UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 2 to

Form S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BIOZONE PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Nevada	7389	20-5978559
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Elliot Maza
Chief Executive Officer
550 Sylvan Avenue
Suite 101
Englewood Cliffs, NJ 07632
(201) 608-5101
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Harvey J. Kesner, Esq.
61 Broadway, 32nd Floor
New York, New York 10006
Telephone: (212) 930-9700

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act of 1933 registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large Accelerated Filer ☐ Accelerated Filer ☐
Non-Accelerated Filer ☐ (Do not check if a smaller reporting company) Smaller Reporting Company ☑

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 2, 2012

PRELIMINARY PROSPECTUS

8,345,310 Shares

BIOZONE PHARMACEUTICALS, INC.

Common Stock

This prospectus relates to the sale by the selling stockholder identified in this prospectus of up to 8,345,310 shares of our common stock. All of these shares of our common stock are being offered for resale by the selling stockholder.

The prices at which the selling stockholder may sell shares will be determined by the prevailing market price for the shares or in negotiated transactions. We will not receive any proceeds from the sale of these shares by the selling stockholder.

We will bear all costs relating to the registration of these shares of our common stock, other than any selling stockholder's legal or accounting costs or commissions.

Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol "BZNE.OB". The last reported sale price of our common stock as reported by the OTC Bulletin Board on June 27, 2012, was $4.00 per share.

Investing in our common stock is highly speculative and involves a high degree of risk. You should carefully consider the risks and uncertainties described under the heading "Risk Factors" beginning on page 3 of this prospectus before making a decision to purchase our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is 2012

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You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and related notes included elsewhere in this prospectus. In this prospectus, unless the context provides otherwise, the terms "the Company," "we," "us," and "our" refer to Biozone Pharmaceuticals, Inc.

Overview

We are a manufacturer of pharmaceutical and cosmetic products. In addition, we are conducting research related to potential improvements in certain excipients commonly used in generic pharmaceutical products. Our research activities are an immaterial portion of our overall business, and are described in greater detail in our business section below. We operate through BioZone Pharmaceuticals, Inc. ("BioZone Pharma") and its four wholly owned subsidiaries: Biozone Laboratories, Inc. ("Biozone Labs"), Equalan LLC ("Equalan"), Equachem LLC ("Equachem") and Baker Cummins Corp. ("Baker Cummins").

Our core manufacturing business primarily consists of the development and manufacture of over-the-counter (OTC) pharmaceuticals, cosmetic and beauty products for third party contract manufacturing customers. We utilize certain proprietary drug delivery technology in the topical and liquid products that we manufacture for third parties, which we refer to as QuSomes®, LiquaVail®, HyperSorb® (and together with the EquaSome TM technology, the "BioZone Technology"). We sell pharmaceutical ingredients containing QuSomes to various healthcare supply manufacturers. In addition, we manufacture and sell two proprietary brands of skin care products: Glyderm® and Baker Cummins®. We do not rely on any third parties to manufacture our products. Our contract manufacturing customers are regional and national distributors and retailers of healthcare products. Our Glyderm and Baker Cummins customers are drug wholesalers, physicians who use and resell our products in their physician practices and customers who purchase our products over the internet.

Our core business strategy for our manufacturing business is to leverage the BioZone Technology as a value added enhancement. We conduct our manufacturing business through BioZone Labs, our research activity through BioZone Pharma, our proprietary brand business through Equalan and Baker Cummins, and our pharmaceutical ingredient distribution business through Equachem. We have licensed the use of the BioZone Technology (excluding the EquaSome™ Technology) to BetaZone Pharmaceuticals, LLC ("BetaZone), our 45% owned subsidiary, for application in certain products marketed and to be marketed in Mexico, Central America and South America, and for application in certain products marketed outside of countries in those regions.

Equalan markets the Glyderm brand of skin care products, which can be used to improve skin texture and tone. Baker Cummins markets the "P&S" line of scalp and skin care products, which can be used to treat common skin and scalp conditions. These products are sold OTC and include liquids and lotions.

Our History

We were incorporated under the laws of the State of Nevada on December 4, 2006. On March 1, 2011 we filed a Certificate of Amendment to our Articles of Incorporation in order to change our name to BioZone Pharmaceuticals, Inc. from International Surf Resorts, Inc. Prior to March 2011 we were generally seeking to engage in the business of operating an internet provider of international surf resorts, camps and guided surf tours. In December 2011, we transferred our 55% ownership in ISR de Mexico, S. R.L. de C. V., a Mexican corporation, to certain of our former shareholders in return for and cancellation of 13,948,001 shares of our common stock.

On May 16, 2011, we acquired the assets and assumed the liabilities of Aero Pharmaceuticals, Inc. ("Aero") a Florida corporation, pursuant to an asset purchase agreement dated as of May 16, 2011 by and between the Company, Baker Cummins, and Aero. The asset purchase agreement constituted a plan of reorganization within the meaning of Treasury Regulations Section 1.368-2(g) and constituted a plan of liquidation of Aero. As a result of the asset purchase, we acquired the business of Aero consisting of the manufacturing, marketing and distribution of dermatological products under the trade name of Baker Cummins Dermatologicals (collectively, the "Baker Cummins Assets"). In exchange for the asset purchase we issued an aggregate of 8,331,396 shares of our restricted common stock to Aero, which are being registered hereunder. The transaction was intended to be tax-free for federal income tax purposes, as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder. On September 21, 2011, we issued an additional 13,914 shares to Aero due to the late filing of this registration statement, which shares are also registered hereunder.

Under the asset purchase agreement with Aero we acquired the following products and brands, marketed under the Baker Cummins brand: P&S Liquid, P&S Shampoo, Ultra Mide 25 Lotion, Ultra Mide-D, X-Seb T Pearl Shampoo, X-Seb T Plus Shampoo, and Acquaderm Cream.

In the asset purchase agreement we purchased (i) all rights to manufacture, distribute, market and sell the Baker Cummins Assets, (ii) all trademarks, marketing materials, training materials, market data, clinical data, research data, regulatory data, adverse event data, trade dress information and product labeling data associated with the Baker Cummins assets, (iii) all outstanding customer purchase orders for the Baker Cummins assets, (iv) all contracts relating to the Baker Cummins Assets, (v) all of Aero's existing inventory of the Baker Cummins Assets, (vi) all cash and cash equivalents, (vii) all accounts or notes receivable held by Aero, (viii) all furniture, fixtures, equipment and machinery, books and records related to the Baker Cummins Assets, (ix) all technological, scientific, chemical, biological, pharmaceutical, toxicological, regulatory and clinical trial materials and information relating to the Baker Cummins Assets, and (x) all information owned or licensed by Aero relating to specifications and test methods, raw materials, packaging instructions, master formulas, validation reports, stability data, analytical methods, records of complaints, annual product reviews and other master documents necessary for the manufacture, control and release of the Baker Cummins Assets.

On June 30, 2011, we entered into stock purchase agreements with the shareholders of BioZone Labs pursuant to which we purchased 100% of the outstanding common stock of BioZone Labs. Also on that date, we entered into LLC Membership Interest Purchase Agreements with the members of Equalan and Equachem, pursuant to which we purchased 100% of the outstanding membership interests of Equalan and Equachem, and LLC Membership Interest Purchase Agreements with certain members of BetaZone pursuant to which we purchased 45% of the outstanding membership interests of BetaZone.

THE OFFERING

Common stock offered by selling stockholder:	This prospectus relates to the sale by a single selling stockholder of 8,345,310 shares of our restricted common stock, issued pursuant to an Asset Purchase Agreement dated as of May 16, 2011 by and among the Company, Baker Cummins Corp. and Aero Pharmaceuticals, Inc.
Offering price:	Market price or privately negotiated prices.
Common stock outstanding before and after the offering:	59,380,469 (1)
Use of proceeds:	We will not receive any proceeds from the sale of the common stock by the selling stockholder.
OTC Symbol:	BZNE.OB
Risk Factors:	You should carefully consider the information set forth in this prospectus and, in particular, the specific factors set forth in the "Risk Factors" section beginning on page 3 of this prospectus before deciding whether or not to invest in our common stock

(1) Represents the number of shares of our common stock issued and outstanding as of June 28, 2012.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus contains forward-looking statements. Such statements include statements regarding our expectations, hopes, beliefs or intentions regarding the future, including but not limited to statements regarding our market, strategy, competition, development plans (including acquisitions and expansion), financing, revenues, operations, and compliance with applicable laws. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include the risks described in greater detail in the following paragraphs. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement. Market data used throughout this prospectus is based on published third party reports or the good faith estimates of management, which estimates are based upon their review of internal surveys, independent industry publications and other publicly available information. Although we believe that such sources are reliable, we do not guarantee the accuracy or completeness of this information, and we have not independently verified such information.

RISK FACTORS

Investing in our common stock involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included or referred to in this prospectus, before purchasing shares of our common stock. There are numerous and varied risks as set forth below that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and investors could lose all or part of their investment.

