. The Executive will immediately notify the Company of any unauthorized possession, use, disclosure, copying, removal or destruction, or attempt thereof, of any Confidential Information by anyone of which the Executive becomes aware and of all details thereof. The Executive shall take all reasonably appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the Company on the day this Agreement is terminated, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof regardless of the form thereof (including electronic and optical copies)) relating to the Confidential Information or the Work Product (as defined below) of the Company or any of its affiliates which the Executive may then possess or have under his control.

(b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or any affiliate in connection with its business, including, but not limited to, information, observations and data obtained by the Executive while employed by the Company or any predecessors thereof (including those obtained prior to the date hereof) concerning (i) the business or affairs of the Company (or such predecessors), (ii) technologies, products or services, (iii) data, test results, designs, methods, formulae, production methods, know-how, show-how, techniques, systems, processes, specifications, drawings, reports, software programs, works of authorship, research and development, (iv) inventions, new developments and trade secrets, whether patentable or unpatentable and whether or not reduced to practice, (v) existing and prospective licensors, licensees, partners, customers, clients, contractors and suppliers, (vi) agreements with licensees, licensors, partners, customers, clients, contractors, suppliers and other entities or individuals, (vii) projects, plans and proposals, (viii) fees, costs and pricing structures, (ix) accounting and business methods, (x) business strategies, acquisition plans and candidates, financial or other performance data and personnel lists and data, and (x) all similar and related information in whatever form, unless the information is or becomes publicly known through lawful means.

SECTION 8. Inventions and Patents.

(a) The Executive agrees that all inventions, ideas, innovations, improvements, modifications, data, test results, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the Company's or any of its affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours or on the premises of the Company or any affiliate and whether or not alone or in conjunction with any other person) while employed by the Company (including those conceived, developed or made prior to the date of this Agreement), or results from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted by the Company, together with all patent applications, letters patent, trademark, tradename and service mark applications or registrations, copyrights, reissues thereof and any other legal protection thereon that may be granted for or upon any of the foregoing (collectively referred to herein as the "Work Product"), belong in all instances exclusively to the Company or such affiliate as works made for hire or otherwise to the fullest extent permitted by applicable law. The Executive will keep and maintain adequate and current written records of all Work Product made by him (in the form of notes, sketches, drawing and other records as may be specified by the Company), which records shall be available to and remain the sole property of the Company at all times. The Executive shall promptly disclose such Work Product to the President and perform all actions reasonably requested by the President (whether during or after the Employment Period) to establish and confirm the Company's sole ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) and provide reasonable assistance to the Company or any of its affiliates in connection with (a) the prosecution of any applications for patents, trademarks, trade names, service marks, reissues thereof or other legal protection thereon, (b) the maintenance, enforcement and renewal of any rights that may be obtained, granted or vest therein, and (c) the prosecution and defense of any actions, proceedings, oppositions or interferences relating thereto. If the Company is unable, after reasonable effort, to secure the signature of the Executive on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the agent and the attorney-in-fact of the Executive, and the Executive hereby irrevocably designates and appoints each executive officer of the Company as his or her agent and attorney-in-fact to execute any such papers on his or her behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Work Product, under the conditions described in this sentence.

(b) The Executive agrees that he shall not incorporate into any Work Product any discovery, process, design, software code, technology, device, trade secret, improvement in any of the forgoing or other ideas, whether or not patentable and whether or not reduced to practice, made or conceived by him (whether solely or jointly with others) that does not result from any work performed by him for the Company or which he made prior to his employment by the Company ("Other Inventions"). Executive agrees to notify the Company in writing before he makes any disclosure or performs work on behalf of the Company that appears to threaten or conflict with Other Inventions.

(c) In addition to damages and any other rights the Company may have, the Company shall have the right to obtain injunctive or other equitable relief to restrain any breach or threatened breach or otherwise to specifically enforce the provisions of Section 8 of this Agreement, it being agreed that money damages alone would be inadequate to compensate the Company and would be an inadequate remedy for such breach. The rights and remedies of the parties to this Agreement are cumulative and not alternative.

SECTION 9. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) The Executive acknowledges that, in the course of employment with the Company and/or its affiliates, he has and will become familiar with the Company's and its predecessors and affiliates' trade secrets and with other confidential information concerning the Company and its predecessors and affiliates and that his services have been and will be of special, unique and extraordinary value to the Company and its affiliates. Therefore, in order to protect the Company's interest in its Confidential Information, the Executive agrees that during the Employment Period and for one (1) year thereafter (collectively, the "Non-Compete Period," subject to automatic extension during the period of any violation of this Section 9), he shall not directly or indirectly own, manage, control, participate in, consult with, render services for, or in any manner engage in or represent any business competing with the development, marketing, and/or sale of drugs intended for use in the treatment of attention deficit disorder, attention deficit and hyperactivity disorder, headaches, primary insomnia disorder, fibromyalgia, post-traumatic stress disorder or any other products and/or services of the Company or its affiliates that exist or are in the process of being developed, formed or acquired as of the date the Agreement is terminated (the "Business"), within any Restricted Territory. As used in this Agreement, the term "Restricted Territory" means (i) the United States and (ii) any other country or territory in which the Company has engaged in, or is engaging in, the Business as of the date the Agreement is terminated. Nothing herein shall be construed to prevent the Executive from participating in and completing all necessary activities required to maintain the Executive's professional standards.

Nothing herein shall prohibit the Executive from being a passive owner of not more than one percent (1%) of the outstanding stock of any class of a corporation which is publicly traded that is engaged in the Business, so long as the Executive has no active participation in the business of such corporation.

(b) During the Non-Compete Period, the Executive shall not directly or indirectly through another person or entity:

(i) induce or attempt to induce any employee of the Company or any affiliate to leave the employ of the Company or such affiliate, or in any way interfere with the relationship between the Company or any such affiliate, on the one hand, and any employee thereof, on the other hand;

(ii) solicit for hire or hire any person who was an employee of the Company or any affiliate until six (6) months after such individual's employment relationship with the Company or any affiliate has been terminated, provided that the Executive may hire any such person (so long as such person is not a supervisor, manager or executive officer of the Company or any affiliate) who responds to a general advertisement offering employment;

(iii) solicit, induce or attempt to solicit or induce any customer (it being understood that the term "customer" as used throughout this Agreement includes any Person (x) that is purchasing goods or receiving services from the Company and/or any affiliates or (y) that is directly or indirectly providing or referring customers to, or otherwise providing or referring business for, the Company or any affiliates), supplier, licensee, subcontractor or other business relation of the Company or any affiliate to cease or reduce doing business with the Company or such affiliate, or in any way interfere or attempt to interfere with the relationship between any such customer, supplier, licensee, subcontractor or business relation, on the one hand, and the Company or any such affiliate, on the other hand; or

(iv) induce or attempt to induce any customer, supplier, licensee, subcontractor or other business relation of the Company or affiliate to purchase services or goods similar to those sold as part of the Business.

(c) The Executive understands that the foregoing restrictions may limit his ability to earn a livelihood in a business similar to the Business, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living. The Executive further understands that (i) the parties would not enter into this Agreement but for the covenants contained in this Section 9, and (ii) the provisions of Sections 7 through 9 are reasonable and necessary to preserve the legitimate business interests of the Company and affiliates.

(d) The Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement), prior to the commencement of that employment.

(e) The Executive agrees that the restrictions are reasonable and necessary, are valid and enforceable under New York law, and do not impose a greater restraint than necessary to protect the Company's legitimate business interests. If, at the time of enforcement of Sections 7 through 9, a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the Executive and the Company agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area so as to protect the Company to the greatest extent possible under applicable law.

(f) In order to protect the goodwill of the Company and its affiliates, to the fullest extent permitted by law, the Executive, both during and after the Employment Period, agrees not to publicly criticize, denigrate, or otherwise disparage any of the Company, its affiliates, and each such entity's employees, officers, directors, licensees, partners, consultants, other service providers, products, processes, policies, practices, standards of business conduct, or areas or techniques of research, development, manufacturing, or marketing. Nothing in this Section 9(f) shall prevent the Executive or the Company from cooperating in any governmental proceeding or from providing truthful testimony pursuant to a legally-issued subpoena. The Executive promises to provide the Company with written notice of any request to so cooperate or provide testimony within one (1) day of being requested to do so, along with a copy of any such request.

(g) In addition to damages and any other rights the Company may have, the Company shall have the right to obtain injunctive or other equitable relief to restrain any breach or threatened breach or otherwise to specifically enforce the provisions of Section 9 of this Agreement, it being agreed that money damages alone would be inadequate to compensate the Company and would be an inadequate remedy for such breach. The rights and remedies of the parties to this Agreement are cumulative and not alternative.

