

**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, 2014

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**TONIX PHARMACEUTICALS HOLDING CORP.**

(Exact name of registrant as specified in its charter)

Nevada  
(State or Other Jurisdiction  
of Incorporation)

001-36019  
(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 1.01 Entry into a Material Definitive Agreement.**

On April 1, 2014, Tonix Pharmaceuticals Holding Corp. (the "Company") entered into an employment agreement (the "Agreement") with Dr. Donald Kellerman ("Kellerman") to serve as the Company's Senior Vice President Clinical Development and Regulatory Affairs.

The base salary for Kellerman under the Agreement is \$300,000 per annum and Kellerman will receive a \$70,000 signing bonus within 30 days. The Agreement has an initial term of one year and automatically renew for successive one year terms unless either party delivers written notice not to renew at least 60 days prior to the end of the current term.

Pursuant to the Agreement, if the Company terminates Kellerman's employment without Cause (as defined in the Agreement) or Kellerman resigns for Good Reason (as defined in the Agreement), Kellerman is entitled to the following payments and benefits: (1) his fully earned but unpaid base salary through the date of termination at the rate then in effect, plus all other benefits, if any, under any group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other group benefit plan to which Kellerman may be entitled to under the terms of such plans or agreements; (2) a lump sum cash payment in an amount equal to 12 months of his base salary as in effect immediately prior to the date of termination; (3) continuation of health benefits for Kellerman and his eligible dependents for a period of 12 months following the date of termination; and (4) the automatic acceleration of the vesting and exercisability of outstanding unvested stock awards as to the number of stock awards that would have vested over the 12-month period following termination had Kellerman remained continuously employed by the Company during such period.

Pursuant to the Agreement, if Kellerman's employment is terminated as a result of death or permanent disability, Kellerman or his estate, as applicable, is entitled to his fully earned but unpaid base salary through the end of the month in which termination occurs at the rate then in effect.

The foregoing description of the terms of the Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Agreement, which is filed herewith as Exhibit 10.01 and is incorporated herein by reference.

**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 99.01, 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 1, 2014, the Company issued a press release announcing the appointment of Donald Kellerman as discussed in Item 1.01 above. A copy of the press release that discusses this matter is filed as Exhibit 99.02 to, and incorporated by reference in, this report.

The information contained in Item 8.01 of this Current Report on Form 8-K, including Exhibit 99.02, 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 8.01 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.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

10.01	Employment Agreement, between Tonix Pharmaceuticals Holding Corp. and Donald Kellerman, dated April 1, 2014
99.01	Corporate Presentation by the Company for April 2014*
99.02	Press release, dated April 1, 2014, issued by Tonix Pharmaceuticals Holding Corp.*

\* 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 1, 2014

By: /s/ LELAND GERSHELL  
Leland Gershell  
Chief Financial Officer

**Exhibit 10.01**

**EXECUTIVE EMPLOYMENT AGREEMENT**

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") dated April 1, 2014 (the "Effective Date") by and between Tonix Pharmaceuticals Holding Corp., a company incorporated under the laws of Nevada (the "Company"), and Donald J. Kellerman, Pharm.D., an individual (the "Executive").

WHEREAS, Tonix Pharmaceuticals, Inc., the Company's wholly-owned subsidiary, previously entered into a consulting agreement with Executive, dated February 2, 2014 (the "Consulting Agreement") relating to, among other things, compensation to be paid for services; and

WHEREAS, the parties wish to enter into this Agreement directly between Executive and the Company, on the terms and conditions contained in this Agreement, which will supersede the Consulting Agreement (and which Consulting Agreement will terminate simultaneously with the execution of this Agreement) and all prior agreements and understandings between Tonix Pharmaceuticals, Inc. (or the Company) and Executive, oral or written with respect to its subject matter.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "Board" means the Board of Directors of the Company.

(b) "Cause" means any of the following:

- (i) the commission of an act of fraud, embezzlement or dishonesty by Executive, or the commission of some other illegal act by Executive (other than traffic violations or other offenses or violations outside of the course of Executive's employment), that has a demonstrable material adverse impact on the Company or any successor or affiliate thereof;
  - (ii) a conviction of, or plea of "guilty" or "no contest" to, a felony by Executive;
  - (iii) any unauthorized use or disclosure by Executive of confidential information or trade secrets of the Company or any successor or affiliate thereof that has, or may reasonably be expected to have, a material adverse impact on any such entity;
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- (iv) Executive's gross negligence, failure to follow a material, lawful and reasonable request of the Company or material violation of any duty of loyalty to the Company or any successor or affiliate thereof, or any other demonstrable material misconduct on the part of Executive;
- (v) Executive's ongoing and repeated failure or refusal to perform or neglect of Executive's duties as required by this Agreement, which failure, refusal or neglect continues for thirty (30) days following Executive's receipt of written notice from the Company stating with specificity the nature of such failure, refusal or neglect; or
- (vi) Executive's breach of any Company policy or any material provision of this Agreement;

provided, however, that prior to the determination that "Cause" under this Section 1(b) has occurred, the Company shall (A) provide to Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) only with respect to clause (vi) above, afford Executive a reasonable opportunity to remedy any such breach, (C) provide Executive an opportunity to be heard prior to the final decision to terminate Executive's employment hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

The foregoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to discharge or dismiss Executive for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of this Agreement, to constitute grounds for termination for Cause.

(c) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations and other interpretive guidance issued thereunder.

(d) "Good Reason" means the occurrence of any of the following events or conditions without Executive's written consent:

- (i) a material reduction of Executive's title, authority, duties or responsibilities, or the assignment to Executive of duties materially inconsistent with Executive's positions with the Company as stated in Section 2(a) hereof;
- (ii) a material diminution in Executive's base compensation, unless a similar reduction is imposed across-the-board to senior management of the Company;
- (iii) a material change in the geographic location at which Executive must perform his duties (and the parties acknowledge that a relocation of Executive's principal office to a location more than fifty (50) miles from Executive's current residence (excepting reasonable travel on the Company's business) shall constitute a material change for purposes of this clause (iii));

- (iv) any other action or inaction that constitutes a material breach by the Company or any successor or affiliate of its obligations to Executive under this Agreement; or
- (v) the Company's delivery of a Non-Renewal Notice (as hereinafter defined).

Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Executive's written consent within ninety (90) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Executive. "Good Reason" shall not exist unless and until the Company fails to cure the condition within the allotted timeframe.

(e) "Involuntary Termination" means (i) Executive's Separation from Service by reason of Executive's discharge by the Company other than for Cause, or (ii) Executive's Separation from Service by reason of Executive's resignation of employment with the Company for Good Reason. Executive's Separation from Service by reason of Executive's death or discharge by the Company following Executive's Permanent Disability shall not constitute an Involuntary Termination. Executive's Separation from Service by reason of resignation from employment with the Company for Good Reason shall be an "Involuntary Termination" only if such Separation from Service occurs within six (6) months following the initial existence of the act or failure to act constituting Good Reason, and then only after an opportunity to cure has been provided in accordance with Section 1(d).