Risks related to our company

We have not had profitable operations in recent periods, and our financial losses may continue in the future.

We have recognized a net loss of $3,646,036 for the quarter ended March 31, 2012 and net losses of $5,457,310 and $319,813 for the years ended December 31, 2011 and 2010, respectively and expect to incur a net loss for the year ended December 31, 2012.

We are reviewing our manufacturing cost structure to identify inefficiencies and opportunities for reductions and our sales programs to identify opportunities for increasing sales volume. Although we anticipate that these efforts will reduce or eliminate ongoing losses from our manufacturing business and allow us to continue manufacturing operations for the foreseeable future, there can be no assurance that our cost reduction and increased sales efforts will prove successful.

We have negative working capital and have sustained operating losses during the past several years.

As of March 31, 2012, we had negative working capital of $7,537,420 which may impact our ability to raise needed capital. Our failure to raise capital when needed would adversely affect our growth opportunities and investment in capital expenditures. We have sustained losses for the years ended December 31, 2010 and 2011.

Our independent auditor has issued an audit opinion which includes a statement describing a substantial doubt whether we will continue as a going concern, which may have a detrimental effect on our ability to obtain additional financing.

The continuation of the Company as a going concern is dependent upon, among other things, the attainment of profitable operations and the ability of the Company to obtain necessary equity or debt financing. These factors, among others, raise substantial doubt regarding the Company's ability to continue as a going concern. Accordingly, the audit report prepared by our independent registered public accounting firm relating to the consolidated financial statements for the years ended December 31, 2011 and 2010 includes an explanatory paragraph expressing substantial doubt about its ability to continue as a going concern. Our auditor's going concern opinion may have a detrimental effect on our ability to obtain additional funding.

Our business will require additional capital for continued growth, and our growth may be slowed if we do not have sufficient capital.

The continued growth and operation of our business will require additional funding for working capital. We may be unable to secure such funding when needed in adequate amounts or on acceptable terms, if at all. To execute our business strategy, we may issue additional equity securities in public or private offerings, potentially at a price lower than the market price at the time of such issuance. The issuances of additional securities in public and private offerings will dilute our current investors' interest in the Company. Similarly, we may seek debt financing and may be forced to incur significant interest expense. The issuance of debt securities may provide such holders with rights superior to existing shareholders. If we cannot secure sufficient funding, we will be forced to forego strategic opportunities or delay, scale back or eliminate operations, acquisitions, and other investments.

Our ability to obtain needed financing may be impaired by such factors as the condition of the economy and capital markets, both generally and specifically in our industry, and the fact that we are not profitable, which could impact the availability or cost of future financings. If the amount of capital we are able to raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs, even to the extent that we reduce our operations accordingly, we may be required to cease operations. As of the date of this prospectus, we have not approached any new sources for additional funding and have not entered into negotiations for a transaction, other than those transactions that have already been disclosed in our filings with the SEC.

Risks related to our industry

We operate in a highly regulated industry. An inability to meet current or future regulatory requirements in the United States or foreign jurisdictions could have a material adverse effect on our business, financial position and operating results.

All facilities where Rx and OTC drugs are manufactured, tested, packaged, stored or distributed must comply with the FDA's Current Good Manufacturing Processes ("cGMPs"). All of our drug products are manufactured, tested, packaged, stored and distributed according to cGMP regulations. The FDA performs periodic audits to ensure that our facilities remain in compliance with all appropriate regulations. Typically, after the FDA completes its inspection, it may or may not issue the Company a report on Form 483, Notice of Observations, containing the FDA's observations of possible violations of cGMP. These violations can range from minor to severe in nature. The degree of severity of the violation is generally determined by the time necessary to remediate the cGMP violation, and any adverse consequences for the consumer of our drug products. If the deficiency observations are determined to be severe, the FDA may elect to issue a Warning Letter to us. FDA guidelines specify that a warning letter be issued only for violations of "regulatory significance" for which the failure to adequately and promptly achieve correction may be expected to result in further enforcement action. In addition to making its concerns public, the FDA could impose sanctions including, among others, fines, product recalls, total or partial suspension of production and/or distribution, suspension of the FDA's review of product applications, injunctions and civil or criminal prosecution. These enforcement actions, if imposed, could have a material adverse effect on our operating results and financial condition. Under certain circumstances, the FDA also has the authority to revoke previously granted drug approvals. In January and November 2011, the FDA performed two separate GMP surveillance inspections of our BioZone Labs facilities located in Pittsburg, California to audit our compliance against 21CFR Part 210 and Part 211, cGMP. Both inspections were routine GMP surveillance audits and were not triggered by any specific event, nor were they related to a specific product. At the conclusion of each audit, the FDA inspectors issued Form 483 Notice of Observations. We provided adequate and timely responses to the FDA findings and provided commitments and timelines for the remediation of the conditions cited by the FDA. The FDA classified the inspections as VAI, Voluntary Action Indicated, and no Warning Letters were issued, which demonstrates the adequacy of our responses. As of the date hereof, we have not received any additional correspondence from the FDA regarding these two inspections. We believe that the remedial actions we are taking adequately respond to the FDA's observations on Form 483. However, the FDA may conclude that our actions are insufficient to meet regulatory standards. If compliance is deemed deficient in any significant way, it could have a material adverse effect on our business.

In addition to the FDA, several U.S. agencies regulate the manufacturing, processing, formulation, packaging, labeling, testing, storing, distribution, advertising and sale of our products. Various state and local agencies also regulate these activities. Should any of our third party pharmaceutical ingredient suppliers fail to adequately conform or comply with manufacturing, quality and testing guidelines and regulations, we could experience a significant adverse impact on our operating results.

Significant increases in the cost of raw materials used in our contract manufacturing business could adversely impact our profit margins and operating results.

Affordable high quality raw materials and packaging components are essential to our business due to the nature of the products we manufacture. Our contract manufacturing customers either supply us with the raw materials and packaging components necessary to manufacture their finished products or reimburse us for the cost of such materials and components. Moreover the raw materials and packaging components that we use are generally available from multiple suppliers and we have not experienced any problems with contaminated raw materials that would impact our business. However, a rapid increase in cost of raw materials from various factors, such as inflationary forces or scarcity, could have a material impact on our financial results if we are unable to pass on these increased costs to our customers.

If we fail to obtain, apply for, adequately prosecute to issuance, maintain, protect or enforce patents for our inventions and products, the value of our intellectual property rights and our ability to license, make, use or sell our products would materially diminish or could be eliminated entirely.

Our competitive position and future revenues, especially with regard to our strategy to leverage the BioZone Technology to increase sales, will depend in part on our ability to obtain and maintain patent protection for our inventions and products and for methods, processes and other technologies, as well as our ability to preserve our trade secrets, prevent third parties from infringing on our proprietary rights or invalidating our patents and operate without infringing the proprietary rights of third parties. The risks include the following:

- Some of our issued patents or any patents that are issued to us in the future may be determined to be invalid and/or unenforceable, or may offer inadequate protection against competitive products;
- If we have to defend the validity of our patents or any future patents or protect against third party infringements, the costs of such defense are likely to be substantial and we may not achieve a successful outcome;
- Others may obtain patents claiming aspects similar to those covered by our patents and patent applications, which could enable them to make and sell products similar to ours; and
- We may be estopped from claiming that one or more of our patents is infringed due to amendments to the claims and/or specification, or as a result of arguments that were made during prosecution of such patents in the United States Patent and Trademark Office, or by virtue of certain language in the patent application. The estoppel may result in claim limitation and/or surrender of certain subject matter to the public domain or the ability of competitors to design around our claims and/or avoid infringement of our patents. If our patents or those patents for which we have license rights become involved in litigation, a court could revoke the patents or limit the scope of coverage to which they are entitled.

If we fail to obtain and maintain adequate patent protection and trade secret protection for our products, proprietary technologies and their uses, we could lose any competitive advantage and the competition we face could increase, thereby reducing our potential revenues and adversely affecting our ability to attain or maintain profitability.

A dispute concerning the infringement or misappropriation of our proprietary rights or the proprietary rights of others could be time consuming and costly and an unfavorable outcome could harm our business.

There is significant litigation in the biotechnology field regarding patents and other intellectual property rights. We may be exposed to future litigation by third parties based on claims that our products, technologies or activities infringe the intellectual property rights of others. Although we try to avoid infringement, and as of the date hereof, there are no claims against us alleging infringement, there is the risk that we will use a patented technology owned or licensed by another person or entity and/or be sued for infringement of a patent owned by a third party. Under current United States law, patent applications are confidential for 18 months following their priority filing date and may remain confidential beyond 18 months if no foreign counterparts are applied for in jurisdictions that publish patent applications. There are many patents relating to the use of lipids and liposomes. If our products or methods are found to infringe any patents, we may have to pay significant damages and royalties to the patent holder or be prevented from making, using, selling, offering for sale or importing such products or from practicing methods that employ such products.