(h) In addition to the foregoing, and not in any way in limitation thereof, or in limitation of any right or remedy otherwise available to the Company, if the Executive violates any provision of the foregoing Sections 7 through 9, any Severance payments then or thereafter due from the Company to the Executive pursuant to Section 6 shall be terminated forthwith and the Company's obligation to pay and the Executive's right to receive such Severance payments shall terminate and be of no further force or effect, if and when determined by a court of competent jurisdiction, in each case without limiting or affecting the Executive's obligations (or terminating the Non-Compete Period) under such Sections 7 through 9, or the Company's other rights and remedies available at law or equity.

**SECTION 10. Representations, Warranties and Additional Covenants of the Executive.**

The Executive hereby represents and warrants to the Company that (a) the execution, delivery and performance of this Agreement by the Executive does not and shall not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject, (b) the Executive is not a party to or bound by any employment agreement, (c) the Executive is not a party to or bound by any consulting agreement, non-compete agreement, confidentiality agreement or similar agreement with any other person or entity that would affect the Company or the obligations of the Executive hereunder and (d) upon the execution and delivery of this Agreement by the Company and the Executive, this Agreement will be a valid and binding obligation of the Executive, enforceable in accordance with its terms. The Executive further represents and warrants that he has not disclosed, revealed or transferred to any third party any of the Confidential Information that he may have previously obtained and that he has safeguarded and maintained the secrecy of the Confidentiality Information to which he has had access or of which he has knowledge. In addition, the Executive represents and warrants that he has no ownership in nor any right to nor title in any of the Confidential Information and the Work Product.

SECTION 11. Notices.

All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given when delivered personally to the recipient, telecopied to the intended recipient at the telecopy number set forth therefor below, or one (1) business day after deposit with a nationally recognized overnight delivery service, in each case as follows:

If to the Company, to:

Tonix Pharmaceuticals Holding Corp.  
509 Madison Avenue, Suite 306  
New York, New York 10022  
Attention: President

If to the Executive, to the address set forth on the signature page hereto; or such other address as the recipient party to whom notice is to be given may have furnished to the other party in writing in accordance herewith. Any such communication shall be deemed to have been delivered and received (a) when delivered, if personally delivered, sent by telecopier or sent by overnight courier, and (b) on the fifth business day following the date posted, if sent by mail. Instructions, notices or requests may be sent by email to the Executive.

SECTION 12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing and except to the extent otherwise provided in Section 9(e) (with respect to a breach of the provisions of Section 8), if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Complete Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior correspondence or documents evidencing negotiations between the parties, whether written or oral, and any and all understandings, agreements or representations by or among the parties, whether written or oral, that may have related in any way to the subject matter of this Agreement.

(c) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive and the Company and their respective successors, assigns, heirs, representatives and estate; provided, however, that the rights and obligations of the Executive under this Agreement shall not be assigned without the prior written consent of the Company in its sole discretion. The Company may (i) assign any or all of its respective rights and interests hereunder to one or more of its affiliates, (ii) designate one or more of its affiliates to perform its respective obligations hereunder (in any or all of which cases the Company nonetheless shall remain responsible for the performance of all of their obligations hereunder), (iii) collaterally assign any or all of its respective rights and interests hereunder to one or more lenders of the Company or its affiliates, (iv) assign its respective rights hereunder in connection with the sale of all or substantially all of its business or assets (whether by merger, sale of stock or assets, recapitalization or otherwise) and (v) merge any of affiliates with or into the Company (or vice versa). The rights of the Company hereunder are enforceable by its affiliates, who are the intended third party beneficiaries hereof.

(d) Governing Law. This Agreement shall be governed by, and construed in accordance with and subject to, the laws of the State of New York applicable to agreements made and to be performed entirely within such state without regard to its conflicts of law rules.

(e) Jurisdiction and Venue.

(i) The Company and the Executive hereby irrevocably and unconditionally submit, for themselves and their property, to the exclusive jurisdiction of any New York State court or federal court of the United States of America sitting in the State of New York and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or for recognition or enforcement of any judgment, and the Company and the Executive hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Company and the Executive irrevocably waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. The Company and the Executive agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Executive agrees not to commence a claim or proceeding hereunder in a court other than a New York State court or federal court located in the State of New York, except if the Executive has first brought such claim or proceeding in such New York State court or federal court located in the State of New York, and such court or courts have denied jurisdiction over such claim or proceeding.

(ii) The Company and the Executive irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection that they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State court or federal court of the United States of America sitting in the State of New York and any appellate court from any thereof.

(iii) The parties further agree that the mailing by certified or registered mail, return receipt requested to both (x) the other party and (y) counsel for the other party (or such substitute counsel as such party may have given written notice of prior to the date of such mailing), of any process required by any such court shall constitute valid and lawful service of process against them, without the necessity for service by any other means provided by law. Notwithstanding the foregoing, if and to the extent that a court holds such means to be unenforceable, each of the parties' respective counsel (as referred to above) shall be deemed to have been designated agent for service of process on behalf of its respective client, and any service upon such respective counsel effected in a manner which is permitted by New York law shall constitute valid and lawful service of process against the applicable party.

(f) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

(g) Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(i) **WAIVER OF JURY TRIAL. NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER AGREEMENTS OR THE DEALINGS OR THE RELATIONSHIP BETWEEN THE PARTIES.**

\* \* \* \*

**[Signature Page Follows]**



IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

TONIX PHARMACEUTICALS HOLDING CORP.

By: /s/ SETH LEDERMAN  
Seth Lederman, M.D.  
President and Chairman

EXECUTIVE:

/s/ LELAND GERSHELL  
Leland Gershell

Address:

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**Exhibit 10.02**

**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is dated as of April 2, 2012 (the "Agreement Effective Date"), between Tonix Pharmaceuticals Holding Corp., a Nevada corporation (the "Company"), and Benjamin A. Selzer (the "Executive").

WHEREAS, as of April 1, 2011, the Executive and Tonix Pharmaceuticals, Inc., a Delaware corporation and wholly owned subsidiary of the Company (the "Subsidiary"), entered into an employment agreement (the "April 2011 Employment Agreement");

WHEREAS, as of July 27, 2011, the Executive and the Subsidiary entered into an amendment to the April 2011 Employment Agreement;

WHEREAS, on October 7, 2011, the Subsidiary consummated a transaction (the "Transaction") pursuant to which the Subsidiary was acquired by a publicly registered company for a majority of the then issued and outstanding shares of such company and the Subsidiary became a wholly owned subsidiary of the Company; and

WHEREAS, the Executive and the Subsidiary wish to terminate the April 2011 Employment Agreement, as amended, and the Executive and the Company wish to enter into a new employment agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. Employment.**

The Executive is currently an employee of the Subsidiary and as of the date hereof such employment relationship and the April 2011 Employment Agreement are hereby terminated and the Executive shall hereinafter be employed by the Company, upon the terms and subject to the conditions set forth in this Agreement for the period beginning on the Agreement Effective Date and ending as provided in Section 4 (the "Employment Period").

**SECTION 2. Position and Duties.**

(a) During the Employment Period, the Executive shall continue to serve as the Chief Operating Officer of the Company. The Executive shall have such duties and responsibilities as may be assigned to him from time to time by the Chief Executive Officer and/or the Board of Directors of the Company (the "Board").

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(b) The Executive shall report to the Chief Executive Officer of the Company and shall devote his best efforts and substantially all of his active business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) on a full-time basis to the business and affairs of the Company and its affiliates, as those duties may be assigned by the Chief Executive Officer and/or the Board. The Executive shall perform his duties and responsibilities to the best of his abilities in a diligent and professional manner. The Executive shall perform his duties principally at the Company's offices in New York City, and, to the extent reasonably requested by the Chief Executive Officer or the Board, shall provide services as needed at the Company's other offices. During the Employment Period, the Executive shall not engage in any outside business activity without the prior written approval of the Board, whether or not such activity is pursued for gain, profit or other pecuniary advantage.

(c) The foregoing restrictions shall not limit or prohibit the Executive from engaging in passive investment, and community, charitable and social activities not interfering with the Executive's performance and obligations hereunder.

### SECTION 3. Salary and Benefits.

(a) Subject to clauses (b) and (c) below, during the Employment Period, the Executive shall be employed on an at-will basis at a salary equal to One Hundred Seventy Five Thousand Dollars (\$175,000).

(b) Commencing on October 7, 2012, the Executive's salary shall be increased to Two Hundred Fifty Thousand Dollars (\$250,000) per annum, or such other rate as the Board may designate from time to time (the "Adjusted Post-Financing Salary").