(f) "Permanent Disability" of Executive shall be deemed to have occurred if Executive shall become physically or mentally incapacitated or disabled or otherwise unable fully to discharge his duties hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Executive's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Executive examined by a physician chosen by the Company at the Company's expense.

(g) "Separation from Service," with respect to Executive, means Executive's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

(h) "Stock Awards" means all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

## 2. Services to Be Rendered.

(a) Duties and Responsibilities. Executive shall serve as the Senior Vice President Clinical Development and Regulatory Affairs of the Company. In the performance of such duties, Executive shall report directly to and shall be subject to the direction of the President. Executive shall be employed by the Company on a full time basis. Executive's primary place of work shall be the Company's branch office in Cupertino, California, or such other location in the San Francisco Bay Area as may be designated by the Board from time to time. Executive shall also render services at such other places within or outside the United States as the Company may direct from time to time. Executive shall be subject to and comply with the policies and procedures generally applicable to senior executives of the Company to the extent the same are not inconsistent with any term of this Agreement.

(b) Exclusive Services. Executive shall at all times faithfully, industriously and to the best of his ability, experience and talent perform to the satisfaction of the Company all of the duties that may be assigned to Executive hereunder and shall devote substantially all of his productive time and efforts to the performance of such duties. Executive agrees that he will not join any boards, other than community and civic boards (which do not interfere with his duties to the Company), without the prior approval of the Company. Except as provided below, the Company shall be entitled to all benefits, profits or other issues arising from or incidental to all work, services and advice performed or provided by Executive. Provided that the activities listed below do not interfere with the duties and responsibilities under this Agreement, nothing in this Agreement shall preclude Employee from devoting reasonable periods required for:

- (i) Serving as a member or owner of any organization involving no conflict of interest with the Company, provided that Executive must obtain the prior approval of the Board;
- (ii) Serving as a consultant in his area of expertise to government, commercial and academic panels where it does not conflict with the interests of the Company; and
- (iii) Managing his personal investments, including owning shares of companies whose securities are publicly traded, so long as such securities do not constitute more than five percent (5%) of the outstanding securities of any such company.

3. Compensation and Benefits. The Company shall pay or provide, as the case may be, to Executive the compensation and other benefits and rights set forth in this Section 3.

(a) Base Salary. The Company shall pay to Executive a base salary of \$300,000 per year, payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly). Executive's base salary shall be subject to review annually by and at the sole discretion of the Compensation Committee of the Board or its designee.

(b) Signing Bonus. The Company shall pay to Executive a lump sum signing bonus of \$70,000 within thirty (30) days of the Effective Date.



(c) Annual Bonus. Executive shall be entitled to participate in any bonus plan that the Board or its designee may approve for the senior executives of the Company. Any bonus awarded under this Section 3(c) shall be calculated following the close of the fiscal year to which the bonus relates, and paid in a lump sum by no later than two and one-half (2 ½) months following the end of the fiscal year in which such bonus award is earned, provided that Executive remains employed on the date of payment (and has not given notice of resignation).

(d) Benefits. Executive shall be entitled to participate in benefits under the Company's benefit plans and arrangements, including, without limitation, any employee benefit plan or arrangement made available in the future by the Company to its senior executives, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. The Company shall have the right to amend or delete any such benefit plan or arrangement made available by the Company to its senior executives and not otherwise specifically provided for herein.

(e) Expenses. The Company shall reimburse Executive for reasonable out-of-pocket business expenses incurred in connection with the performance of his duties hereunder, subject to (i) such policies as the Company may from time to time establish, (ii) Executive furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures, and (iii) Executive receiving advance approval from the President in the case of expenses (or a series of related expenses) in excess of \$5,000.

(f) Vacation. Executive shall have the right to four weeks of vacation during each successive one year period of his employment by the Company, which vacation time shall be taken at such time or times in each such one year period so as not to materially and adversely interfere with the performance of his responsibilities under this Agreement. In addition, Executive shall be entitled to additional paid time off in accordance with the policies of the Company applicable to senior management personnel from time to time.

(g) Withholding. The Company shall be entitled to withhold from amounts payable or benefits accorded to Executive under this Agreement all federal, state and local income, employment and other taxes, as and in such amounts as may be required by applicable law.

(h) Equity Awards. Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers, as distinguished from general management, of the Company. Except as otherwise provided in this Agreement, Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

4. Employment Term. The term of this Agreement (as it may be extended by the following sentence or terminated earlier pursuant to Section 5, the "Employment Term") shall begin on April 1, 2014 and end on the close of business on March 31, 2015. The Employment Term shall be automatically extended for additional one-year periods unless, at least sixty (60) days prior to the end of the expiration of the Employment Term, Executive or the Company notifies the other party in writing (a "Non-Renewal Notice") that it does not wish to extend such Employment Term. Executive's employment hereunder shall be coterminous with the Employment Term, unless sooner terminated as provided in Section 5.

5. Termination; Severance. Executive shall be entitled to receive benefits upon a Separation from Service only as set forth in this Section 5:

(a) General. Either the Company or Executive may terminate Executive's employment hereunder, for any reason, at any time prior to the expiration of the Employment Term, upon thirty (30) days prior written notice to the other party. Upon termination of Executive's employment hereunder for any reason, Executive shall be deemed simultaneously to have resigned from any position or office he may at the time hold with the Company or any of its affiliates. In addition, upon expiration of the Employment Term, the Company shall (i) reimburse Executive for any expenses properly incurred under Section 3(d) and which have not previously been reimbursed as of the effective date of the termination, (ii) pay Executive for any accrued, but unused, vacation time as of the effective date of the termination, and (iii) pay Executive for any accrued and unpaid base salary through and including the effective date of termination (collectively, the "Accrued Compensation"). The Accrued Compensation will be paid in a lump sum on the first regularly scheduled payroll date following the effective date of the termination of Executive's employment with the Company.

(b) Separation from Service by Death or Following Permanent Disability. Subject to Sections 5(e) and 10(p) and Executive's continued compliance with Section 6, in the event of Executive's Separation from Service as a result of Executive's death or discharge by the Company following Executive's Permanent Disability, Executive or Executive's estate, as applicable, shall be entitled to receive his base salary through the end of the month in which Executive's Separation from Service occurs as a result of Executive's death or Permanent Disability.