In addition, we may need to resort to litigation to enforce our patents issued to us, protect our trade secrets or determine the scope and validity of third-party proprietary rights. Such litigation could be expensive and there is no assurance that we would be successful. From time to time, we may hire scientific personnel formerly employed by other companies involved in one or more fields similar to the fields in which we are working. Either these individuals or we may be subject to allegations of trade secret misappropriation or similar claims as a result of their prior affiliations. If we become involved in litigation, it could consume a substantial portion of our managerial and financial resources, regardless of whether we win or lose. As a result, we could be prevented from commercializing current or future products or methods.

Confidentiality agreements with employees and others may not adequately prevent disclosure of our trade secrets and other proprietary information and may not adequately protect our intellectual property.

Our success also depends upon the skills, knowledge and experience of our scientific and technical personnel, our consultants and advisors and contractors. We enter into confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third parties all confidential information developed by the receiving party or made known to the receiving party by us during the course of the receiving party's relationship with us. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to us will be our exclusive property. However, these agreements may be breached and may not effectively assign intellectual property rights to us. Our trade secrets also could be independently discovered by competitors, in which case we would not be able to prevent use of such trade secrets by our competitors. The enforcement of a claim alleging that a party illegally obtained and was using our trade secrets could be difficult, expensive and time consuming and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect our competitive position.

We face significant competition.

The contract manufacturing business is highly competitive and price sensitive. We face competition from multiple competitors, some of whom are larger and more financially secure than we. They may reduce prices to an unacceptably low level for us in order to increase sales. Therefore, we can make no assurance that we will grow our contract manufacturing business or maintain our current level of sales in the future.

Our proprietary skin care products compete against other similar products marketed by companies much larger than we and who spend much more than us on consumer advertising. The skin care product business is highly promotion sensitive and we have a limited advertising budget. Therefore, we can make no assurance that we will grow sales of our proprietary skin care brands or maintain our current level of sales in the future.

Risks related to management

We rely on key executive officers and their knowledge of our business and technical expertise would be difficult to replace .

We are highly dependent on Elliot Maza, JD, CPA, our Chief Executive Officer, Chief Financial Officer and Secretary, Dr. Brian Keller, our President and Chief Scientific Officer, and Christian Oertle, our Chief Operating Officer. We do not have "key person" life insurance. The loss of Mr. Maza, Dr. Keller or Mr. Oertle may have an adverse effect on our business. We have entered into three year employment contracts with Dr. Keller and Mr. Oertle. Each of the employment agreements may be terminated by the Company at will, subject to an obligation to pay severance for six months at the then applicable monthly base salary. We are competing for employees against companies that are more established than we are, and have the ability to pay more cash compensation than we do. As of the date hereof, we have not experienced problems hiring employees in the recent past.

Because Elliot Maza, our Chief Executive Officer, Chief Financial Officer and Secretary, devotes only a portion of his business time to us, conflicts of interests may arise with respect to his other activities which could materially and adversely affect our Company.

Elliot Maza, our Chief Executive Officer, Chief Financial Officer and Secretary, does not work for us exclusively as he is also the Chief Financial Officer of Intellect Neurosciences, Inc., a biotechnology company focused on the development of therapeutics for Alzheimer's disease. We do not consider Intellect Neurosciences, Inc. to be a competitor of the Company. It is possible that a conflict of interest may arise with respect to Mr. Maza's other employment. Mr. Maza devotes approximately 35 hours per week to Company matters and approximately 15 hours per week to Intellect Neurosciences, Inc. matters. We have not adopted any policies or procedures for the review and approval of any transactions that may cause a conflict of interest.

Our officers and directors hold a substantial number of shares of our common stock.

Our officers and, directors and their affiliates own or control an aggregate of 10,901,967 shares of the Company's common stock, which represents approximately 18.46% of our issued and outstanding common stock as of June 28, 2012. Therefore, our officers and directors could exert substantial influence over any election of our directors and our operations. Moreover, authorization to modify our Articles of Incorporation, as amended, requires only majority stockholder consent. This concentration of ownership could also have the effect of delaying or preventing a change in control. Additionally, potential conflicts of interest may arise between our officers and directors and our shareholders and our officers and directors may vote their shares in a way that our other shareholders do not approve.

Our obligations to indemnify our directors and officers may pose substantial risks to our financial condition.

We have obtained directors' and officers' liability insurance insuring our directors and officers against liability for acts or omissions in their capacities as directors or officers, subject to certain exclusions. Such insurance also insures us against losses which we may incur in indemnifying our officers and directors. In addition, we may enter into indemnification agreements with key officers and directors and such persons shall also have indemnification rights under applicable laws, and the Company's Articles of Incorporation and Bylaws. Our obligations to indemnify our directors and officers may pose substantial risks to our financial condition, as we may not be able to maintain our insurance or, even if we are able to maintain our insurance, claims in excess of our insurance coverage could materially deplete our assets.

Risks related to our common stock

Shares of our stock suffer from low trading volume and wide fluctuations in market price.

Our common stock is currently quoted on the Over the Counter Bulletin Board trading system under the symbol BZNE.OB. An investment in our common stock currently is illiquid and subject to significant market volatility. This illiquidity and volatility may be caused by a variety of factors including low trading volume and market conditions.

In addition, the value of our common stock could be affected by actual or anticipated variations in our operating results; changes in the market valuations of other similarly situated companies serving similar markets; announcements by us or our competitors of significant acquisitions, strategic partnerships, collaborations, joint ventures or capital commitments; adoption of new accounting standards affecting our industry; additions or departures of key personnel; introduction of new products or services by us or our competitors; actual or expected sales of our common stock or other securities in the open market; conditions or trends in the market in which we operate; and other events or factors, many of which are beyond our control.

Stockholders may experience wide fluctuations in the market price of our securities. These fluctuations may have an extremely negative effect on the market price of our securities and may prevent a stockholder from obtaining a market price equal to the purchase price such stockholder paid when the stockholder attempts to sell our securities in the open market. In these situations, the stockholder may be required either to sell our securities at a market price which is lower than the purchase price the stockholder paid, or to hold our securities for a longer period of time than planned. An inactive market may also impair our ability to raise capital by selling shares of capital stock and may impair our ability to acquire other companies by using common stock as consideration or to recruit and retain managers with equity-based incentive plans.

We cannot assure you that our common stock will become listed on NYSE Amex Equities, Nasdaq or any other securities exchange.

We plan to seek listing of our common stock on NYSE Amex Equities or Nasdaq within the next three years. However, we do not currently meet the initial listing standards or corporate governance standards of those exchanges and there are no assurances that we will be able to meet the initial listing standards of either of those or any other stock exchange, or that we will be able to maintain a listing of our common stock on either of those or any other stock exchange. Until our common stock is listed on NYSE Amex Equities or Nasdaq or another stock exchange, we expect that our common stock will continue to trade on the Over-The-Counter Bulletin Board, where an investor may find it difficult to dispose of our shares of common stock. We believe that we may seek listing on the NYSE Amex Equities or Nasdaq within the next three years.

We will incur significant costs as a result of being an operating public company.

As a public operating company, we will incur significant legal, accounting and other expenses not incurred by a private company. If our stock becomes listed on Nasdaq or another major exchange or if our total assets exceed $10 million at the end of any fiscal year, we will also incur additional compliance expenses. It may be time consuming, difficult and costly for us to develop and implement the additional internal controls, processes and reporting procedures required by the Sarbanes-Oxley Act of 2002, SEC proxy rules, other government regulations affecting public companies and/or stock exchange compliance requirements. As we currently do not have a large financial reporting, internal auditing and other finance staff, we may need to hire additional financial reporting, internal auditing and other finance staff in order to develop and implement appropriate additional internal controls, processes and reporting procedures. We anticipate incurring approximately $100,000 in legal costs and $100,000 in accounting costs over the next 12 months as a result of our public company status.

Our common stock is subject to the "Penny Stock" rules of the SEC, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.

Our common stock is considered a "Penny Stock". The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock. The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock. In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit investors' ability to buy and sell our stock and have an adverse effect on the market for our shares.

Our common stock may be affected by limited trading volume and price fluctuation which could adversely impact the value of our common stock.

There has been limited trading in our common stock and there can be no assurance that an active trading market in our common stock will either develop or be maintained. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to periodically enter the market in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our common stock will be stable or appreciate over time.

We have never paid nor do we expect in the near future to pay dividends.

We have never paid cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock for the foreseeable future. Investors should not rely on an investment in our Company if they require income generated from dividends paid on our capital stock. Any income derived from our common stock would only come from rise in the market price of our common stock, which is uncertain and unpredictable.

We and our security holders are not subject to some reporting requirements applicable to most public companies; therefore, investors may have less information on which to base an investment decision.