(c) In the event, and upon the consummation, of the closing of the sale of shares of the common stock of the Company to the public in an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least Ten Million Dollars (\$10,000,000) of proceeds, net of the underwriting discount and commissions, to the Company (a "Fundamental Transaction"), the Executive's salary shall be increased to Three Hundred Twenty Thousand Dollars (\$320,000) per annum, or such other rate as the Board may designate from time to time (the "Fundamental Transaction Salary"), and, if he remains employed until the date of such Fundamental Transaction, the Executive shall thereupon be compensated for the difference between the Fundamental Transaction Salary and the Adjusted Post-Financing Salary, such difference to be calculated based on One Hundred Ninety-One Dollars and Seventy-Eight Cents (\$191.78) per calendar day, multiplied by the number of calendar days elapsing from October 7, 2012 through the consummation of the Fundamental Transaction, subject to a maximum aggregate payment of One Hundred Seventy Thousand Dollars (\$170,000). The difference between the Adjusted Post-Financing Salary payable to the Executive prior to the consummation of the Fundamental Transaction and the Fundamental Transaction Salary shall be paid in a single lump sum at the same time that the Executive's first regular Fundamental Transaction Salary installment would be paid, net of applicable withholding and payroll taxes.

(d) The Executive may be eligible to earn annual bonuses as shall be determined by the Board in its sole discretion. The Board shall determine the amount of each such annual bonus, if any, promptly following the close of the calendar year and shall pay such bonus by no later than March 15th of the year immediately following the year in which the bonus was earned.

(e) In addition, during the Employment Period, the Executive shall be entitled to participate in all employee benefit programs and plans for which executive employees of the Company are generally eligible from time to time.

(f) The Company shall, in accordance with policies then in effect with respect to payments of business expenses, pay or reimburse the Executive for all reasonable out-of-pocket business expenses actually incurred by the Executive during the Employment Period in performing services hereunder; provided, however that to the extent required to comply with the provisions of Section 409A (“Code Section 409A”) of the Internal Revenue Code of 1986, as amended (the “Code”), (1) no reimbursement of expenses incurred by the Executive during any taxable year shall be made after the last day of the following taxable year of the Executive, (2) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a taxable year of the Executive shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, to the Executive in any other taxable year, and (3) the right to reimbursement of such expenses shall not be subject to liquidation or exchange for another benefit. All expenses shall be accounted for in such reasonable detail as the Company may require.

(g) During the Employment Period, the Executive shall be entitled to twenty (20) vacation days per year, as well as holidays, sick days and personal days in accordance with the Company’s policies, as such policies may be amended from time to time. The Executive may not carry forward any unused vacation, holiday, sick or personal days into subsequent years.

#### SECTION 4. Term and Termination.

(a) *General.* The Employment Period shall commence on the Agreement Effective Date and shall end on the second anniversary of the Agreement Effective Date (the “Initial Term”), and shall be renewed annually thereafter for one (1) year terms, unless and until either party provides ninety (90) days’ advance written notice prior to the end of the then-current Employment Period that such party declines to so extend the Employment Period; *provided, however*, that the Employment Period shall terminate prior to such date upon the occurrence of any of the events set forth in clauses (b), (c) or (d) below. The Executive’s Termination Date shall mean the date of his Separation from Service as determined under Code Section 409A and Treasury Regulation Section 1.409A- 1(h).

(b) Notwithstanding anything else set forth herein, prior to the consummation of a Fundamental Transaction the Employment Period may be terminated by the Company with or without Cause without obligation other than the payment of the Accrued Obligations (as defined below).

(c) *Termination by the Company; Resignation by the Executive.* The Employment Period may be terminated by the Company at any time for Cause (as defined below), or by the Executive’s resignation without Good Reason (as defined below). The Executive may resign for Good Reason in accordance with the last paragraph of Section 5(c). The Employment Period may be terminated by the Company at any time other than for Cause.

(d) *Termination due to Death or Disability.* The Employment Period shall be terminated upon the Executive's death or Separation from Service (as defined below) due to Disability (as defined below).

(e) *Definition of Cause:*

For purposes of this Agreement, "Cause" means:

(A) the failure by the Executive to perform such duties as are within the scope of this Agreement and as are reasonably requested in good faith by the Chief Executive Officer or the Board in the course of the Executive's performance of his duties hereunder;

(B) gross negligence, recklessness or willful misconduct by the Executive in the performance of his duties;

(C) a conviction of or a plea of guilty or nolo contendere by the Executive to a crime involving fraud, embezzlement, theft, other financial dishonesty or moral turpitude;

(D) the material breach by the Executive of this Agreement or of any other agreement or contract with the Company, or any of its affiliates; or

(E) the Board's reasonable determination that the Executive has engaged in a violation of state or federal law relating to the workplace environment (including, without limitation, laws relating to sexual harassment or age, sex or other prohibited discrimination).

The Company shall not be entitled to terminate for Cause unless the Company provides to the Executive written notice documenting in reasonable detail the basis for termination and an opportunity of at least thirty (30) days in duration (such duration to be determined in good faith by the Company), to cure, unless (i) the Company reasonably determines that providing such opportunity to cure to the Executive is reasonably likely to have a material adverse effect on its business, financial condition, results of operations, prospects or assets, or (ii) the facts and circumstances underlying such termination are not able to be cured, in which case the Company may terminate without providing an opportunity to cure.

#### SECTION 5. Payments Upon Termination.

(a) *Termination for Cause. Termination by the Executive without Good Reason; Natural Expiration of the Employment Period.* If the Employment Period is terminated after the consummation of a Fundamental Transaction (i) by the Company for Cause, (ii) by the Executive without Good Reason and not on account of death or Disability, or (iii) upon the natural expiration of the Employment Period pursuant to Section 4(a) above, then the Executive shall be entitled to receive his Fundamental Transaction Salary and other remuneration and benefits only to the extent that such amount has accrued through the Termination Date (the "Accrued Obligations"). For the avoidance of doubt, the Accrued Obligations shall be paid promptly upon the termination of the Employment Period, in accordance with applicable law, and shall not include any bonus that remains unpaid as of the Termination Date or that is accruing in the year of termination.

(b) *Termination due to death or Disability.* If the Employment Period is terminated after the consummation of a Fundamental Transaction due to the Executive's death or Disability, then the Executive (or his legal representative) shall be entitled to the Accrued Obligations, plus, if the Executive (or, if applicable, his legal representative) executes and does not revoke a general release of claims in a form reasonably satisfactory to the Company by the 53rd day following the Executive's Separation from Service due to death or Disability, then, subject to Section 10, the Executive (or, if appropriate, his estate) shall be entitled to receive a lump sum cash payment equal to two (2) months of the Executive's then current salary paid on the 60th day following his death or Separation from Service due to Disability, subject to applicable tax withholding requirements.

For purposes of this Agreement, Disability shall have the meaning accorded the term under Treasury Regulation Section 1.409A-3(i)(4).

(c) *Termination by the Company other than for Cause, or by the Executive for Good Reason.* If after the consummation of a Fundamental Transaction the Employment Period is terminated by the Company other than for Cause, or the Executive terminates employment for Good Reason, and such termination constitutes an Involuntary Separation from Service within the meaning of Treasury Regulation Sections 1.409A-1(n) and (h), then the Executive shall be entitled to the Accrued Obligations and, if the Executive executes and does not revoke a general release of claims in a form reasonably satisfactory to the Company by the 53rd day following his Separation from Service, then, subject to Section 10, the Executive (or, if appropriate, his estate) shall also be entitled to receive a lump sum cash payment equal to six (6) months of the Fundamental Transaction Salary (the "Severance") paid on the 60th day following his Separation from Service, subject to applicable tax withholding requirements.

For purposes of this Agreement, "Good Reason" shall mean the Executive's Separation from Service within ninety (90) days after the initial occurrence of (i) a material diminution in the Executive's authority, duties or responsibilities; (ii) a material reduction in the Executive's then current salary (as adjusted); or (iii) the relocation of the Executive's primary work location to a location that is more than fifty (50) miles from the Executive's immediately prior work location; provided that the Executive shall not have Good Reason to separate from service unless the Executive provides written notice to the Company of the condition constituting Good Reason to terminate within thirty (30) days of the initial occurrence thereof, and the Company has a period of at least thirty (30) days after receipt of such notice to remedy said condition(s).