(c) Severance upon Involuntary Termination. Subject to Sections 5(e) and 10(p) and Executive's continued compliance with Section 6, if Executive's employment is Involuntarily Terminated, Executive shall be entitled to receive, in lieu of any severance benefits to which Executive may otherwise be entitled under any severance plan or program of the Company, the benefits provided below, which, with respect to clause (ii) and the last sentence of clause (iii) (if applicable) will be payable in a lump sum within ten (10) days following the effective date of Executive's Release (as hereinafter defined):

- (i) the Company shall pay to Executive his fully earned but unpaid base salary, when due, through the date of Executive's Involuntary Termination at the rate then in effect (without regard to any reduction in salary that gave rise to an event of Good Reason), plus all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which Executive may be entitled pursuant to the terms of such plans or agreements at the time of Executive's Involuntary Termination;

- (ii) Executive shall be entitled to receive severance pay in an amount equal to the base salary payable to Executive under Section 3(a) of this Agreement from the date of Executive's Involuntary Termination until the one year anniversary of such Involuntary Termination (the "Severance Period");
- (iii) During the Severance Period (or, if earlier, until the date on which the applicable continuation period under COBRA expires), the Company shall arrange to provide Executive and his eligible dependents who were covered under the Company's health insurance plans as of the date of Executive's Involuntary Termination with health (including medical, dental and vision) insurance benefits substantially similar to those provided to Executive and his dependents immediately prior to the date of such Involuntary Termination. If any of the Company's health benefits are self-funded as of the date of Executive's Involuntary Termination, or if the Company cannot provide the foregoing benefits in a manner that is exempt from Section 409A (as defined below) or that is otherwise compliant with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), instead of providing continued health insurance benefits as set forth above, the Company shall instead pay to Executive an amount equal to (A) the number of months from the date of Executive's Involuntary Termination until the end of the Employment Term, as appropriate multiplied by (B) the monthly premium Executive would be required to pay for continuation coverage pursuant to COBRA for Executive and his eligible dependents who were covered under the Company's health plans as of the date of Executive's Involuntary Termination (calculated by reference to the premium as of the date of Involuntary Termination); and
- (iv) That portion of the Stock Awards that would have vested over the Severance Period shall be automatically accelerated so as to be immediately vested as of the date of Involuntary Termination and any vested options or similar award (e.g., a stock appreciation right) may be exercised at any time during the Severance Period (subject to earlier termination (A) in connection with a recapitalization or similar transaction pursuant to the Company's equity incentive plans governing such Stock Awards or (B) the contractual term of the Stock Award), or if longer, through the date such vested options or similar award are exercisable under the terms of the applicable Stock Award.

(d) Termination for Cause or Voluntary Resignation Without Good Reason. In the event of Executive's termination of employment as a result of Executive's discharge by the Company for Cause or Executive's resignation without Good Reason (other than as a result of Executive's death or Separation from Service by reason of discharge by the Company following Executive's Permanent Disability), the Company shall not have any other or further obligations to Executive under this Agreement (including any financial obligations) except that Executive shall be entitled to receive the Accrued Compensation. In addition, in the event of Executive's Separation from Service as a result of Executive's discharge by the Company for Cause or Executive's resignation without Good Reason (other than as a result of Executive's death or Separation from Service by reason of discharge by the Company following Executive's Permanent Disability), all vesting of Executive's unvested Stock Awards previously granted to him by the Company shall cease and none of such unvested Stock Awards shall be exercisable following the date of such termination. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(e) Release. As a condition to Executive's receipt of any post-termination benefits pursuant to Sections 5(b) or (c) above, Executive (or, in the event of Executive's incapacity as a result of his Permanent Disability, Executive's legal representative) shall execute and not revoke a general release of all claims in favor of the Company (the "Release") in a form reasonably acceptable to the Company. In the event the Release does not become effective within the fifty-five (55) day period following the date of Executive's Separation from Service, Executive shall not be entitled to the aforesaid payments and benefits.

(f) Exclusive Remedy. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance pay, benefits, bonuses and other amounts hereunder (if any) accruing after the termination of Executive's employment shall cease upon such termination. In the event of Executive's termination of employment with the Company, Executive's sole remedy shall be to receive the payments and benefits described in this Section 5. In addition, Executive acknowledges and agrees that he is not entitled to any reimbursement by the Company for any taxes payable by Executive as a result of the payments and benefits received by Executive pursuant to this Section 5, including, without limitation, any excise tax imposed by Section 4999 of the Code.

(g) No Mitigation. Executive shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 5 be reduced by any compensation earned by Executive as the result of employment by another employer or self-employment or by retirement benefits; provided, however, that loans, advances or other amounts owed by Executive to the Company may be offset by the Company against amounts payable to Executive under this Section 5.

(h) Return of the Company's Property. In the event of Executive's termination of employment for any reason, the Company shall have the right, at its option, to require Executive to vacate his offices prior to or on the effective date of separation and to cease all activities on the Company's behalf. Upon Executive's termination of employment in any manner, as a condition to Executive's receipt of any severance benefits described in this Agreement, Executive shall immediately surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Executive shall deliver to the Company a signed statement certifying compliance with this Section 5(h) prior to the receipt of any severance benefits described in this Agreement.

## 6. Certain Covenants.

(a) Restrictive Covenant. Executive hereby covenants and agrees that during the Employment Term and for a period of one year following the end of the Employment Term (the "Restricted Period"), Executive will not, without the prior written consent of the Company, directly or indirectly, on his own behalf or in the service or on behalf of others, whether or not for compensation, engage in any business activity, or have any interest in any person, firm, corporation or business, through a subsidiary or parent entity or other entity (whether as a shareholder, agent, joint venture, security holder, trustee, partner, executive, creditor lending credit or money for the purpose of establishing or operating any such business, partner or otherwise) with any Competing Business in the Covered Area. For the purpose of this Section 6(a), (i) "Competing Business" means any biotechnology or pharmaceutical company, any contract manufacturer, any research laboratory or other company or entity (whether or not organized for profit) that has, or is seeking to develop, one or more products or therapies that is related to (A) treatment of disorders of the central nervous system, including fibromyalgia, post-traumatic stress disorder, headaches or (B) any other disorders that are addressed by the Company's pipeline programs and intellectual property portfolio and (ii) "Covered Area" means all geographical areas of the United States and foreign jurisdictions where the Company (or its subsidiaries) then have offices and/or is developing or selling its products directly or indirectly through distributors and/or other sales agents. Passive ownership of less than five percent (5%) of a public company shall not be a violation of this Section 6(a).

(b) Confidential Information. Executive recognizes and acknowledges that by reason of Executive's employment by and service to the Company before, during and, if applicable, after the Employment Term, Executive will have access to certain confidential and proprietary information relating to the Company's business, which may include, but is not limited to, unique business strategies, theories and concepts, information regarding plans, strategies, opportunities, processes, ideas, research and know-how developed by or for the Company, trade secrets, patents, other intellectual property, clinical studies, regulatory dossiers, manufacturing, marketing, personnel, financial data, technical information, methods, processes, formulae and information which Company has obtained from third parties (collectively referred to as "Confidential Information"). Executive acknowledges that such Confidential Information is a valuable and unique asset of the Company and Executive covenants that he will not, unless expressly authorized in writing by the Company, at any time during the course of Executive's employment use any Confidential Information or divulge or disclose any Confidential Information to any person, firm or corporation except in connection with the performance of Executive's duties for the Company and in a manner consistent with the Company's policies regarding Confidential Information. Executive also covenants that at any time after the termination of such employment, directly or indirectly, he will not use any Confidential Information or divulge or disclose any Confidential Information to any person, firm or corporation, unless such information is in the public domain through no fault of Executive or except when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order Executive to divulge, disclose or make accessible such information. All written Confidential Information (including, without limitation, in any computer or other electronic format) which comes into Executive's possession during the course of Executive's employment shall remain the property of the Company. Except as required in the performance of Executive's duties for the Company, or unless expressly authorized in writing by the Company, Executive shall not remove any written Confidential Information from the Company's premises, except in connection with the performance of Executive's duties for the Company and in a manner consistent with the Company's policies regarding Confidential Information. Upon termination of Executive's employment, Executive agrees to return immediately to the Company all written Confidential Information (including, without limitation, in any computer or other electronic format) in Executive's possession. As a condition of Executive's continued employment with the Company and in order to protect the Company's interest in such proprietary information, the Company shall be allowed to require Executive's execution of a confidentiality agreement and/or proprietary information and inventions agreement, as reasonably requested by the Company.