We do not have a class of securities registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Therefore, we do not prepare proxy or information statements in accordance with Section 14(a) of the Exchange Act with respect to matters submitted to the vote of our security holders, including, but not limited to, an increase in our authorized capital stock or the adoption of stock option plans. Our officers, directors and beneficial owners of more than 10% of our common stock are not required to file statements of beneficial ownership on SEC Forms 3, 4 and 5 pursuant to Section 16 of the Exchange Act, which such forms would disclose the reporting person's initial ownership interest in our Company and would be subsequently updated to disclose any additional transactions. Beneficial owners of more than 5% of our outstanding common stock are not required to file reports on SEC Schedules 13D or 13G. Therefore, investors in our securities will not have any such information available in making an investment decision.

We lack proper internal controls and procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive, as appropriate, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" in Rule 13a-15(e). In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management has identified certain material weaknesses relating to our internal controls and procedures. The reason for the ineffectiveness of our disclosure controls and procedures was the result of the lack of segregation of duties and responsibilities with respect to our cash

control over the disbursements related thereto. The lack of segregation of duties resulted from our limited accounting staff.

We may fail to qualify for continued listing on the OTC Bulletin Board, which could make it more difficult for investors to sell their shares.

Our common stock is quoted on the Over the Counter Bulletin Board ("OTCBB"). There can be no assurance that quotation of our common stock will be sustained. In the event that our common stock fails to qualify for continued quotation, our common stock could thereafter only be quoted on the "pink sheets." Under such circumstances, shareholders may find it more difficult to dispose of, or to obtain accurate quotations, for our common stock, and our common stock would become substantially less attractive to certain purchasers such as financial institutions, hedge funds and other similar investors.

Investor relations activities, nominal "float" and supply and demand factors may affect the price of our stock.

The Company expects to utilize various techniques such as non-deal road shows and investor relations campaigns in order to create investor awareness for the Company. These campaigns may include personal, video and telephone conferences with investors and prospective investors in which our business practices are described. The Company may provide compensation to investor relations firms and pay for newsletters, websites, mailings and email campaigns that are produced by third-parties based upon publicly-available information concerning the Company. The Company does not intend to review or approve the content of such analysts' reports or other materials based upon analysts' own research or methods. Investor relations firms should generally disclose when they are compensated for their efforts, but whether such disclosure is made or complete is not under our control. In addition, investors in the Company may, from time to time, also take steps to encourage investor awareness through similar activities that may be undertaken at the expense of the investors. Investor awareness activities may also be suspended or discontinued which may impact the trading market our common stock.

The SEC and FINRA enforce various statutes and regulations intended to prevent manipulative or deceptive devices in connection with the purchase or sale of any security and carefully scrutinize trading patterns and company news and other communications for false or misleading information, particularly in cases where the hallmarks of "pump and dump" activities may exist, such as rapid share price increases or decreases. We, and our shareholders may be subjected to enhanced regulatory scrutiny due to the small number of holders who initially will own the registered shares of our common stock publicly available for resale, and the limited trading markets in which such shares may be offered or sold which have often been associated with improper activities concerning penny-stocks, such as the OTC Bulletin Board or the OTCQB Marketplace (Pink OTC) or pink sheets. Until such time as our restricted shares are registered or available for resale under Rule 144, there will continue to be a small percentage of shares held by a small number of investors, many of whom acquired such shares in privately negotiated purchase and sale transactions, which will constitute the entire available trading market. The Supreme Court has stated that manipulative action is a term of art connoting intentional or willful conduct designed to deceive or defraud investors by controlling or artificially affecting the price of securities. Often times, manipulation is associated by regulators with forces that upset the supply and demand factors that would normally determine trading prices. Since a small percentage of the outstanding common stock of the Company will initially be available for trading, held by a small number of individuals or entities, the supply of our common stock for sale will be extremely limited for an indeterminate amount of time, which could result in higher bids, asks or sales prices than would otherwise exist. Securities regulators have often cited factors such as thinly-traded markets, small numbers of holders, and awareness campaigns as hallmarks of claims of price manipulation and other violations of law when combined with manipulative trading, such as wash sales, matched orders or other manipulative trading timed to coincide with false or touting press releases. There can be no assurance that the Company's or third-parties' activities, or the small number of potential sellers or small percentage of stock in the "float," or determinations by purchasers or holders as to when or under what circumstances or at what prices they may be willing to buy or sell stock will not artificially impact (or would be claimed by regulators to have affected) the normal supply and demand factors that determine the price of the stock.

USE OF PROCEEDS

The selling stockholder will receive all of the proceeds from the sale of the shares offered by them under this prospectus. We will not receive any proceeds from the sale of the shares by the selling stockholder covered by this prospectus.

MARKET FOR OUR COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Our common stock has been quoted on the OTC Bulletin Board under the symbol "BZNE.OB since March 7, 2011 and prior to that under the symbol "ISFR". The following table sets forth the high and low prices as reported on the OTC Bulletin Board. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions. Prior to May 19, 2011, there was no active market for our common stock. As of June 28, 2012, there were approximately 84 holders of record of our common stock.

Fiscal year ended December 31, 2011 **Period**	**High**	**Low**
May 19, 2011 through June 30, 2011	$ 5.50	$ 1.50
July 1, 2011 through September 30, 2011	$ 4.65	$ 1.50
October 1, 2011 through December 31, 2011	$ 4.64	$ 3.68
Fiscal year ended December 31, 2012		
January 1, 2012 through March 31, 2012	$ 3.69	$ 1.60
April 1, 2012 through June 27, 2012	$ 4.00	$ 1.04

The last reported sales price of our Common stock on the OTC Bulletin Board on June 27, 2012 was $4.00 per share.

DIVIDEND POLICY

We have not declared nor paid any cash dividend on our Common stock, and we currently intend to retain future earnings, if any, to finance the expansion of our business, and we do not expect to pay any cash dividends in the foreseeable future. The decision whether to pay cash dividends on our Common stock will be made by our board of directors, in their discretion, and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors considers significant.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this prospectus. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to those set forth under "Risk Factors".

The following discussion and analysis is provided to increase the understanding of, and should be read in conjunction with, our audited condensed consolidated financial statements and related notes included elsewhere in this registration statement. Historical results and percentage relationships among any amounts in these financial statements are not necessarily indicative of trends in operating results for any future period. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements, which are not historical facts contained in this registration statement, including this Management's discussion and analysis of financial condition and results of operation, and notes to our unaudited condensed consolidated financial statements, particularly those that utilize terminology such as "may" "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements. Such statements are based on currently available operating, financial and competitive information, and are subject to various risks and uncertainties. Future events and our actual results may differ materially from the results reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, dependence on existing and future key strategic and strategic end-user customers, limited ability to establish new strategic relationships, ability to sustain and manage growth, variability of operating results, our expansion and development of new service lines, marketing and other business development initiatives, the commencement of new engagements, competition in the industry, general economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the service requirements of our clients, the potential liability with respect to actions taken by our existing and past employees, risks associated with international sales, and other risks described herein and in our other filings with the Securities and Exchange Commission.

The safe harbor for forward-looking statements provided by Section 21E of the Securities Exchange Act of 1934 excludes issuers of "penny stock" (as defined under Rule 3a51-1 of the Securities Exchange Act of 1934). Our common stock currently falls within that definition.

All forward-looking statements in this document are based on information currently available to us as of the date of this registration statement, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Company Overview

Biozone Pharmaceuticals, Inc., formerly known as International Surf Resorts, Inc., was incorporated under the laws of the State of Nevada on December 4, 2006 to operate as an internet-based provider of international surf resorts, camps and guided surf tours. The Company proposed to engage in the business of vacation real estate and rentals related to its surf business and it owns the website isurfresorts.com. During late February 2011, the Company began to explore alternatives to its original business plan. On February 22, 2011, the prior officers and directors resigned from their positions and the Company appointed a new President, Director, principal accounting officer and treasurer and began to pursue opportunities in medical and pharmaceutical technologies and products. On March 1, 2011, the Company changed its name to Biozone Pharmaceuticals, Inc.

On May 16, 2011, the Company acquired substantially all of the assets and assumed all of the liabilities of Aero Pharmaceuticals, Inc. pursuant to an Asset Purchase Agreement dated as of that date. Aero manufactures markets and distributes a line of dermatological products under the trade name of Baker Cummins Dermatologicals.

In December 2011, in accordance with the intent of the parties participating in the reverse merger described below, the Company transferred its 55% ownership in ISR de Mexico, S. R.L. de C. V., a Mexican corporation that was owned by the Company during the period prior to February 22, 2011, in return for and cancellation of 13,948,001 shares of the Company's common stock.