(d) *No Other Benefits.* Except as otherwise required by law (e.g., COBRA) or as specifically provided herein, all of the Executive's rights to salary, severance, fringe benefits and bonuses hereunder (if any) accruing after the Termination Date shall cease upon the Termination Date. Except as specifically provided herein, the Executive shall not be entitled to any severance payments or benefits under any severance policy or practice maintained by the Company or its affiliates.

(e) *Compliance With Code Section 409A.* Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and shall operate so that the payments and benefits set forth herein either shall be exempt from the requirements of Code Section 409A or shall comply with the requirements of such provision; provided, however, that in no event shall the Company be liable to the Executive for or with respect to any taxes, penalties or interest which may be imposed upon the Executive pursuant to Code Section 409A. For purposes of this Agreement, the terms “termination,” “termination of employment” and variations thereof shall mean a “separation from service” as defined in Treasury Regulation Section 1.409A-1(h) (“Separation From Service”). To the extent that any Severance payment constitutes a “deferral of compensation” subject to Code Section 409A (a “409A Payment”), then, (A) in the event that a termination of Executive’s employment does not constitute a Separation From Service, such 409A Payment shall begin at such time as the Executive has otherwise experienced such a Separation from Service, and the date of such Separation from Service shall be deemed to be his Termination Date for purposes of Section 4(a) hereof, and (B) if on the date of the Executive’s Separation from Service, the Executive is a “specified employee” of a public company, as such term is defined in Treasury Regulation Section 1.409A-1(i), as determined from time to time by the Company, then such 409A Payment shall not be made to the Executive until the earlier of (i) six (6) months and one day after the Executive’s Separation from Service; or (ii) the date of his death, and shall be paid without adjustment for the delay in payment. The Executive hereby acknowledges that he has been advised to seek and has sought the advice of a tax advisor with respect to the tax consequences to the Executive of all payments pursuant to this Agreement, including any adverse tax consequences or penalty taxes under Code Section 409A and applicable state tax law. The Executive hereby agrees to bear the entire risk of any such adverse federal and state tax consequences and penalty taxes in the event any payment pursuant to this Agreement is deemed to be subject to Code Section 409A, and that no representations have been made to the Executive relating to the tax treatment of any payment pursuant to this Agreement under Code Section 409A and the corresponding provisions of any applicable state income tax laws.

SECTION 6. Nondisclosure and Nonuse of Confidential Information.

(a) The Executive shall not disclose or use at any time without the written consent of the Company, either during the Employment Period or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive’s performance in good faith of duties assigned to the Executive by the Company or is required to be disclosed by law, court order, or similar compulsion; provided, however, that such disclosure shall be limited to the extent so required or compelled; and provided, further, that the Executive shall give the Company notice of such disclosure and cooperate with the Company in seeking suitable protection. The Executive acknowledges that the Company’s Confidential Information has been generated at great effort and expense by the Company and its predecessors and affiliates and has been maintained in a confidential manner by the Company, its predecessors and affiliates. The Executive does not claim any rights to or lien on any Confidential Information. The Executive will immediately notify the Company of any unauthorized possession, use, disclosure, copying, removal or destruction, or attempt thereof, of any Confidential Information by anyone of which the Executive becomes aware and of all details thereof. The Executive shall take all reasonably appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the Company on the Termination Date, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof regardless of the form thereof (including electronic and optical copies)) relating to the Confidential Information or the Work Product (as defined below) of the Company or any of its affiliates which the Executive may then possess or have under his control.

(b) As used in this Agreement, the term “Confidential Information” means information that is not generally known to the public and that is used, developed or obtained by the Company or any affiliate in connection with its business, including, but not limited to, information, observations and data obtained by the Executive while employed by the Company or any predecessors thereof (including those obtained prior to the date hereof) concerning (i) the business or affairs of the Company (or such predecessors), (ii) technologies, products or services, (iii) data, test results, designs, methods, formulae, production methods, know-how, show-how, techniques, systems, processes, specifications, drawings, reports, software programs, works of authorship, research and development, (iv) inventions, new developments and trade secrets, whether patentable or unpatentable and whether or not reduced to practice, (v) existing and prospective licensees, partners, customers, clients and suppliers, (vi) agreements with licensees, partners, customers, clients, suppliers and other entities or individuals, (vii) projects, plans and proposals, (viii) fees, costs and pricing structures, (viii) accounting and business methods, (ix) business strategies, acquisition plans and candidates, financial or other performance data and personnel lists and data, and (x) all similar and related information in whatever form, unless the information is or becomes publicly known through lawful means.

#### SECTION 7. Inventions and Patents.

The Executive agrees that all inventions, ideas, innovations, improvements, modifications, data, test results, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the Company’s or any of its affiliates’ actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours or on the premises of the Company or any affiliate and whether or not alone or in conjunction with any other person) while employed by the Company (including those conceived, developed or made prior to the date of this Agreement) together with all patent applications, letters patent, trademark, tradename and service mark applications or registrations, copyrights, reissues thereof and any other legal protection thereon that may be granted for or upon any of the foregoing (collectively referred to herein as the “Work Product”), belong in all instances to the Company or such affiliate. The Executive shall promptly disclose such Work Product to the Chief Executive Officer and perform all actions reasonably requested by the Chief Executive Officer (whether during or after the Employment Period) to establish and confirm the Company’s ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) and provide reasonable assistance to the Company or any of its affiliates in connection with (a) the prosecution of any applications for patents, trademarks, trade names, service marks, reissues thereof or other legal protection thereon, (b) the maintenance, enforcement and renewal of any rights that may be obtained, granted or vest therein, and (c) the prosecution and defense of any actions, proceedings, oppositions or interferences relating thereto. If the Company is unable, after reasonable effort, to secure the signature of the Executive on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the agent and the attorney-in-fact of the Executive, and the Executive hereby irrevocably designates and appoints each executive officer of the Company as his or her agent and attorney-in-fact to execute any such papers on his or her behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Work Product, under the conditions described in this sentence.



SECTION 8. Non-Compete; Non-Solicitation; Non-Disparagement.

(a) The Executive acknowledges that, in the course of employment with the Company and/or its affiliates, he has and will become familiar with the Company's and its predecessors and affiliates' trade secrets and with other confidential information concerning the Company and its predecessors and affiliates and that his services have been and will be of special, unique and extraordinary value to the Company and its affiliates. Therefore, in order to protect the Company's interest in its Confidential Information, the Executive agrees that during the Employment Period and for one (1) year thereafter (collectively, the "Non-Compete Period," subject to automatic extension during the period of any violation of this Section 8), he shall not directly or indirectly own, manage, control, participate in, consult with, render services for, or in any manner engage in or represent any business competing with the development, marketing, and/or sale of drugs intended for use in the treatment of attention deficit disorder, attention deficit and hyperactivity disorder, headaches, primary insomnia disorder, fibromyalgia, post-traumatic stress disorder or any other products and/or services of the Company or its affiliates that exist or are in the process of being formed or acquired as of the Termination Date (the "Business"), within any Restricted Territory. As used in this Agreement, the term "Restricted Territory" means (i) the United States and (ii) any other country or territory in which the Company has engaged in, or is engaging in, the Business as of the Termination Date. Nothing herein shall be construed to prevent the Executive from participating in and completing all necessary activities required to maintain the Executive's professional standards.

Nothing herein shall prohibit the Executive from being a passive owner of not more than one percent (1%) of the outstanding stock of any class of a corporation which is publicly traded that is engaged in the Business, so long as the Executive has no active participation in the business of such corporation.

(b) During the Non-Compete Period, the Executive shall not directly or indirectly through another person or entity:

(i) induce or attempt to induce any employee of the Company or any affiliate to leave the employ of the Company or such affiliate, or in any way interfere with the relationship between the Company or any such affiliate, on the one hand, and any employee thereof, on the other hand;

(ii) solicit for hire or hire any person who was an employee of the Company or any affiliate until six (6) months after such individual's employment relationship with the Company or any affiliate has been terminated, provided that the Executive may hire any such person (so long as such person is not a supervisor, manager or executive officer of the Company or any affiliate) who responds to a general advertisement offering employment;

(iii) solicit, induce or attempt to solicit or induce any customer (it being understood that the term "customer" as used throughout this Agreement includes any Person (x) that is purchasing goods or receiving services from the Company and/or any affiliates or (y) that is directly or indirectly providing or referring customers to, or otherwise providing or referring business for, the Company or any affiliates), supplier, licensee, subcontractor or other business relation of the Company or any affiliate to cease or reduce doing business with the Company or such affiliate, or in any way interfere or attempt to interfere with the relationship between any such customer, supplier, licensee, subcontractor or business relation, on the one hand, and the Company or any such affiliate, on the other hand; or

(iv) induce or attempt to induce any customer, supplier, licensee, subcontractor or other business relation of the Company or affiliate to purchase services or goods similar to those sold as part of the Business.