(c) Solicitation of Employees. During the Restricted Period, Executive shall not, directly or indirectly, solicit or encourage to leave the employment of the Company or any of its affiliates, any employee of the Company or any of its affiliates.

(d) Solicitation of Consultants and other Third Parties. During the Restricted Period, Executive shall not, directly or indirectly, hire, solicit or encourage to cease work with the Company or any of its affiliates any consultant, distributor, licensee or other third party partner then under contract with the Company or any of its affiliates.

(e) Rights and Remedies Upon Breach. If Executive breaches or threatens to commit a breach of any of the provisions of this Section 6 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity:

- (i) Specific Performance. The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction by way of a temporary restraining order, preliminary injunction, permanent injunction, or other equitable remedy, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach may cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company; and

- (ii) Accounting and Indemnification. The right and remedy to require Executive (A) to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive or any associated party deriving such benefits as a result of any such breach of the Restrictive Covenants; and (B) to indemnify the Company against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs, which may be incurred by them and which result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

(f) Severability of Covenants/Blue Penciling. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court determines that any of the Restrictive Covenants, or any part thereof, are unenforceable because of the duration of such provision or the area or scope covered thereby, such court shall have the power to reduce the duration, area or scope of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive hereby waives any and all right to attack the validity of the Restrictive Covenants on the grounds of the breadth of their scope or the length of their term.

(g) Definitions. For purposes of this Section 6, the term "Company" means not only Tonix Pharmaceuticals Holding Corp., but also any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with Tonix Pharmaceuticals Holding Corp.

#### 7. Insurance; Indemnification.

(a) Insurance. The Company shall have the right to take out life, health, accident, "key-man" or other insurance covering Executive, in the name of the Company and at the Company's expense in any amount deemed appropriate by the Company. Executive shall assist the Company in obtaining such insurance, including, without limitation, submitting to any required examinations and providing information and data required by insurance companies.

(b) Indemnification. Executive will be provided with indemnification against third party claims related to his work for the Company to the maximum extent permitted by Nevada law. The Company shall provide Executive with directors and officers liability insurance coverage at least as favorable as that which the Company may maintain from time to time for members of the Board and other executive officers.

8. General Relationship. Executive shall be considered an employee of the Company within the meaning of all federal, state and local laws and regulations including, but not limited to, laws and regulations governing unemployment insurance, workers' compensation, industrial accident, labor and taxes.

9. Representations and Warranties of Executive. Executive hereby represents and warrants to the Company that (a) the execution, delivery and performance of this Agreement by 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 Executive is subject, (b) Executive is not a party to or bound by any employment agreement, (c) 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 Executive hereunder and (d) upon the execution and delivery of this Agreement by the Company and Executive, this Agreement will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

10. Miscellaneous.

(a) Modification; Prior Claims. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements between them concerning such subject matter, including, without limitation, the Consulting Agreement. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 3(f), 3(g), 5, 6, 7, 9 and 10 of this Agreement shall survive the termination of Executive's employment.

(d) Third-Party Beneficiaries. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.



(f) Section Headings. The headings of the several sections in this Agreement are inserted solely for the convenience of the parties and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(g) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, teletype or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(h) Severability. All Sections, clauses and covenants contained in this Agreement are severable, and in the event any of them shall be held to be invalid by any court, this Agreement shall be interpreted as if such invalid Sections, clauses or covenants were not contained herein.

(i) 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.

(j) Jurisdiction and Venue.

- (i) The Company and 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 City 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 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 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 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. 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 City of New York, except if Executive has first brought such claim or proceeding in such New York State court or federal court located in the City of New York, and such court or courts have denied jurisdiction over such claim or proceeding.

- (ii) The Company and 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 City 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.

(k) Non-transferability of Interest. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Executive. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Executive to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(l) Gender. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word "person" shall include any corporation, firm, partnership or other form of association.

(m) Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and both of which together constitute one agreement. The signatures of both parties need not appear on the same counterpart. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(n) Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

(o) Withholding and other Deductions. All compensation payable to Executive hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(p) Code Section 409A.

- (i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the severance payments payable under Sections 5(c)(ii) and 5(c)(iii) shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Executive's first taxable year in which such severance benefit is no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such severance benefit is no longer subject to substantial risk of forfeiture, as determined in accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder.
- (ii) If Executive is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of Executive's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion deferred pursuant to this Section 9(p)(ii) shall be paid or distributed to Executive in a lump sum on the earlier of (A) the date that is six (6)-months following Executive's Separation from Service, (B) the date of Executive's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

- (iii) To the extent applicable, this Agreement shall be interpreted in accordance with the applicable exemptions from Section 409A of the Code. If Executive and the Company determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Executive and the Company agree to amend this Agreement, or take such other actions as Executive and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code and the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Agreement shall be subject to an “additional tax” as defined in Section 409A(a)(1)(B) of the Code.
- (iv) Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Executive’s taxable year following the taxable year in which Executive incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable in one year shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Executive’s, and Executive’s right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.
- (v) In the event that the amounts payable under Sections 5(c)(ii) and 5(c)(iii) are subject to Section 409A of the Code and the timing of the delivery of Executive’s Release could cause such amounts to be paid in one or another taxable year, then notwithstanding the payment timing set forth in such sections, such amounts shall not be payable until the later of (A) the payment date specified in such Section or (B) the first business day of the taxable year following Executive’s Separation from Service.

*[Signature page follows]*

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first written above.

EXECUTIVE:

TONIX PHARMACEUTICALS HOLDING CORP.

/s/ DONALD J. KELLERMAN

/s/ SETH LEDERMAN

Donald J. Kellerman, Pharm.D.  
18367 Baylor Avenue  
Saratoga, CA 95070  
919 218-1448  
[donald12kellerman@gmail.com](mailto:donald12kellerman@gmail.com)

Name: Seth Lederman, MD  
Title: Chief Executive Officer

**TONIX**

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TONIX



Investor Presentation  
April 2014

NASDAQ: *TNXP*

## Safe harbor statement

Certain statements in this presentation regarding strategic plans, expectations and objectives for future operations or results are "forward-looking statements" as defined by 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," "estimate" 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 U.S. Food and Drug Administration clearances or approvals and noncompliance with its regulations. As with any pharmaceutical under development, there are significant risks in the development, regulatory approval and commercialization of new products. The forward-looking statements in this presentation are made as of the date of this presentation, even if subsequently made available by the Company on its website or otherwise. Tonix does not undertake an obligation to update or revise any forward-looking statement, except as required by law. Investors should read the risk factors set forth in the amended Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission (the "SEC") on March 28, 2014 and future periodic reports filed with the SEC on or after the date hereof. All of the Company's forward-looking statements are expressly qualified by all such risk factors and other cautionary statements.