Reverse Merger

Pursuant to authoritative accounting guidance, we accounted for the purchase of the BioZone Labs Group as a "Reverse Merger", with each of BioZone Labs, Equalan and Equachem, treated as the accounting survivor. On June 30, 2011, the Company acquired all of the outstanding shares of BioZone Laboratories, Inc. and its affiliates. BioZone Labs primarily is engaged in the business of developing and manufacturing Over the Counter ("OTC") drug products and cosmetic and beauty products on behalf of third parties. Equalan LLC ("Equalan"), related to BioZone Labs through common stock ownership, markets a line of proprietary skin care products under the brand names of Glyderm®.

Equachem LLC ("Equachem") also related to BioZone Labs through common stock ownership, sells raw materials used in OTC drugs and cosmetic products. We refer to BioZone Labs, Equalan and Equachem as the "BioZone Labs Group". The BioZone Labs Group generated $12.6 and $15.3 million of sales during the years ended December 31, 2011 and 2010, respectively, of which $11.3 million or 89% and $13.9 million or 91%, respectively, were generated by BioZone Labs from its third party contract manufacturing business.

As disclosed in our annual report on Form 10-K for the fiscal year ended December 31, 2011, our management has concluded that the Company's disclosure controls and procedures were ineffective as of December 31, 2011 (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act). If we fail to establish and maintain an effective system of internal control, we may not be able to report our financial results accurately or prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and adversely impact the trading price of our common stock.

Results of Operations

Three months ended March 31, 2012 compared to the three months ended March 31, 2011

Sales

Sales for the period ended March 31, 2012 and 2011 was $3,510,042 and $2,797,468 respectively. The increase in revenue of $712,574 or 25.5% primarily was attributable to increases in customer orders from increased end-user demand.

Cost of Sales and Gross Profit

Cost of sales for the period ended March 31, 2012 and 2011 was $1,783,066 and $1,106,485, respectively, resulting in gross profit of $1,726,976 and $1,690,983, respectively. The gross profit percentage for the periods ended March 31, 2012 and 2011 was 49% and 60% respectively. The decrease in the gross profit percentage was due to increases in raw material costs, which we were unable to pass along to customers. The increase in gross profit of $35,993 or 2.1% was primarily attributable to increased end user demand for our products.

Operating Expenses

We had total operating expenses of $2,318,359 for the period ended March 31, 2012 as compared to $1,588,092 for the period ended March 31, 2011. The increase in operating expenses of $730,267 is due to an increase in general and administrative expenses $573,520, which is primarily due to an increase in professional fees of approximately $297,000 which consist of legal fees relating to general corporate governance, patent fees, consulting fees and audit and accounting fees as well as small increases in various other accounts. Depreciation and amortization expense increased $33,143 due to the addition of the amortization of intangible assets of $14,139, as well as an increase in fixed assets. Research and Development expenses increased $156,747, which is primarily due to the opening of our research facility in Princeton, New Jersey and the addition of 5 new staff members.

Interest Expense

We incurred interest expense of $3,472,845 for the period ended March 31, 2012 as compared to $109,591 for the period ended March 31, 2011. The increase in interest expense of $3,363,254 is due primarily to recording a debt discount related to the derivative liability of the warrants issued in connection with the OPKO Notes warrants of $2,926,171 and the issuance of warrants in January 2012 valued as a deriviative liability of $185,589 with the remaining increase due to interest payments related to the repayment of the March 2011 Notes.

Change in value of derivative instruments

We recorded a gain of $418,192 on the fair value of our derivative instruments for the period ended March 31, 2012 compared to the prior year period when we had no derivative instruments to value.

Net Loss / Income

As a result of the foregoing, we realized a net loss of $3,646,036 for the period ended March 31, 2012 as compared to a net loss of $13,295 for the period ended March 31, 2011, an increase in net loss of $3,632,741.

Liquidity and Capital Resources

As of March 31, 2012, our current assets were $3,236,205, as compared to $2,904,436 at December 31, 2011. As of March 31, 2012, our current liabilities were $10,773,625, as compared to $7,278,170 at December 31, 2011. Operating activities used net cash of $1,935,582 for the period ended March 31, 2012 as compared to using net cash of $462,239 for the period ended March 31, 2011.

During the period ended March 31, 2012, investing activities used net cash of $242,427, comprised primarily of cash used for the purchase of property and equipment. During the period ended March 31, 2011, investing activities used net cash of $24,902.

During the period ended March 31, 2012, cash of $1,838,559 was provided by financing activities, consisting of proceeds from the issuance of convertible notes of $3,300,000, and the sale of common stock of $650,000. This was offset by repayment of convertible notes payable of $2,050,000 and repayments of debt of $61,441, as compared to net cash provided by financing activities of $2,475,331 during the three-month period ended March 31, 2011, which consisted of proceeds from convertible notes of $2,250,000 and borrowings from note holders of $406,647, offset by repayments of existing debt of $30,952, and the payment of financing costs of $150,364.

Our net loss for the period ended March 31, 2012 and 2011, respectively was a loss of $3,646,036 and a loss of $13,295. We anticipate that we will continue to generate losses from operations for the foreseeable future as we invest in research and development activities in furtherance of our business plan of advancing our drug delivery technology. As of March 31, 2012, we had cash and cash equivalents of $76,883 and negative working capital of $7,537,420.

The increase in net loss of $3,632,741 between the period ended March 31, 2012 and the period ended March 31, 2011 largely is attributable to our goal of changing the business of the Company from a vacation real estate and rentals business to a OTC and cosmetic and beauty product manufacturer and investing in research and development activities related to our drug delivery technology.

We are in the process of reviewing our contract manufacturing cost structure to identify inefficiencies and opportunities for reductions. Also, we are reviewing our sales efforts and programs to identify opportunities for increasing sales volume. We anticipate that these efforts will reduce or eliminate ongoing losses from our contract manufacturing business and allow us to continue contract manufacturing operations for the foreseeable future.

Our current balances of cash will not meet our working capital and capital expenditure needs for the next twelve months. Because we are not currently generating sufficient cash to fund our operations and we have debt that is in default, we may need to rely on external financing to meet future operating, debt repayment and capital requirements. Any projections of future cash needs and cash flows are subject to substantial uncertainty. We can make no assurance that financing will be available in amounts or on terms acceptable to us, if at all. Further, if we issue equity securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences, or privileges senior to those of existing holders of common stock, and debt financing, if available, may involve restrictive covenants that could restrict our operations or finances. If we cannot raise funds, when needed, on acceptable terms, we may not be able to continue our operations, grow market share, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements, all

of which could negatively impact our business, operating results, and financial condition. These conditions raise substantial doubt about our ability to continue as a going concern.

Off–Balance Sheet Arrangements

As of March 31, 2012 we had no material off-balance sheet arrangements other than operating leases.

Contractual Obligations

On June 30, 2011, the Company entered into three year executive employment agreements with three stockholders, Brian Keller, Christian Oertle and Daniel Fisher, to serve as our President, Chief Operating Officer and Executive Vice President, respectively. The agreements with Messrs. Keller and Fisher provide for annual salaries of $200,000 each and the agreement with Mr. Oertle that provides for an annual salary of $150,000. Pursuant to the terms of the agreements, each of these executives is eligible to participate in the Company's long term incentive compensation programs and is entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board, subject to certain claw back rights. The agreements provide for payments of six months' severance in the event of early termination (other than for cause).

On January 30, 2012, Mr. Fisher was removed from his position as Executive Vice President for cause. Pursuant to his employment agreement, Mr. Fisher is entitled to accrued salary through the date of termination.

Impact of Inflation

The impact of inflation upon our revenue and income/(loss) from continuing operations during each of the past two fiscal years has not been material to our financial position or results of operations for those years because we do not maintain significant inventories whose costs are affected by inflation.

Properties

Our facilities are located in Pittsburg, California, Princeton, New Jersey, Miami, Florida and Englewood Cliffs, New Jersey.

BioZone Labs manufactures its products in a 20,000 square feet, cGMP facility owned by 580 Garcia Avenue, LLC, its consolidated VIE and fills and stores its products at a 60,000 square feet rented facility located at 701 Willow Pass Road, Pittsburg, CA. The lease for the Willow Pass Road facility expires on April 30, 2015 and provides for annual rentals of approximately $343,000.

We lease approximately 1,500 square feet of office space at 4400 Biscayne Boulevard, Miami, Florida. We employ two sales professionals for our Baker Cummins brand proprietary skin care products, both of whom are located in Miami, Florida. The lease expires on October 31, 2012 and provides for annual rentals of approximately $23,700. Our rent expense for our Miami facility through the end of the lease is $20,650.

In July 2011, we entered into a lease for approximately 3,869 square feet of laboratory space in Princeton, New Jersey where we conduct research and development activities related to our proprietary drug delivery technology. The lease expires on July 20, 2016. Rent expense is approximately $8,065 per month.

Our corporate headquarters is located at 550 Sylvan Avenue, Englewood Cliffs, New Jersey, where we lease approximately 800 square feet of office space. The lease expires on June 30, 2012. Rent expense is approximately $1,450 per month.