(c) The Executive understands that the foregoing restrictions may limit his ability to earn a livelihood in a business similar to the Business, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living. The Executive further understands that (i) the parties would not enter into this Agreement but for the covenants contained in this Section 8, and (ii) the provisions of Sections 6 through 8 are reasonable and necessary to preserve the legitimate business interests of the Company and affiliates.

(d) The Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions (but no other terms of this Agreement), prior to the commencement of that employment.

(e) The Executive agrees that the restrictions are reasonable and necessary, are valid and enforceable under New York law, and do not impose a greater restraint than necessary to protect the Company's legitimate business interests. If, at the time of enforcement of Sections 6 through 8, a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the Executive and the Company agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area so as to protect the Company to the greatest extent possible under applicable law.

(f) In order to protect the goodwill of the Company and its affiliates, to the fullest extent permitted by law, the Executive, both during and after the Employment Period, agrees not to publicly criticize, denigrate, or otherwise disparage any of the Company, its affiliates, and each such entity's employees, officers, directors, licensees, partners, consultants, other service providers, products, processes, policies, practices, standards of business conduct, or areas or techniques of research, development, manufacturing, or marketing. Nothing in this Section 8(f) shall prevent the Executive or the Company from cooperating in any governmental proceeding or from providing truthful testimony pursuant to a legally-issued subpoena. The Executive promises to provide the Company with written notice of any request to so cooperate or provide testimony within one (1) day of being requested to do so, along with a copy of any such request.

SECTION 9. Enforcement.

Because the Executive's services are unique and because the Executive has access to Confidential Information and Work Product, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement by the Executive, the Company and any of its affiliates or their successors or assigns may, in addition to other rights and remedies existing in their favor at law or in equity, seek specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security) and may apply to any court of competent jurisdiction to require the Executive to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of the covenants contained herein in this Agreement. The Executive agrees not to claim that the Company or any of its affiliates has adequate remedies at law for a breach of any of Sections 6 through 8, as a defense against any attempt by the Company or any of its affiliates to obtain the equitable relief described in this Section 9.

SECTION 10. Severance Payments.

In addition to the foregoing, and not in any way in limitation thereof, or in limitation of any right or remedy otherwise available to the Company, if the Executive violates any provision of the foregoing Sections 6 through 8, any Severance payments then or thereafter due from the Company to the Executive pursuant to Section 5(c) shall be terminated forthwith and the Company's obligation to pay and the Executive's right to receive such Severance payments shall terminate and be of no further force or effect, if and when determined by a court of competent jurisdiction, in each case without limiting or affecting the Executive's obligations (or terminating the Non-Compete Period) under such Sections 6 through 8, or the Company's other rights and remedies available at law or equity.

SECTION 11. Representations, Warranties and Additional Covenants of the Executive.

The Executive hereby represents and warrants to the Company that, after giving effect to the Termination of the April 2011 Employment Agreement, (a) the execution, delivery and performance of this Agreement by the Executive does not and shall not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject, (b) the Executive is not a party to or bound by any employment agreement, (c) the Executive is not a party to or bound by any consulting agreement, non-compete agreement, confidentiality agreement or similar agreement with any other person or entity that would affect the Company or the obligations of the Executive hereunder and (d) upon the execution and delivery of this Agreement by the Company and the Executive, this Agreement will be a valid and binding obligation of the Executive, enforceable in accordance with its terms. The Executive further represents and warrants that he has not disclosed, revealed or transferred to any third party any of the Confidential Information that he may have previously obtained and that he has safeguarded and maintained the secrecy of the Confidentiality Information to which he has had access or of which he has knowledge. In addition, the Executive represents and warrants that he has no ownership in nor any right to nor title in any of the Confidential Information and the Work Product.

SECTION 12. Notices.

All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given when delivered personally to the recipient, telecopied to the intended recipient at the telecopy number set forth therefor below, or one (1) business day after deposit with a nationally recognized overnight delivery service, in each case as follows:

If to the Company, to:

Tonix Pharmaceuticals Holding Corp.  
509 Madison Avenue, Suite 306  
New York, New York 10022  
Attention: Chief Executive Officer

If to the Executive, to the address set forth on the signature page hereto;

or such other address as the recipient party to whom notice is to be given may have furnished to the other party in writing in accordance herewith. Any such communication shall be deemed to have been delivered and received (a) when delivered, if personally delivered, sent by telecopier or sent by overnight courier, and (b) on the fifth business day following the date posted, if sent by mail. Instructions, notices or requests may be sent by email to the Executive.

SECTION 13. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing and except to the extent otherwise provided in Section 8(e) (with respect to a breach of the provisions of Section 8), if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Complete Agreement. This Agreement and those documents expressly referred to herein (including, but not limited to, the exhibit attached hereto) constitute the entire agreement among the parties and supersede any prior correspondence or documents evidencing negotiations between the parties, whether written or oral, and any and all understandings, agreements or representations by or among the parties, whether written or oral, that may have related in any way to the subject matter of this Agreement.

(c) Force Majeure. Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including, without limitation, fire, power failures, any act of war, riot, strikes, civil insurrection, earthquake, hurricane, tornado or other catastrophic natural events or acts of God.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive and the Company and their respective successors, assigns, heirs, representatives and estate; provided, however, that the rights and obligations of the Executive under this Agreement shall not be assigned without the prior written consent of the Company in its sole discretion. The Company may (i) assign any or all of its respective rights and interests hereunder to one or more of its affiliates, (ii) designate one or more of its affiliates to perform its respective obligations hereunder (in any or all of which cases the Company nonetheless shall remain responsible for the performance of all of their obligations hereunder), (iii) collaterally assign any or all of its respective rights and interests hereunder to one or more lenders of the Company or its affiliates, (iv) assign its respective rights hereunder in connection with the sale of all or substantially all of its business or assets (whether by merger, sale of stock or assets, recapitalization or otherwise) and (v) merge any of affiliates with or into the Company (or vice versa). The rights of the Company hereunder are enforceable by its affiliates, who are the intended third party beneficiaries hereof.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED.

(f) Jurisdiction and Venue.

(i) The Company and the Executive hereby irrevocably and unconditionally submit, for themselves and their property, to the non-exclusive jurisdiction of any New York State court or federal court of the United States of America sitting in the State of New York and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or for recognition or enforcement of any judgment, and the Company and the Executive hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The Company and the Executive irrevocably waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. The Company and the Executive agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Executive agrees not to commence a claim or proceeding hereunder in a court other than a New York State court or federal court located in the State of New York, except if the Executive has first brought such claim or proceeding in such New York State court or federal court located in the State of New York, and such court or courts have denied jurisdiction over such claim or proceeding.

(ii) The Company and the Executive irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection that they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State court or federal court of the United States of America sitting in the State of New York and any appellate court from any thereof.

(iii) Notwithstanding clauses (i)-(ii), the parties intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 6 through 8 upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold such covenants wholly or partially invalid or unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the parties that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other jurisdiction within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

(iv) The parties further agree that the mailing by certified or registered mail, return receipt requested to both (x) the other party and (y) counsel for the other party (or such substitute counsel as such party may have given written notice of prior to the date of such mailing), of any process required by any such court shall constitute valid and lawful service of process against them, without the necessity for service by any other means provided by law. Notwithstanding the foregoing, if and to the extent that a court holds such means to be unenforceable, each of the parties' respective counsel (as referred to above) shall be deemed to have been designated agent for service of process on behalf of its respective client, and any service upon such respective counsel effected in a manner which is permitted by New York law shall constitute valid and lawful service of process against the applicable party.

(g) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

(h) Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(j) **WAIVER OF JURY TRIAL.** NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER AGREEMENTS OR THE DEALINGS OR THE RELATIONSHIP BETWEEN THE PARTIES. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

\* \* \* \*

**[Signature Page Follows]**

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

TONIX PHARMACEUTICALS HOLDING CORP.

By: /s/ SETH LEDERMAN

Seth Lederman, M.D.  
Chief Executive Officer

EXECUTIVE:

/s/ BENJAMIN A. SELZER

Benjamin A. Selzer

Address:

Agreed to for purposes of Section 1:

TONIX PHARMACEUTICALS, INC.