# Investment thesis

## **Fibromyalgia: Phase 2b/3 trial of TNX-102 SL underway (BESTFIT)**

Top line results to be reported in 4Q 2014  
Strong evidence of clinical benefit in Phase 2a  
\$1.5B U.S. market; 5M patients in U.S.; large unmet need

## **Clinical-stage pipeline**

Post-traumatic stress disorder (PTSD)  
Tension headache

## **High value / low risk strategies: repurposing, reformulating, single-isomer**

Capital- and time-efficient paths to FDA approval  
Broad human safety experience

## **All intellectual property owned by Tonix outright – no royalties**

## **Experienced team, strong balance sheet**

Track record of success in drug approvals and value creation  
Well-capitalized to execute on key near-term milestones



# Development programs

Candidate	Indication	Proof-of-Concept				NDA	Market
		Preclinical	Phase 1	Phase 2a	Pivotal Phase 2b/3		
TNX-102 SL	Fibromyalgia	Phase 2b/3 trial enrolling				2016E	
TNX-102 SL	PTSD	To enter POC trial 3Q14				2018E	
TNX-201	Headache	To enter clinic 4Q14				2018E	

POC = Proof-of-Concept

TNX-102 SL is an Investigational New Drug and is not approved for any indication

# Advantages of Tonix's drug development strategies

Active Ingredient	Safety	Risk to Develop	Cost to Develop	Time to Develop
New	Unknown	Higher	Higher	Longer
Repurposed Reformulated Single-Isomer	Known	Lower	Lower	Shorter

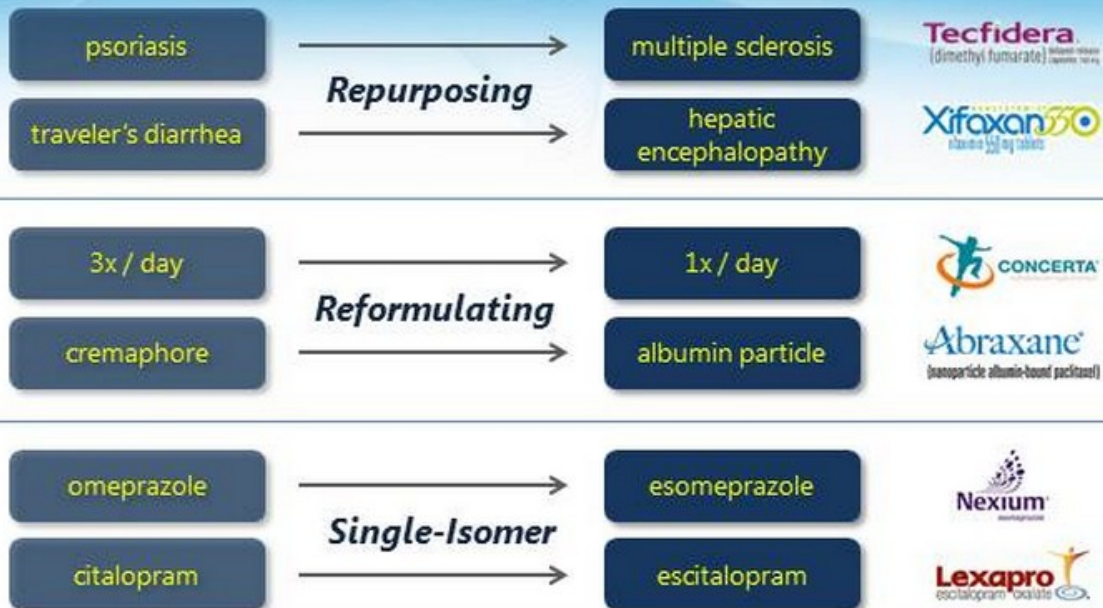
## **New Drugs**

Face high hurdles on demonstrating safety  
Many target niche markets like orphan diseases or rare cancers

## **Repurposed, Reformulated, and Single-Isomer Drugs**

Can address larger, more novel indications than new drugs  
Patent strategy can provide significant market exclusivity

# New treatment options for important conditions can be created from known drugs



# Fibromyalgia – a significant therapeutic market

**5 million U.S. patients\***

2.6 million diagnosed; 2.4 million receiving treatment\*\*

**\$1.5 billion U.S. prescription drug market in 2012\*\*\***

Category	Product	Company	Prior Indication	Approval Year in FM	2012 U.S. Sales in FM***
Membrane Stabilizer	Lyrica <sup>®</sup>	Pfizer	Pain (neuropathic)	2007	\$475 million
SNRI	Cymbalta <sup>®</sup>	Eli Lilly	Depression	2008	\$600 million
	Savella <sup>®</sup>	Forest	Depression <sup>†</sup>	2009	\$100 million
Sleep Quality	TNX-102 SL	Tonix	Muscle Spasm	2017E	

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

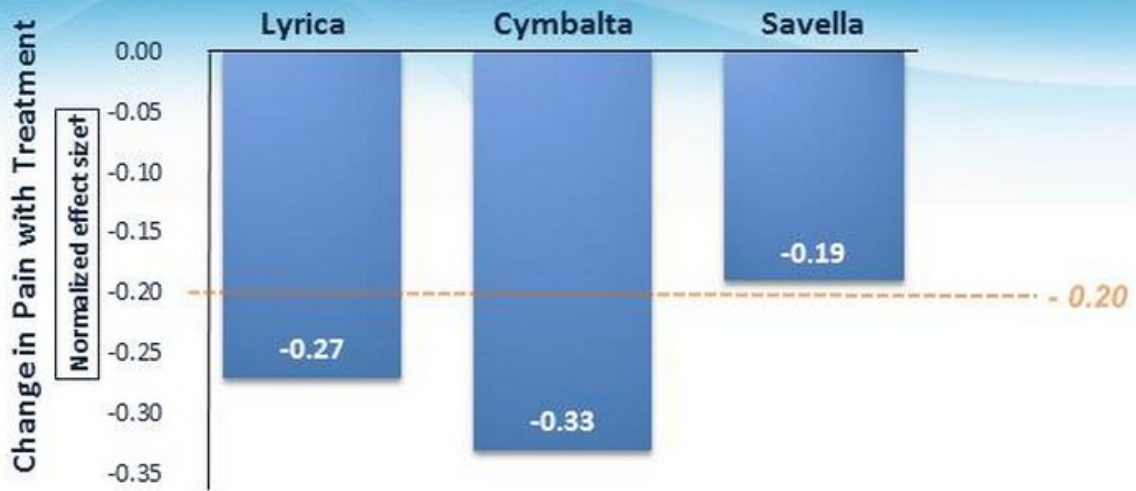
\*\* Robinson et al, Pain 2012;13:1366-76.