Seasonality

Certain of our products include cough/cold remedies, which are often sold in the winter months. Accordingly, our business is cyclical. Approximately two thirds of our revenue is generated in the second half of the calendar year.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported amounts and related disclosures in the financial statements. Management considers an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made, and changes in the estimate or different estimates that could have been selected could have a material impact on our consolidated results of operations or financial condition.

Basis of Consolidation

The consolidated financial statements include the accounts of Biozone Pharmaceuticals, Inc. and its subsidiaries, all of which are wholly owned, its equity investment in Betazone, Inc. and its 580 Garcia Ave, a Variable Interest Entity ("VIE").

The Company considered the terms of its interest in 580 Garcia and determined that it was a VIE in accordance with ACS 810-10-55, which should be consolidated. As of March 31, 2012, amounts included in the consolidated assets, which are shown in Property and equipment and consolidated liabilities, which are reported in long-term debt total $769,856 and $2,629,718, respectively relating to 580 Garcia. The Company's involvement with the entity is limited to the lease it has to rent its facility from 580 Garcia, in which the Company is the only tenant, and the guarantee of the mortgage on the property of 580 Garcia. The Company's maximum exposure to loss, which is based on the Company's guarantee of the mortgage of 580 Garcia is $2,629,718, which equals the carrying amount of its liability as of March 31, 2012.

The Company accounts for its investment in Betazone by the equity method since it has significant influence but not operating control over this entity. Condensed financial information of Betazone as of and the period ended March 31, 2012 and for the year ended December 31, 2011 is as follows:

	March 31, 2011	December 31, 2010
Balance sheet		
Current assets	74,874	110,093
Current Liabilities	186,522	131,672
Statement of operations		
Revenues	8,114	315,346
Net income (loss)	(86,544)	(102,047)

Revenue Recognition

BioZone Labs operates as a contract manufacturer and produces finished goods according to customer specifications. Equalan sells its merchandise directly to dermatologists and to an online retailer. Equachem operates as a reseller of pharmaceutical raw materials and licensor of intellectual property. The agreements with customers for each of the companies do not contain any rights of return other than for goods that fail to meet the specifications provided by the customer. None of the companies has experienced any significant returns from customers and accordingly, in management's opinion, no reserve for returns is provided. We record revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the selling price to the customer is fixed or determinable and collectability of the revenue is reasonably assured.

Revenue from the licensing of intellectual property is recorded when reported to us by the licensee.

Convertible Instruments

We evaluate and account for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities".

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

We account for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: We record when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption. The embedded conversion option in connection with our convertible debt could not be exercised unless and until we completed a Qualifying Financing transaction. Accordingly, we determined based on authoritative guidance that the embedded conversion option is deemed to be a contingent conversion rather than active conversion option that did not require accounting recognition at the commitment dates of the issuances of the Notes.

Common Stock Purchase Warrants and Other Derivative Financial Instruments

We classify as equity any contracts that require physical settlement or net-share settlement or provide us a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement) provided that such contracts are indexed to our own stock as defined in ASC 815-40 ("Contracts in Entity's Own Equity"). We classify as assets or liabilities any contracts that require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of our common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Our derivative instruments were valued using the Black-Scholes option pricing model, using the following assumptions during the year ended December 31, 2011:

Estimated dividends	None
Expected volatility	100%
Risk-free interest rate	0.83%
Expected term	4.25 years

Research and Development

Research and development expenditures are charged to operations as incurred.

Income Taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax

consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if, based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board or other standard setting bodies that may have an impact on the Company's accounting and reporting. The Company believes that such recently issued accounting pronouncements and other authoritative guidance for which the effective date is in the future either will not have an impact on its accounting or reporting or that such impact will not be material to its financial position, results of operations, and cash flows when implemented.

Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010

Sales

Sales for the years ended December 31, 2011 and 2010 was $12,605,146 and $15,253,685 respectively. The decrease in revenue of $2,648,539 or 17.4% primarily was attributable to delays in customer orders from decreased end-user demand.

Cost of Sales and Gross Profit

Cost of sales for the year ended December 31, 2011 and 2010 was $8,639,658 and $8,427,608, respectively, resulting in gross profit of $3,965,488 and $6,826,077, respectively. The gross profit percentage for the year ended December 31, 2011 and 2010 was 32% and 45% respectively. The decrease in gross profit of $2,860,589 was primarily attributable to two items, at the end of the year we reviewed our existing inventory and determined that a portion was obsolete and unusable, as such we decided to write-off the obsolete inventory that had been valued at $1,439,616, while the remainder of the decrease was primarily attributable to decreased end user demand for our products.

Operating Expenses

We had total operating expenses of $7,852,488 for the year ended December 31, 2011 as compared to $6,858,122 for the year ended December 31, 2010. The increase in operating expenses of $1,095,593 is due to an increase in general and administrative expenses $906,711, which is primarily due to an increase in professional fees of approximately $780,000 which consist of legal fees relating to general corporate governance, patent fees, consulting fees and audit and accounting fees as well as small increases in various other accounts, depreciation and amortization expense increased $30,131 due to the addition of the amortization of intangible assets of $35,350, offset by a small decrease in the depreciation of the remaining assets. Research and Development expenses increased $158,751, which is primarily due to the opening of our research facility in Princeton, NJ and the addition of 5 new staff members.

Interest Expense

We incurred interest expense of $1,242,853 for the year ended December 31, 2011 as compared to $439,018 for the year ended December 31, 2010. The increase in interest expense of $803,835 is due primarily to recording a debt discount related to the derivative liability of the warrants issued in connection with the September 2011 Notes warrants of $521,547 and the issuance of $56,250 worth of shares to the September 2011 Notes holders in an exchange for the extension of the notes maturity were accounted for as interest expense, while the remainder of the increase was due to slightly higher interest rates on the average outstanding debt.

Change in value of derivative instruments

We recorded a loss of $281,508 on the fair value of our derivative instruments for the year ended December 31, 2011 compared to the prior year when we had no derivative instruments to value.

Net Loss / Income

As a result of the foregoing, we realized a net loss of $5,457,283 for the year ended December 31, 2011 as compared to a net loss of $319,813 for the year ended December 31, 2010, an increase in net loss of $5,137,470.

Evaluation of Disclosure Controls and Procedures

The reason for the ineffectiveness of our disclosure controls and procedures was the result of the lack of segregation of duties and responsibilities with respect to our cash control over the disbursements related thereto. The lack of segregation of duties resulted from our limited accounting staff. Although neither management nor our independent auditors discovered any significant errors in the preparation of our financial statements, the lack of multiple levels of review and segregation of duties could lead to error or fraud and is considered a per se material weakness in internal controls over financial reporting.

Liquidity and Capital Resources

As of December 31, 2011, our current assets were $2,904,436, as compared to $4,193,281 at December 31, 2010. As of December 31, 2011, our current liabilities were $7,278,170, as compared to $5,078,580 at December 31, 2010. Operating activities used net cash of $420,953 for the year ended December 31, 2011, as compared to using net cash of $261,420 for the year ended December 31, 2010.

During the year ended December 31, 2011, investing activities provided net cash of $10,290, comprised primarily of cash acquired in connection with the Aero acquisition offset by purchases of property and equipment. During the year ended December 31, 2010, investing activities used net cash of $357,610.

During the year ended December 31, 2011, cash of $575,521 was provided by financing activities, consisting of proceeds from the issuance of convertible notes of $2,750,000, and the sale of common stock of $705,000. This was offset by repayment of notes payable to banks and shareholders of $2,729,115, and payment of deferred financing fees of $150,364, as compared to net cash provided by financing activities of $283,098 during the comparable twelve-month period ended December 31, 2010, which consisted of net advances from a shareholder of $375,321, offset by repayments of existing debt of $92,223.

Our net loss for the years ended December 31, 2011 and 2010, respectively was a loss of $5,457,310 and a loss of $319,813. We anticipate that we will continue to generate losses from operations for the foreseeable future as we invest in research and development activities in furtherance of our business plan of advancing our drug delivery technology. As of December 31, 2011, we had cash and cash equivalents of $416,333 and negative working capital of $4,373,734.

The increase in net loss of $5,137,497 between the year ended December 31, 2010 and the year ended December 31, 2011 largely is attributable to our goal of changing the business of the Company from a vacation real estate and rentals business to a OTC and cosmetic and beauty product manufacturer and the costs associated with purchasing the Aero assets and investing in research and development activities related to our drug delivery technology.

We are in the process of reviewing our contract manufacturing cost structure to identify inefficiencies and opportunities for reductions. Also, we are reviewing our sales efforts and programs to identify opportunities for increasing sales volume. We anticipate that these efforts will reduce or eliminate ongoing losses from our contract manufacturing business and allow us to continue contract manufacturing operations for the foreseeable future.