By: /s/ SETH LEDERMAN

Name: Seth Lederman  
Title: President

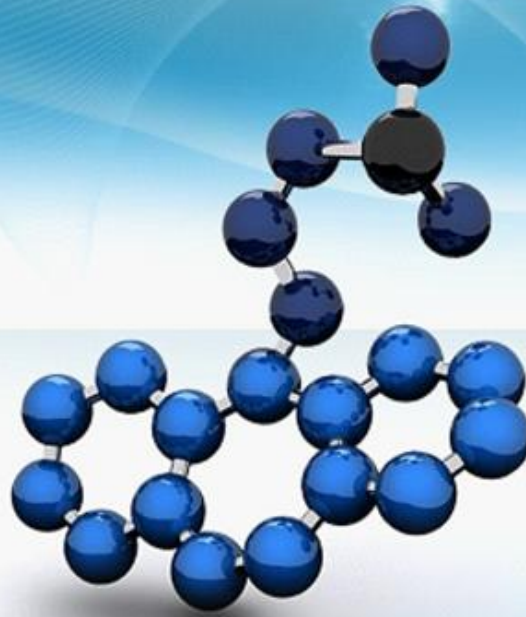
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**TONIX**  
PHARMACEUTICALS

ΣΗΥΒΝΥCΕΠΙCΥΓΣ

1044



Corporate Presentation  
April 2012

*Ticker: TNXP.OB*

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# Disclosures

## **Forward-looking Statements**

The statements and discussions contained in this presentation that are not historical facts constitute forward-looking statements. These can be identified by the use of forward-looking words, such as "believes", "expects", "may", "intends", "anticipates", "plans", "estimates", or any other analogous or similar expressions intended to identify forward-looking statements. These forward-looking statements and estimates as to future performance, estimates as to future valuations, and other statements contained herein regarding matters that are not historical facts, are only predictions and actual events or results may differ materially. We cannot assure or guarantee that any future results described in this presentation will be achieved, and actual results could vary materially from those reflected in such forward-looking statements.

Information contained in this presentation has been compiled from sources believed to be credible and reliable. However, we cannot guarantee such credibility and reliability. The forecasts and projections of events contained herein are based upon subjective valuations, analyses, and personal opinions.

## **Information Regarding Disclosures**

The Common Stock and Warrants have not and will not be registered under the Securities Act of 1933, as amended (the "Act"), or under any state securities laws, nor has the Securities and Exchange Commission (the "Commission") or any state regulatory authority endorsed the Offering. Any representation to the contrary is a criminal offense.

In making an investment decision, investors must rely upon their own examination of the company and the terms of the Offering, including the merits and risks involved. The acquisition of the Stock, if offered, should be considered only by persons who can bear the economic risk of their investment of an indefinite period of time and can afford a total loss of their investment. Each prospective investor in the Offering should, prior to purchasing any Stock, consult his own attorney and business advisor as to the legal, business, tax, and related matters concerning its investment and is urged to ask questions of, and receive answers from, the Company concerning the terms and conditions of the Offering and request any additional information they may consider Necessary in making an informed investment decision.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities of any nature whatsoever, nor do the contents of the presentation constitute legal, tax, or business advice.

This presentation and the offering of the Company's Stock shall be kept confidential. The recipient agrees not to disclose to any third party any information contained herein, or any terms, conditions, or other facts with respect to the Offering, including, without limitation, that the Company is or may be contemplating the Offering.

Information included herewith has been obtained from the Company and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by the Company. Any representations and warranties will be contained only in a definitive agreement signed by the investor and the Company.

# TONIX Pharmaceuticals Summary

- **Specialty pharmaceutical company developing innovative products for high-value CNS indications**
- **Lead programs target fibromyalgia syndrome (FM) and post traumatic stress disorder (PTSD)**
  - Reformulated cyclobenzaprine
  - Capital-efficient, low-risk development pathway
  - High ROI commercial strategy
  - Expect to follow successes of Lyrica® and Cymbalta® in FM
- **Fibromyalgia Phase 2(a) demonstrated statistically significant improvements in core symptoms**
- **Pipeline of additional CNS product candidates**

# Experienced Leadership

## Management Team

### **Seth Lederman, MD**

Founder, CEO, Chairman  
Co-founder, Vela, Targent, Validus, Fontus

### **Benjamin Selzer**

Chief Operating Officer  
Aton, Reliant, Investment banking (Lehman Brothers & Banc of America Securities)

### **Leland Gershell, MD, PhD**

Chief Financial Officer  
Cowen, Apothecary Capital, Favus Institutional Research, Madison Williams

### **Bruce Daugherty, PhD, MBA**

Senior Director, Drug Development  
Merck, Roche Institute

# Accomplished Independent Board

## Board of Directors

**Seth Lederman, MD**  
Founder, CEO, Chairman

**Stuart Davidson**  
Former CEO of Alkermes & Combion

**Patrick Grace**  
WR Grace, Chemed, Grace Institute

**Donald W. Landry, MD, PhD**  
Columbia Chair of Medicine

**Ernest Mario, PhD**  
Former CEO of Glaxo, Alza & Reliant

**Charles Mather**  
Janney Montgomery Scott Securities, Cowen, Smith Barney

**John Rhodes**  
Former Partner at Booz Allen Hamilton

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TONIX PHARMACEUTICALS

# Fibromyalgia Market Opportunity

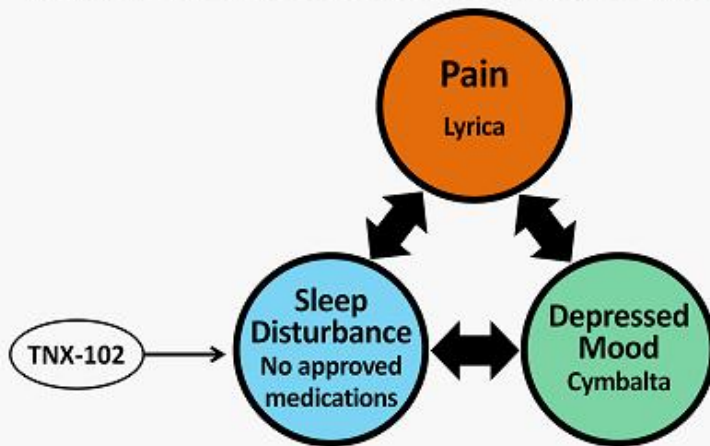
- **Approximately 5 million U.S. fibromyalgia (FM) patients\***
- **U.S. FM drug market estimated at \$1.2 billion\*\***
  - 2007-2010 CAGR of 18.4%\*\*
- **Until 2007, there were no FDA approved FM drugs**
  - Lyrica® (Pfizer) was approved for FM in 2007 and is replacing off-label generic analgesics
  - Cymbalta® (Lilly) was approved for FM in 2008 and is replacing off-label generic anti-depressants
- **TNX-102 is seeking FDA approval as a first-in-class drug for FM and to replace off-label generic muscle relaxants**

\* National Institutes of Health, U.S. Department of Health and Human Services

\*\* Source: Frost & Sullivan Fibromyalgia Market Study, December 2010

# Fibromyalgia: Vicious Cycle

- Medications that target pain or depressed mood are approved for the maintenance of FM
- TNX-102 will be a first-in-class medication targeting disturbed or non-restorative sleep (NRS) in FM



# Comparison of Fibromyalgia Drugs

- Physicians often switch drugs when patients are dissatisfied
- TNX-102 is a first-in-class bedtime treatment and is not expected to compete with approved treatments

## Pipeline Treatments

*TNX-102*

- Nonrestorative sleep category
- 1 dose
- Not restricted by DEA
- Should be available at all pharmacies

*Northera™  
doxidopa*

- Probably in antidepressant category
- FM is a follow-on indication after neurogenic orthostatic hypotension (Orphan indication)

## Approved Treatments

*LYRICA*  
pregabalin

- Analgesic category
- DEA scheduled
- Taken 2 times a day
- Interferes with sleep

*Cymbalta®*  
duloxetine HCI

- Antidepressant category
- Suicidality warning
- Taken 1-2 times a day
- Interferes with sleep

*Savella*  
milnacipran

- Antidepressant category
- Suicidality warning
- Taken 1-2 times a day
- Interferes with sleep



# Drugs Used to Treat Fibromyalgia

- Off-label drugs dominate the sleep quality market but are approved as “muscle relaxants”
- TNX-102 is proposed as first-in-class sleep quality treatment