\*\*\* Estimates based on information from publicly-available sources

† EU only

SNRI = Serotonin-Norepinephrine Reuptake Inhibitor

# Efficacy comparison of approved FM drugs on pain\*



\* Hauser et al., *J. Pain*. June 2010

† Effect sizes normalized based on Cohen methodology: Cohen J, "A power primer". *Psychological Bulletin* 112(1):155-159.



# Fibromyalgia: a large opportunity for an effective, well-tolerated, differentiated product

## **Patients feel pain all over the body, but it originates in the brain**

Chronic, widespread pain with sleep, fatigue, mood, and memory problems  
Impairs daily function and productivity: poor quality of life  
Predominantly female

## **Patients remain unsatisfied despite approved products**

Patients often take multiple medications (“polypharmacy”)  
‘Off-label’ use of opioids and sedative-hypnotics despite no sustained benefit  
FDA has selected FM as one of 20 conditions for patient input

## **Expensive, burdensome condition for healthcare system**

Health utilization and medication costs are substantial  
Managed care / payers recognize need for new therapies

## Results of fibromyalgia survey – 1,700 subjects\*

### Resource utilization over preceding 12 months

Outpatient visits	82.9 %
Any emergency room visit	40.2 %
Mean number of emergency room visits <sup>†</sup>	2.4

### Productivity measures over preceding 12 months

Missed any work due to FM	47.4 %
Mean days of work missed <sup>†</sup>	58.4
Received disability income benefits	29.9 %
Mean months on disability <sup>†</sup>	10.6

<sup>†</sup> Means include only subjects who experienced the event.

\* Robinson et al, Pain Med. 2012;13:1366.

# Inter-relationship of pain and poor quality sleep: new target for drug therapy

## >90% of FM patients complain of poor sleep quality\*

Non-restorative sleep linked to hyper-vigilance

Restorative sleep improves FM symptoms

## Sleep quality of FM patients can be objectively measured: Cyclic Alternating Pattern (CAP)

A1 patterns indicate sleep stability

A2, A3 patterns indicate sleep instability (poor sleep quality)

## Drugs that decrease A2, A3 as percent of total CAP also improve FM symptoms\*\*

Sodium oxybate: a potent hypnotic, not approved for FM

TNX-102: low-dose cyclobenzaprine (CBP), a drug previously approved at higher doses as a muscle relaxant

\* Source: Swick, *Ther. Adv. Musculoskel. Dis.* 2011;3(4):167-178.

\*\* Source: Moldofsky et al., *J. Rheum.* October 2010.



## Phase 2a trial of TNX-102 capsules in FM

### **Double-blind, randomized, placebo-controlled**

Conducted at two academic centers in Canada

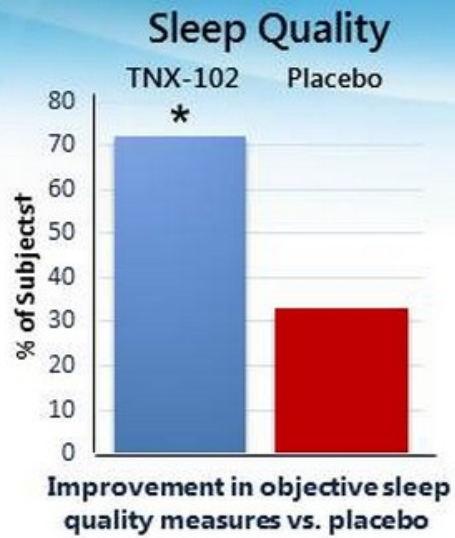
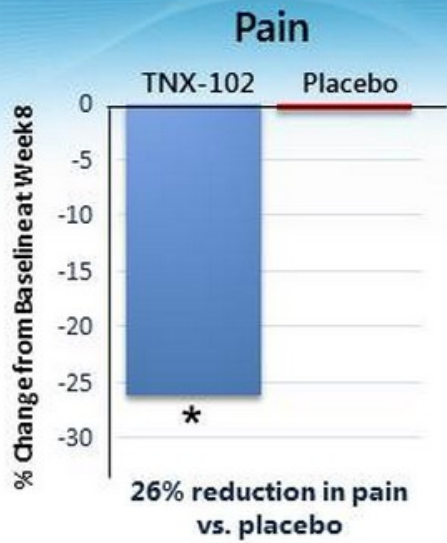
### **Enrolled 36 subjects with fibromyalgia; 18 per arm**

TNX-102 capsules or placebo taken between dinner and bedtime daily

### **Eight-week, dose-escalating study**

Daily dosing ranged from 1 – 4 mg of TNX-102

# Positive efficacy results from Phase 2a trial in FM



**\*  $p < 0.05$**

† Improving at least one night of CAP<sub>A2-A3(10mm)</sub> ≤ 33%  
Mean TNX-102 dose at trial end = 3.5 mg

## Safety results from Phase 2a trial in FM

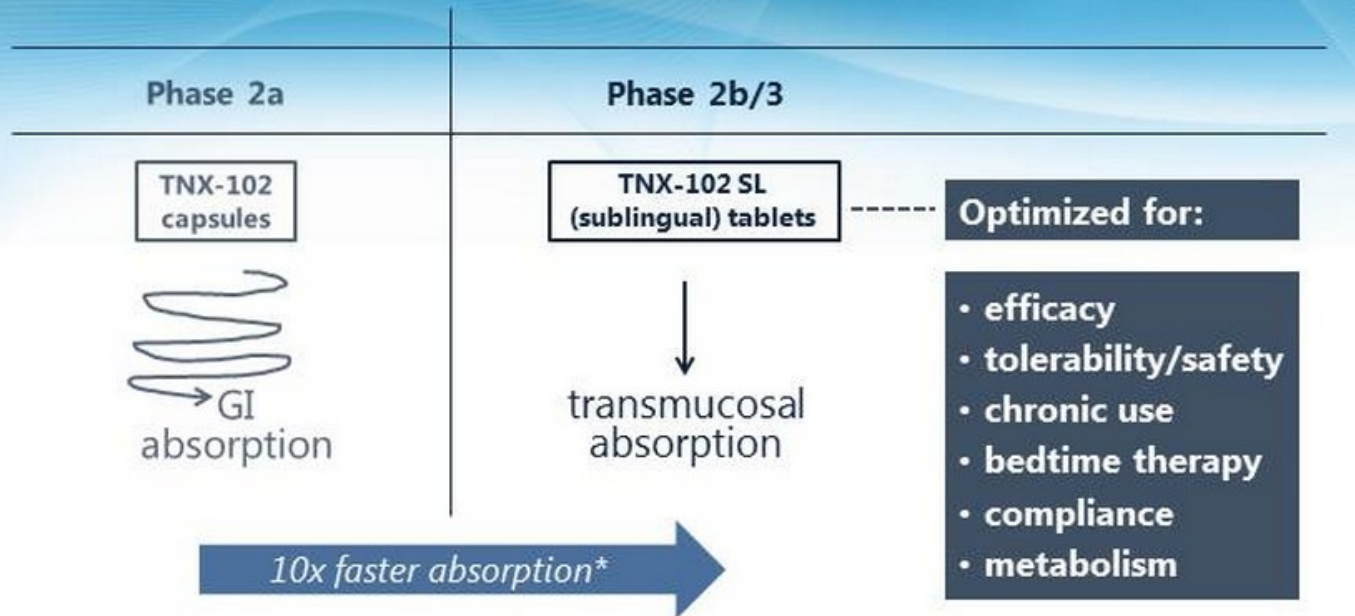
<b>Adverse Event</b>	<b>TNX-102, % (N=18)</b>	<b>Placebo, % (N=18)</b>
<i>Any adverse event</i>	83	83
Headache	39	17
Dry mouth	33	6
Somnolence	22	11
Constipation	17	6
Dizziness	17	6
Nausea	11	28
Flu syndrome	11	6
Rhinitis	11	6
Pruritus	11	0