Our current balances of cash will not meet our working capital and capital expenditure needs for the next twelve months. Because we are not currently generating sufficient cash to fund our operations and we have debt that is in default, we may need to rely on external financing to meet future operating, debt repayment and capital requirements. Any projections of future cash needs and cash flows are subject to substantial uncertainty. We can make no assurance that financing will be available in amounts or on terms acceptable to us, if at all. Further, if we issue equity securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences, or privileges senior to those of existing holders of common stock, and debt financing, if available, may involve restrictive covenants that could restrict our operations or finances. If we cannot raise funds, when needed, on acceptable terms, we may not be able to continue our operations, grow market share, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements, all of which could negatively impact our business, operating results, and financial condition. These conditions raise substantial doubt about our ability to continue as a going concern.

Off–Balance Sheet Arrangements

As of December 31, 2011, we had no material off-balance sheet arrangements other than operating leases.

Contractual Obligations

On June 30, 2011, the Company entered into three year executive employment agreements with three stockholders, Brian Keller, Christian Oertle and Daniel Fisher, to serve as our President, Chief Operating Officer and Executive Vice President, respectively. The agreements with Messrs. Keller and Fisher provide for annual salaries of $200,000 each and the agreement with Mr. Oertle that provides for an annual salary of $150,000. Pursuant to the terms of the agreements, each of these executives is eligible to participate in the Company's long term incentive compensation programs and is entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board, subject to certain claw back rights. The agreements provide for payments of six months' severance in the event of early termination (other than for cause).

Impact of Inflation

The impact of inflation upon our revenue and income/(loss) from continuing operations during each of the past two fiscal years has not been material to our financial position or results of operations for those years because we do not maintain significant inventories whose costs are affected by inflation.

Properties

Our facilities are located in Pittsburg, California, Princeton, New Jersey, Miami, Florida and Englewood Cliffs, New Jersey.

BioZone Labs manufactures its products in a 20,000 s.f., cGMP facility owned by 580 Garcia Avenue, LLC, its consolidated VIE and fills and stores its products at a 60,000 sq. ft. rented facility located at 701 Willow Pass Road, Pittsburg, CA. The lease for the Willow Pass Road facility expires on April 30, 2015 and provides for annual rentals of approximately$430,000

We lease approximately 1,500 square feet of office space at 4400 Biscayne Boulevard, Miami, Florida where we employ two sales professional for our Baker Cummins brand proprietary skin care products. The lease expires on October 31, 2012 and provides for annual rentals of approximately $23,700. Our rent expense for our Miami facility till the end of the lease is $20,650.

In July 2011, we entered into a lease for approximately 3,869 square feet of laboratory space in Princeton, New Jersey where we conduct research and development activities related to our proprietary drug delivery technology. The lease expires on July 20, 2016. Rent expense is approximately $8,065 per month.

Our corporate headquarters is located at 550 Sylvan Avenue, Englewood Cliffs, New Jersey, where we lease approximately 800 square feet of office space. The lease expires on June 30, 2012. Rent expense is approximately $1,450 per month.

Seasonality

Many of our products include cough/cold remedies, which are often sold in the winter months. Accordingly, our business is cyclical. Approximately two thirds of our revenue is generated in the second half of the calendar year.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported amounts and related disclosures in the financial statements. Management considers an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made, and changes in the estimate or different estimates that could have been selected could have a material impact on our consolidated results of operations or financial condition.

Basis of Consolidation

The consolidated financial statements include the accounts of Biozone Pharmaceuticals, Inc. and its subsidiaries, all of which are wholly owned, its equity investment in Betazone, Inc. and its 580 Garcia Ave, a Variable Interest Entity ("VIE").

The Company considered the terms of its interest in 580 Garcia and determined that it was a variable interest entity (VIE) in accordance with ACS 810-10-55, and that it should be consolidated. As of December 31, 2011, amounts included in the consolidated assets, which are shown in Property and equipment and consolidated liabilities, which are reported in long-term debt total $773,510 and $2,643,435, respectively relating to 580 Garcia. The Company's involvement with the entity is limited to the lease it has to rent its facility from 580 Garcia, in which the Company is the only tenant, and the guarantee of the mortgage on the property of 580 Garcia. The Company's maximum exposure to loss, which is based on the Company's guarantee of the mortgage of 580 Garcia is $2,643,435, which equals the carrying amount of its liability as of December 31, 2011.

The Company accounts for its investment in Betazone by the equity method since it has significant influence but not operating control over this entity. Condensed financial information of Betazone as of and for the year ended December 31, 2011 is as follows:

	2011	2010
Balance sheet		
Current assets	110,093	95,054
Current Liabilities	131,672	217
Statement of operations		
Revenues	315,346	225,266
Net income (loss)	(102,047)	122,901

Revenue Recognition

BioZone Labs operates as a contract manufacturer and produces finished goods according to customer specifications. Equalan sells its merchandise directly to dermatologists and to an online retailer. Equachem operates as a reseller of pharmaceutical raw materials and licensor of intellectual property. The agreements with customers for each of the companies do not contain any rights of return other than for goods that fail to meet the specifications provided by the customer. None of the companies has experienced any significant returns from customers and accordingly, in management's opinion, no reserve for returns is provided. We record revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the selling price to the customer is fixed or determinable and collectability of the revenue is reasonably assured.

Revenue from the licensing of intellectual property is recorded when reported to us by the licensee.

Convertible Instruments

We evaluate and account for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities".

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

We account for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: We record when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption. The embedded conversion option in connection with our convertible debt could not be exercised unless and until we completed a Qualifying Financing transaction. Accordingly, we determined based on authoritative guidance that the embedded conversion option is deemed to be a contingent conversion rather than active conversion option that did not require accounting recognition at the commitment dates of the issuances of the Notes.

Common Stock Purchase Warrants and Other Derivative Financial Instruments

We classify as equity any contracts that require physical settlement or net-share settlement or provide us a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement) provided that such contracts are indexed to our own stock as defined in ASC 815-40 ("Contracts in Entity's Own Equity"). We classify as assets or liabilities any contracts that require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of our common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Our derivative instruments were valued using the Black-Scholes option pricing model, using the following assumptions during the year ended December 31, 2011:

Estimated dividends	None
Expected volatility	100%
Risk-free interest rate	0.83%
Expected term	4.25 years

Research and Development

Research and development expenditures are charged to operations as incurred.

Income Taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, “Income Taxes.” Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity’s financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if, based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board or other standard setting bodies that may have an impact on the Company’s accounting and reporting. The Company believes that such recently issued accounting pronouncements and other authoritative guidance for which the effective date is in the future either will not have an impact on its accounting or reporting or that such impact will not be material to its financial position, results of operations, and cash flows when implemented.

BUSINESS

Overview

Biozone Pharmaceuticals, Inc. (“Biozone Pharma”, the “Company” or “we”), through its wholly owned subsidiary, BioZone Laboratories, Inc. (“Biozone Labs”), is primarily engaged in the business of developing and manufacturing Over the Counter (“OTC”) drug products and cosmetic and beauty products on behalf of third parties. In addition, through its wholly owned subsidiaries, Equalan LLC (“Equalan”) and Baker Cummins Corp. (“Baker Cummins”) the Company markets two lines of proprietary skin care products, under the brand names of Glyderm® and Baker Cummins®, respectively. The Company’s other activities include the sale by its wholly owned subsidiary, Equachem LLC (“Equachem”) of raw materials used in OTC drugs and cosmetic products, and the research and development of certain proprietary drug delivery technology, designed to increase the benefit of various generic pharmaceutical products by improving stability, bioavailability or absorption. The sales by Equachem and, in particular, the research and development of our proprietary drug delivery technology (“DDT”), are not material to the Company’s business, financial condition or results of operation. The DDT research and development activities are in

an early stage, having commenced during the year ended December 31, 2011, and have yet to generate a delivery agent that has been tested in combination with any drug in animals or humans under testing standards required by the US Food and Drug Administration ("FDA") for submission for approval. In addition, more than 95% of the Company's annual revenue for the years ended December 31, 2011 and 2010 and investment in property plant and equipment is related to the Company's OTC drug product and cosmetic and beauty product manufacturing business. The Company generated $12.6 million and $15.3 million of sales during the years ended December 31, 2011 and 2010, respectively, of which $11.6 million or 92% and $13.6 million or 89%, respectively, were generated by BioZone Labs from its third party contract manufacturing business. The Company operates under a single segment.

BioZone Labs is registered with the FDA as a drug manufacturer. We manufacture OTC drug and cosmetic products in a 20,000 s.f., certified good manufacturing practice ("cGMP") facility located at 580 Garcia Avenue, Pittsburg, California. We fill, package and store these products at a 60,000 sq. ft. packaging and warehouse facility located at 701 Willow Pass Road, Pittsburg, California. We maintain a full range of high to moderate speed filling and packaging equipment, capable of filling jars, tubes, and bottles with creams, lotions, oral solutions and serums. We employ scientists and chemists for product development, processing and testing, and quality control & assurance professionals for monitoring compliance with government regulations and adherence to customer specifications. Primarily, our customers are United States regional and national distributors and retailers of healthcare products.