	Sleep Disturbance	Pain	Depressed Mood	“Muscle Spasm”
FDA Approved		<ul style="list-style-type: none"> <li>• Lyrica (<i>pregabalin</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Cymbalta (<i>duloxetine</i>)</li> <li>• Savella (<i>milnacipran</i>)</li> </ul>	
In Development	<ul style="list-style-type: none"> <li>• TNX-102 (<i>VLD-cyclobenzaprine</i>)</li> </ul>		<ul style="list-style-type: none"> <li>• Northera (<i>droxidopa</i>)</li> </ul>	
Development Abandoned	<ul style="list-style-type: none"> <li>• Rekinla (<i>sodium oxybate</i>)</li> </ul>			
Off Label	<ul style="list-style-type: none"> <li>• Xyrem (<i>sodium oxybate</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Neurontin (<i>gabapentin</i>)</li> <li>• Opiates</li> </ul>	<ul style="list-style-type: none"> <li>• (<i>venlafaxine</i>)</li> <li>• (<i>bupropion</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• (<i>cyclobenzaprine</i>)</li> <li>• (<i>tizanidine</i>)</li> <li>• (<i>baclofen</i>)</li> <li>• (<i>carisoprodol</i>)</li> <li>• (<i>metaxalone</i>)</li> </ul>

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# Cyclobenzaprine Has an Impressive Safety Record and is Widely Used

- Merck developed and launched Flexeril® in 1977
- Over one billion tablets prescribed in 2010
- Extensive safety & efficacy studies conducted by Merck in 1990s
- FDA approved controlled release products in 2007 (15 mg and 30 mg)
- No DEA scheduling, no recognized addictive potential
- Off-label Cyclobenzaprine is the third most widely prescribed medication for FM\*

\* Source: Frost & Sullivan Fibromyalgia Market Study, December 2010

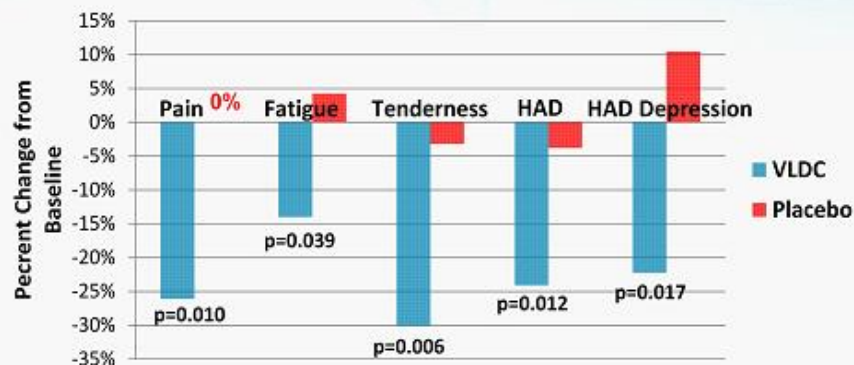
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TONIX PHARMACEUTICALS

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# VLDC FM Pilot Study Results: Symptom Measures\*

- Study published in *Journal of Rheumatology* Dec. 2011
- Lead investigator Harvey Moldofsky thought leader in FM



Change from Baseline (week 8): tenderness measured by dolorimetry; HAD is the Hospital Anxiety and Depression Scale; HAD Depression is the HAD depression subscale

\* Moldofsky et al., *J. Rheum.* December 2011: <http://rheum.org/content/early/2011/08/30/rheum.110194.full.pdf+html>

# TNX-102: VLDC New Formulation

- **Designed for the treatment of fibromyalgia**
  - Muscle relaxant products aim for stable high blood levels over 24 hours
  - Aiming for faster and more reliable absorption for FM
  - Designed for high blood levels during the night and lower levels the next day to reduce next day somnolence
- **Differentiated from, but not competitive with other FM therapies**
  - First-in-class sleep quality treatment for fibromyalgia
  - Bedtime versus daytime (Cymbalta, Lyrica, Savella)
  - Physicians switch patients between different classes when they are dissatisfied

# TNX-102: Development Plan

- **Formulation and PK trials**

- PK Study on first version completed: 30 subjects; three week study
- Follow-on PK Study expected to be completed in September 2012

- **Following PK work, plan is to begin first pivotal trial**

- 2-arm, 12-week study with approximately 150 patients per arm
- Study design and endpoints to mirror those used by Lyrica and Cymbalta
  - Pain and a composite endpoint of other FM symptoms
- Results expected early 2014

# TNX-102: Compelling Risk / Reward Profile

- **Low risk – safety, efficacy and demand established**

Risk Factor	Commentary
FDA Risk - Safety	<ul style="list-style-type: none"> <li>• Cyclobenzaprine is one of the more widely prescribed pharmaceuticals; 1 billion tablets per year in the U.S.</li> <li>• FDA approved and prescribed since the 1970's</li> <li>• Widely studied in modern safety trials</li> <li>• 505(b)(2) registration; TONIX to benefit from existing safety data</li> </ul>
FDA Risk - Efficacy	<ul style="list-style-type: none"> <li>• Off-label Cyclobenzaprine is third most-widely-prescribed drug for FM</li> <li>• Phase 2a study demonstrated strong efficacy with very low dose cyclobenzaprine</li> </ul>
Commercial Risk	<ul style="list-style-type: none"> <li>• Off-label cyclobenzaprine already has market acceptance by physicians and patients despite never having been marketed for FM</li> <li>• TNX-102 would be approved as a first-in-class treatment for FM and is expected to replace off-label use of muscle relaxants</li> <li>• Widely used off label for FM; 48.3 million tablets in 2010 (Frost &amp; Sullivan)</li> </ul>
Reimbursement Risk	<ul style="list-style-type: none"> <li>• TNX-102 is expected to be approved as a first-in-class treatment for FM</li> <li>• Currently no generic FM products</li> </ul>
Generic Competition	<ul style="list-style-type: none"> <li>• New, differentiated formulation relative to generic cyclobenzaprine</li> <li>• Lyrica and Cymbalta took market share from cheaper off-label generics once they obtained FDA approval for FM</li> </ul>

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# TNX-102: Compelling Risk / Reward Profile

- **Short-term Monetization Focus**

- The first of two pivotal clinical trials to commence Q1 2013
- Initial “interim” data should be available by Q3 2013, with final study report available Q1-Q2 2014
- Somewhere between those two milestones, TONIX plans to seek a major pharmaceutical partner or to monetize the company

# TNX-105: VLDC for PTSD

- **3.5% of U.S. adult population will have suffered from PTSD in past 12 months\***
  - Any trauma can lead to PTSD
- **Unsatisfied market**
  - Only Zoloft® and Paxil® have FDA approval
- **Widespread painkiller abuse and addiction**
- **Leveraging formulation and clinical work from TNX-102 to advance TNX-105**

*\* National Institutes of Mental Health & National Institutes of Health*

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# FM and PTSD - Related Conditions

- **PTSD, like FM is characterized by groups of symptoms**
  - Some patients with FM meet PTSD criteria
  - Some patients with PTSD meet FM criteria
  - Some are believed to suffer from both conditions simultaneously
- **Overlap of PTSD and FM symptoms suggests VLDC may treat PTSD**
  - PTSD is thought to be exacerbated by non-restorative sleep
- **PTSD has both combat and civilian forms**
  - Zoloft and Paxil are approved for PTSD but market is unsatisfied
  - Brand prescriptions are now filled by generic sertraline and paroxetine
  - DOD has a strong interest in promoting research on therapeutics

# TONIX Pharmaceuticals Pipeline

- **TONIX has a comprehensive pipeline of CNS products**

Product	Indication	Status
TNX-102	Fibromyalgia	<ul style="list-style-type: none"><li>• Very low dose cyclobenzaprine in novel formulation</li><li>• Phase 2a successfully completed</li><li>• PK trial in new formulation completed YE 2011</li><li>• First of two pivotal trials expected to begin Q1 2013</li></ul>
TNX-105	Post-Traumatic Stress Disorder	<ul style="list-style-type: none"><li>• Low dose cyclobenzaprine in novel formulation</li><li>• Will leverage data from TNX-102 PK trial</li><li>• Pivotal trials anticipated to start 2013</li><li>• Applied for Department of Defense funding</li></ul>
TNX-201	Headache	<ul style="list-style-type: none"><li>• NDA to be filed for existing DESI product</li><li>• Potentially shortened process for FDA approval</li><li>• DESI to NDA switch products enjoy mandated exclusivity</li></ul>
TNX-301	Alcoholism	<ul style="list-style-type: none"><li>• US patent allowed</li><li>• Potential for government funding</li></ul>

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# Exclusivity & Patents

- **TNX-102**

- Issued Methods of Use patents for use of VLDC in treatment of fibromyalgia with expiration mid-2020
- Two issued formulation patents with expiration in mid-2021
- Further patents on pharmacokinetics expected to be filed in near term

- **TNX-105**

- Filed Methods of Use patent for use of VLDC in treatment of PTSD
- Two issued formulation patents with expiration in mid-2021

- **Active patenting strategy to extend exclusivity**

- Plan to file patents around TONIX products' unique PK profiles, which are difficult to circumvent