No serious adverse events

No discontinuations due to adverse events in treatment arm

Types of adverse events consistent with approved cyclobenzaprine products

# TNX-102 SL is a sublingual tablet formulation optimized for chronic use *at bedtime*

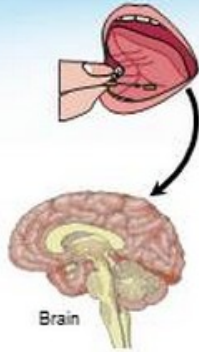


\* Absorption lag time ( $t_{lag}$ ) based on clinical pharmacokinetic data.

# TNX-102 SL: first-in-class fibromyalgia medicine

## Targets pain and poor sleep

Unique mechanism of action among marketed FM products



## Sublingual tablet at bedtime

Fast onset aligns exposure with sleeping period  
Designed to optimize ease-of-use, compliance

## Very low dose – 2.8 mg per day

Daytime tolerability  
Developed for long-term use

## Evidence of clinical benefit

Positive clinical experience with TNX-102 capsules

## Registration program underway



# TNX-102 SL – registration program in FM

Pre-Phase 3 meeting held with FDA in February 2013

## Remaining clinical work to support New Drug Application:

Two adequate and well-controlled efficacy and safety trials in FM patients  
Primary efficacy endpoint = pain

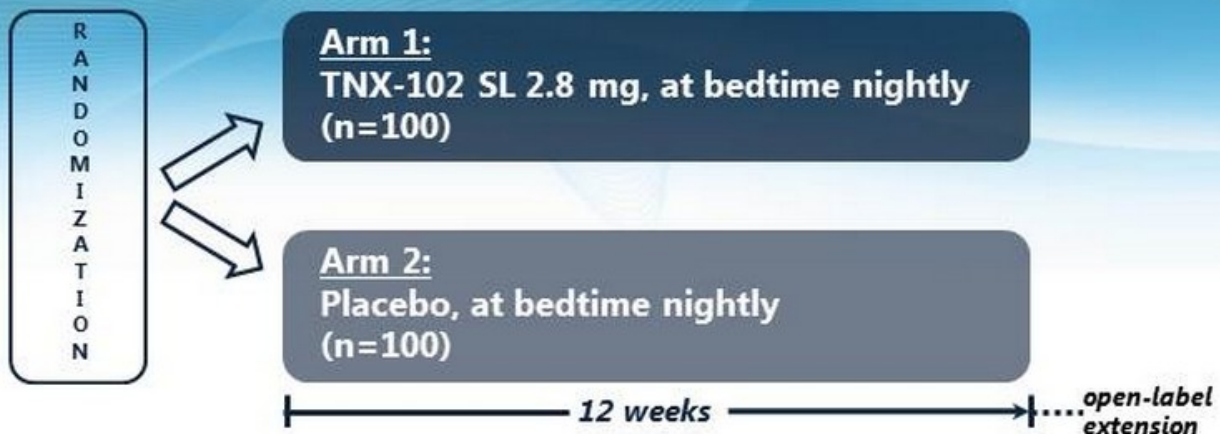
✓ *First trial is underway – “BESTFIT”*

Long-term exposure data to support chronic use label  
100 subjects for six months, 50 subjects for one year

✓ *Open-label extension study is underway*

Definitive repeat dose pharmacokinetic “bridging” study

## "BESTFIT" Phase 2b/3 trial in FM is enrolling



**BESTFIT: BE**dtime **S**ublingual **TNX-102 SL** as **F**ibromyalgia **I**ntervention **T**herapy

Randomized, double-blind, placebo-controlled; 13-15 U.S. sites

Primary efficacy endpoint = change in pain at week 12 vs. baseline (Numeric Rating Scale)

Top-line results expected in 4Q 2014

If successful, will serve as first of two pivotal studies to support TNX-102 SL approval in FM

# Post-traumatic stress disorder: TNX-102 SL

## Overlap between PTSD and FM

~50% of FM or PTSD patients meet criteria for the other disorder

## Patients experience disturbed sleep and widespread pain

Core defining feature is hyper-vigilance – can disturb sleep  
Painkiller abuse and addiction are common

## 3.5% of U.S. adult population has suffered from PTSD in past 12 months\*

Experiencing any trauma can lead to PTSD  
High incidence among U.S. soldiers and veterans  
Associated with suicide and unpredictable violent behaviors  
Patients desperate despite two FDA approved drugs; no new treatment in > 10 years

## Proof-of-Concept efficacy study of TNX-102 SL to be initiated in 3Q 2014

Pre-IND meeting held with FDA  
Leverage fibromyalgia formulation, clinical experience, manufacturing know-how

\* National Institutes of Mental Health & National Institutes of Health 2010



# Episodic Tension-Type Headache: TNX-201

## **Affects > 20% of the global adult population\***

Constant band of pressure on the back/sides of head; "squeezed in a vice" feeling  
Over-the-counter medications are inadequate for many  
The only prescription medications approved for tension headache contain a barbiturate

## **TNX-201 (single isomer isometheptene)**

Racemic form used in combination products in the U.S. for > 50 years for headache  
Not FDA approved for any indication\*\*  
Limited availability, quality concerns via compounding pharmacies  
Tonix non-clinical research supports single isomer development strategy

## **Comparative pharmacokinetic and safety study to be conducted in Q4 2014**

Pre-IND meeting with FDA held in January 2014

\* Russell et al, *Eur. J. Epidemiol.*, 2006;21(2):153-60.

\*\* Products containing racemic isometheptene are marketed as unapproved products in the U.S.; marketing withdrawal has been sanctioned by the FDA since 2010.

# Intellectual property

*All IP owned by Tonix outright – no royalties / future obligations*

## TNX-102 SL

Fibromyalgia, PTSD

### Pharmacokinetics (PK)

Patents filed around unique PK profile  
Protection expected to 2033

### Composition-of-matter

Patent filed - "Eutectic"  
Protection expected to 2034

### Method-of-use

FM: patent issued, 3Q 2020 expiry  
PTSD: patent filed in 2010

## TNX-201

Headache

### Composition-of-matter

Patent filed – single isomer  
Protection expected to 2033

## Milestones – recent and upcoming

### Corporate

- Jan 2014 – \$40.7 million net proceeds from common stock offering

### TNX-102 SL

- 3Q 2013 – Began BESTFIT trial in FM
- 4Q 2013 – Began open-label extension study in FM
- 3Q 2014 – Start clinical trial in PTSD
- 4Q 2014 – Report top line results of BESTFIT trial in FM

### TNX-201

- Jan 2014 – Held Pre-IND meeting for tension-type headache
- 3Q 2014 – File IND for tension-type headache
- 4Q 2014 – Conduct clinical pharmacology study

# Management team

**Seth Lederman, MD**  
CEO



**Leland Gershell, MD, PhD**  
CFO



**Bruce Daugherty, PhD**  
CSO



**Don Kellerman, PharmD**  
SVP, Clinical Development  
& Regulatory Affairs





# Board of directors

**Ernest Mario, PhD**

**Glaxo**



**Samuel Saks, MD**



**Johnson & Johnson**



**Stuart Davidson**

Alkermes  
Combion

**Seth Lederman, MD**

Targent Pharmaceuticals  
Vela Pharmaceuticals

**Patrick Grace**

WR Grace  
Chemed

**Charles Mather**

Janney Montgomery Scott  
Cowen, Smith Barney

**Donald Landry, MD, PhD**

Chair, Department of Medicine  
Columbia University

**John Rhodes**

NYSERDA, NRDC  
Booz Allen Hamilton

# Financial summary

## NASDAQ: TNXP

Cash reported at December 31, 2013	\$ 8.2 million
Proceeds from warrant exercises*	\$ 4.8 million
Net proceeds from common stock offering**	\$ 40.7 million
Net cash used in operations in 2013	\$ 8.5 million
Shares outstanding†	9.9 million

\* January 1, 2014 – March 27, 2014

\*\* Closed on January 29, 2014

† As of March 28, 2014

# Why invest in Tonix?

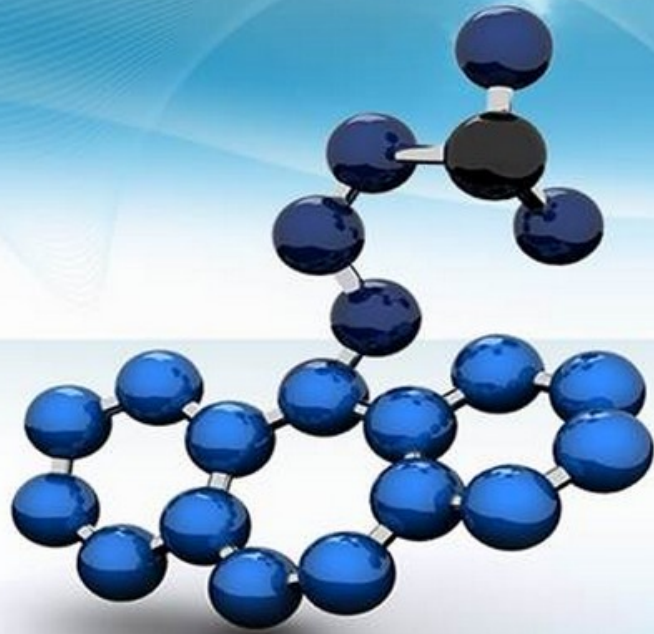
- **TNX-102 SL: late-stage clinical program in large market indication**
  - Strong evidence of clinical benefit in Phase 2a
  - Active ingredient has established safety profile at higher doses
  - Fibromyalgia is a current focus of the FDA
- **Multiple opportunities (fibromyalgia, PTSD, headache)**
  - Repurposing, reformulating, single-isomer strategies offer risk/reward advantage
- **Team distinguished by track record of drug development success**
- **Well-capitalized to execute on key near-term milestones**

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TONIX



*NASDAQ: TNXP*



## Exhibit 99.02

### **Tonix Pharmaceuticals Appoints Donald J. Kellerman Senior Vice President, Clinical Development and Regulatory Affairs**

NEW YORK, NY – April 1, 2014 – Tonix Pharmaceuticals Holding Corp. (Nasdaq: TNXP) today announced the appointment of Donald J. Kellerman, Pharm.D. to the position of Senior Vice President, Clinical Development and Regulatory Affairs. Dr. Kellerman will be responsible for overseeing strategy and execution of Tonix’s clinical programs.

"We welcome Don Kellerman to Tonix’s executive management team as we bring our headache program into the clinic later this year," said Seth Lederman, MD, president and CEO of Tonix. "His recent and successful experience shepherding a novel formulation of a decades-old agent for migraine through a registration program and a New Drug Application (NDA) submission is reflective of our business approach and will be of great value to Tonix. Our lead program, TNX-102 SL for the management of fibromyalgia, is currently being studied in the BESTFIT trial. We are also developing TNX-102 SL for the treatment of post-traumatic stress disorder. Finally, Tonix is developing TNX-201 for episodic tension-type headache. TNX-201 is a single isomer of isometheptene, which has an extensive history of use in headache in the U.S.," added Dr. Lederman. "Don’s experience is uniquely suited to our model."

Dr. Kellerman brings more than 30 years of experience in the development of prescription pharmaceuticals to the Tonix team, spanning several therapeutic areas including central nervous system, respiratory, allergy, ophthalmology and cardiovascular. From 2008 to 2013, Dr. Kellerman served as Senior Vice President, Clinical Development and Medical Affairs at MAP Pharmaceuticals, Inc. (acquired by Allergan, Inc.), where he managed the development of MAP0004 for the treatment of migraine. Prior to joining MAP Pharmaceuticals, Dr. Kellerman held positions at Inspire Pharmaceuticals, Inc. (acquired by Merck & Co., Inc.), Glaxo Wellcome plc, Sepracor, Inc. (acquired by Daiichi Sankyo Company, Ltd.), Ciba-Geigy Corporation, and E.R. Squibb and Sons, Inc., and served as project leader for multiple products including Flovent®, Advair®, and Xopenex®.

Dr. Kellerman received his Bachelor of Science and Doctor of Pharmacy from the College of Pharmacy at the University of Minnesota. He has authored major sections of eight NDAs, has created labeling strategy for several pharmaceutical products, and has led or co-authored over 80 publications related to the development of pharmaceuticals.

#### **About Tonix Pharmaceuticals Holding Corp.**

Tonix is developing innovative prescription medications to treat fibromyalgia (FM), post-traumatic stress disorder (PTSD), and episodic tension-type headache (ETTH), all characterized by inadequate treatment options, dissatisfaction expressed among patients and physicians, and significant expense burden. Tonix leverages the established human safety and pharmacokinetics of known drugs and, through a directed process of repurposing and reformulation, creates novel products to address important problems that often lack validated animal models or defined molecular targets. Tonix is currently enrolling patients into the first anticipated pivotal trial of TNX-102 SL in FM, the BESTFIT trial (BEtime Sublingual TNX-102 SL as Fibromyalgia Intervention Therapy). With TNX-102 SL, Tonix approaches the treatment of people suffering from FM and PTSD by targeting their inability to obtain restorative sleep. TNX-201 is in development for the treatment of ETTH. To learn more, please visit [www.tonixpharma.com](http://www.tonixpharma.com).

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## **Forward-Looking Statements**

*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," "estimate" 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 28, 2014 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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