- **Hatch-Waxman exclusivity 3 years post launch for new indications**

# Upcoming Milestones

- **Short and intermediate term value inflection milestones**

Timing	Milestones Related to TNX-102
April 2012	<ul style="list-style-type: none"><li>• Pharmacokinetic (PK) trial topline results</li></ul>
Q2 2012	<ul style="list-style-type: none"><li>• PK study on second formulation</li></ul>
Q3 2012	<ul style="list-style-type: none"><li>• PK/PD on “commercial” formulation and dose</li></ul>
Q1 2013	<ul style="list-style-type: none"><li>• Commencement of initial pivotal trial</li></ul>
Q3 2013	<ul style="list-style-type: none"><li>• Interim look at initial pivotal trial data</li></ul>
Q1-Q2 2014	<ul style="list-style-type: none"><li>• Completion of initial pivotal trial</li><li>• Partnering or monetization event</li></ul>

# Why Invest in TONIX?

- **Capital efficient drug development strategy focused on high-value, first-in-class products**
- **FM and PTSD are significant unmet needs with large market opportunities**
- **TNX-102 is expected to be a first-in-class treatment for FM and differentiated from generic cyclobenzaprine**
- **Low risk, low-cost development pathway**
- **Short-term monetization**
- **Experienced management and Board**



**Contacts:**

**TONIX Pharmaceuticals Holding Corp.**  
Benjamin Selzer, Chief Operating Officer  
(212) 980-9155 x106

**Porter, LeVay & Rose, Inc.**  
Sharon Weinstein, Investor Relations  
Bill Gordon, Media Relations  
(212) 564-4700

**FOR IMMEDIATE RELEASE**

**TONIX PHARMACEUTICALS STRENGTHENS MANAGEMENT TEAM WITH THE  
APPOINTMENTS  
OF ITS NEW CHIEF FINANCIAL OFFICER AND SENIOR DIRECTOR OF DRUG DEVELOPMENT**

**New York, NY – April 4, 2012** – Tonix Pharmaceuticals Holding Corp. (OTCBB: TNXP) (“TONIX” or the “Company”), a specialty pharmaceutical company developing therapies for challenging disorders of the central nervous system (“CNS”), including fibromyalgia syndrome (“FM”) and post-traumatic stress disorder (“PTSD”), has appointed Leland J. Gershell, M.D., Ph.D. as Chief Financial Officer and Bruce L. Daugherty, Ph.D., M.B.A. as Senior Director of Drug Development. Benjamin Selzer, who served as interim Chief Financial Officer, will continue as the Company’s Chief Operating Officer.

Dr. Gershell, age 39, most recently served as Managing Director and Senior Analyst at Madison Williams and Company, where he provided research on specialty pharmaceutical and biotechnology companies. Dr. Gershell began his equity research career at Cowen and Company, and has also held analyst positions at Apothecary Capital, a pharmaceutical and biotech-focused investment fund, and at Favus Institutional Research, a boutique research firm that caters to institutional investors. Dr. Gershell’s prior industry experience includes affiliations with Targent Pharmaceuticals, where he facilitated capital raising, and with Vela Pharmaceuticals, where he was responsible for the evaluation of pharmaceutical assets for in-licensing. He earned his M.D. and Ph.D. in Organic Chemistry from Columbia University and his B.A. *magna cum laude* in Chemistry and Asian Studies from Dartmouth College. Dr. Gershell is an inventor on Columbia’s patents for SAHA/vorinostat, which is marketed by Merck as Zolinza® and is the first histone deacetylase (HDAC) inhibitor to receive FDA approval.

Dr. Daugherty, age 54, joins TONIX in a newly created position and has more than 30 years’ experience in drug development and scientific research. For the majority of his career, Dr. Daugherty was with Merck & Co., most recently as Senior Research Fellow, where he was project leader for multiple drug discovery programs in the therapeutic areas of inflammation, immunology, respiratory, and cardiovascular diseases. Dr. Daugherty was an early pioneer in the humanization of monoclonal antibodies and played a key role in Merck’s chemokine biology program. He was a member of the research team that developed nicotinic acid/laropiprant for dyslipidemia that is marketed by Merck ex-U.S. as Tredaptive®. Prior to joining Merck, Dr. Daugherty was a scientist at the Roche Institute of Molecular Biology, characterizing interferon genes in the laboratory of Dr. Sidney Pestka. Most recently, Dr. Daugherty was a consultant, providing drug development expertise to universities and biotechnology companies seeking to out-license their technology to large pharmaceutical companies. Dr. Daugherty earned his M.B.A. from Emory University’s Goizueta Business School, his Ph.D. in Molecular Genetics from UMDNJ-Robert Wood Johnson Medical School, his M.S. in Zoology from Rutgers University and his B.A. in Biology from Washington University in St. Louis. He has authored numerous original research papers that have been published in leading scientific journals and is an inventor on three issued patents.

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Seth Lederman, M.D., President and CEO of TONIX said, "We are delighted that Leland and Bruce are joining our team. Their recruitments are a huge endorsement of our mission. Leland is a physician-scientist who has been successful in navigating the system of investment banks and institutional investors that finance drug development in public companies. As an experienced securities analyst, Leland has built an extensive network of relationships throughout both the investment and corporate communities, which complement his skills in capital raising, due diligence and financial forecasting. I've worked with Leland at both Vela and Targent, and have every confidence that he will make valuable contributions to TONIX. Bruce and I collaborated more than twenty years ago and I have followed his impressive career and accomplishments ever since. Bruce's extensive experience in developing novel therapeutics will be a real benefit to TONIX. Bruce has a clear understanding of how large pharmaceutical companies evaluate acquisitions and partnerships, and he will play a key role in helping us maximize the impact and value of TNX-102 for patients and our investors. Both Leland and Bruce recognize the challenges inherent in bringing innovative therapies to market, and we now have a strong management team in place to execute our corporate strategy as we develop innovative therapies for fibromyalgia and other challenging disorders of the central nervous system."

"I believe there are significant growth opportunities at TONIX, with the recent financing supporting a focused, capital-efficient drug development program. I look forward to leading the Company's capital markets and strategic initiatives, and guiding TONIX's investor outreach program as we attract new institutional investors to the Company. I join this distinguished team with great enthusiasm," said Dr. Gershell.

Dr. Daugherty commented, "I am excited to lead the Company's drug development efforts because I believe TNX-102 has the potential to become an important and differentiated therapy for fibromyalgia patients. The clinical program for TNX-102 in fibromyalgia has already progressed to a stage of development at which the risk of late-stage failure is minimized. I look forward to advancing TNX-102 into its pivotal clinical trials in fibromyalgia, which we expect to commence in the first quarter of next year."

#### **About TONIX**

TONIX Pharmaceuticals is developing innovative prescription medications for challenging disorders of the central nervous system. The Company targets conditions characterized by significant unmet medical need, inadequate existing treatment options, and high dissatisfaction among both patients and physicians. TONIX's core technology improves the quality of sleep in patients with chronic pain syndromes. TONIX's lead products are designed to be fundamental advances in sleep hygiene and pain management and to be safer and more effective than currently available treatments. TONIX's products are the result of a program to harvest advances in science and medicine to search for potential therapeutic solutions among known pharmaceutical agents. TONIX is developing new formulations that have been optimized for new therapeutic uses. Its most advanced product candidates, TONIX for FM and TNX-105 for PTSD, are novel dosage formulation of cyclobenzaprine, the active ingredient in two U.S. FDA-approved muscle relaxants. To learn more about the Company and its pipeline of treatments for CNS conditions, please visit [www.tonixpharma.com](http://www.tonixpharma.com).

*Certain statements in this press release are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words such as "anticipate," "believe," "forecast," "estimated" and "intend," among others. These forward-looking statements are based on TONIX's current expectations and actual results could differ materially. There are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, substantial competition; our ability to continue as a going concern; our need for additional financing; uncertainties of patent protection and litigation; uncertainties of government or third party payer reimbursement; limited sales and marketing efforts and dependence upon third parties; and risks related to failure to obtain FDA clearances or approvals and noncompliance with FDA regulations. As with any pharmaceutical under development, there are significant risks in the development, regulatory approval and commercialization of new products. TONIX does not undertake an obligation to update or revise any forward-looking statement. Investors should read the risk factors set forth in the Annual Report on Form 10-K filed with the SEC on March 30, 2012 and future periodic reports filed with the Securities and Exchange Commission. All of the Company's forward-looking statements are expressly qualified by all such risk factors and other cautionary statements. The information set forth herein speaks only as of the date hereof.*

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