In January and November 2011, the FDA performed two separate GMP surveillance inspections of BioZone Labs' manufacturing facility and warehouse located at 580 Garcia Avenue, Pittsburg, California. in order to audit our compliance against 21CFR Part 210 and Part 211, Good Manufacturing Practices with respect to our OTC drug product manufacturing procedures. Both inspections were routine GMP surveillance audits and were not triggered by any specific event, nor were they related to a specific product. At the conclusion of each audit, the FDA inspectors issued Form 483 Notice of Observations. The FDA's observations related to maintenance of data derived from tests necessary to assure compliance with established specifications, deviations from test procedures, standards for rejecting drug products failing to meet established specifications, maintenance of electronic records, accessibility of written records, preparation of GLP documentation concurrent with performance, process validation and warehouse controls. We provided adequate and timely responses to the FDA findings and provided commitments and timelines for the remediation of the conditions cited by the FDA. The FDA classified the inspections as VAI, Voluntary Action Indicated, and no Warning Letters were issued, which demonstrates the adequacy of our responses.

The Company owns a 45% interest in BetaZone Laboratories LLC ("BetaZone") which is engaged in the development, sale and license of pharmaceutical and cosmetic products in Latin America. Equachem licenses the Company's proprietary QuSomeTM technology to BetaZone and other pharmaceutical manufacturers in exchange for sales based royalties. BetaZone has yet to pay any material royalties to Equachem as it has yet to generate any significant sales or license payments from products using our licensed technology. Royalties from other pharmaceutical manufacturers are approximately $100,000 per year and do not constitute a material component of our business.

BioZone Pharma was incorporated as a Nevada corporation on December 4, 2006 under the name International Surf Resorts Inc. Its name was changed to BioZone Pharmaceuticals, Inc. on March 1, 2011. BioZone Labs was incorporated under the laws of the State of California on June 2, 1992. Equalan was formed as a limited liability company under the laws of the State of California on January 2, 2007. Equachem was formed as a limited liability company under the laws of the State of California on March 12, 2007 under the name Chemdyn, LLC. Its name was changed to Equachem, LLC on July 25, 2007. BetaZone was formed as a Florida limited liability company on November 7, 2006. Baker Cummins Corp. was incorporated under the laws of the State of Nevada on March 31, 2011.

Our principal executive offices are located at 550 Sylvan Avenue, Suite 101, Englewood Cliffs, NJ 07632. Our telephone number is (201) 608-5101.

We manufacture products to customer specifications. The following is a list of products that we manufacture:

OTC Products. Hair conditioners and shampoos for treatment of eczema and psoriasis; external analgesics; skin protectants; anti-fungal products; topical anesthetics; nasal sprays; wound care products; acne products; cough and cold products; anti-itch products; and skin lightening products. In general, these products are regulated by the FDA.

Cosmetic and Beauty Products. AHA and Beta Hydroxy products; instant firming serums; anti-aging products; body lotions; eye creams; moisture creams and lotions; facial scrubs; and facial masks. In general, these products are not regulated by the FDA.

Dietary Supplements. Vitamins, minerals and herbal remedies. In general, these products are not regulated by the FDA.

Other Business Activities – Proprietary Product Sales

BioZone Labs manufactures two proprietary brands of skin care products, Glyderm® and Baker Cummins®, which are sold by Equalan and Baker Cummins, respectively, to United States national wholesalers, ecommerce retailers such as Drugstore.com and Skinstore.com, physicians, who use and resell our products in their physician practices, and consumers who purchase our products over the internet.

We acquired the Glyderm ® line of anti-aging products from Valeant Pharmaceuticals Inc. in 2007. These products, which include glycolic acid peels and moisturizers, have been used by dermatologists for over 20 years in office procedures to treat acne, skin discolorations, removal of fine lines and wrinkles and skin resurfacing. The Glyderm® brand consists of the following products:

Product Name	Indication or Target Market
Glycolic Acid Peels – 20% to 70%	Health care practioners for in office use to improve the texture and tone of the skin and clean out pores and help even out pigmentation and give the face a fresher appearance.
Glyderm Gentle Cleanser (0.2%)	pH balanced, soap-free, non-irritating formula, which may be used on sensitive skin.
Exfoliating Cream Series (5%)	Patients beginning the Glyderm program to help to minimize the appearance of pigmentation irregularities, maintain the results of the six-week office facial program and soften fine lines

Exfoliating Cream Plus Series (10%)	Patients who have successfully used the Exfoliating Cream Series (5%)
Exfoliating Cream Plus Series with Glycolic Acid (12%) and Salicylic Acid	Patients with dry skin who have successfully used the Glyderm Cream Plus (10%)
Exfoliate Lotion Series (5%)	Patients with normal skin to help to minimize the appearance of pigmentation irregularities, maintain the results of the six-week office facial program and soften fine lines
Exfoliate Lotion Plus (10%)	Patients who have successfully used the Exfoliate Lotion Series (5%)
Exfoliate Lotion Lite Series (5%)	Patients with normal to oily skin to help to minimize the appearance of pigmentation irregularities, maintain the results of the six-week office facial program and soften fine lines.
Exfoliate Lotion Lite Plus (10%)	Patients who have successfully used the Exfoliate Lotion Lite Series (5%)
Exfoliate Solution Series, Solution (5%)	Patients with oily, non-sensitive skin to help to minimize the appearance of pigmentation irregularities, maintain the results of the six-week office facial program and soften fine lines
Exfoliate Solution Plus (10%)	Patients who have successfully used the Exfoliate Solution Series, Solution (5%)
Exfoliate Solution Plus 12% – Combination of Glycolic and Salicylic acids	Patients who have successfully used the Exfoliate Solution Plus (10%)
Hydrotone Moisturizers (Without Glycolic Acid)	Patients with dry or mature skin to alleviate the appearance of dryness associated with exfoliation
Hydrotone Lite	Patients with normal to oily skin
Hydrotone Max	Patients with extremely dry or mature skin
Simply Sunscreen SPF 30	Paba free, UVA and UVB protection sunscreen for patients of all ages and skin types to help prevent sunburn
Glyderm Gentle Eye	Blend of antioxidants and vitamin K to help hydrate skin around the eyes and reduce the appearance of dark under-eye circles
All Climates Body Lotion (10%)	Fast-absorbing Glycolic 10% lotion for patients with all skin types for use in all climates and all seasons to alleviate the appearance of dryness
Gly Mist (0.1%)	Mineral water spray that contains Glycolic acid for patients with all skin types
Gly Masque (3%)	Combination of Glycolic esters and natural rare earth for patients with all skin types to make the skin feel invigorated and smooth
Intense C Serum PM – 7.5% L-Ascorbic Acid	Form of vitamin C suitable for topical application to provide antioxidant protection, defend against damaging UVA and UVB rays, and to contribute to collagen synthesis for patients with aging and mature skin types

We acquired the Baker Cummins line of proprietary scalp and skin care products from Aero Pharmaceuticals, Inc. in May 2011. These products, which include lotions and shampoos, have been recommended by dermatologists for over 20 years to treat commonly seen skin and scalp conditions. The Baker Cummins® brand consists of the following products:

Product Name	Indication or Target Market
P&S Liquid	Treatment for symptoms of psoriasis and seborrhea dermatitis by helping to loosen and remove dried skin from the scalp.

P&S Shampoo	Specially formulated shampoo designed to remove residual P&S Liquid from the hair; contains salicylic acid to control recurrent flaking and scaling of the scalp associated with seborrheic dermatitis and psoriasis
Ultramide 25 Lotion and Ultra Mide-D	Skin lotions that soften and moisturize dry, rough, cracked and calloused skin. Ultramide 25 contains a stable 25% urea formulation
X-Seb T Pearl Shampoo and X-Seb T Plus Shampoo	Therapeutic tar shampoos that relieve itching, irritation, redness, flaking and scaling associated with dandruff, seborrheic dermatitis and psoriasis of the scalp.
Acquaderm Cream	Hypoallergenic, non-comedogenic and non-greasy concentrated facial formula that provides maximum moisturization of the skin

We employ two professionals in Pittsburg, California, and two professionals in Miami, Florida, who market and process orders for Glyderm® and Baker Cummins products, respectively. We have no material major customers for these lines of products. Total Glyderm® and Baker Cummins product sales for the year ended December 31, 2011 were approximately $914,000.

Other Business Activities – Raw Material Sales and Technology Licensing

Equachem sells raw materials containing our proprietary delivery agents that we refer to as QuSomes® to United States manufacturers of OTC drugs and cosmetics. Also, it licenses the right to use QuSomes® to certain OTC manufacturers and to BetaZone. Total Equachem sales and royalty revenue for the year ended December 31, 2011 was approximately $147,000.

On February 24, 2012, the Company and OPKO Pharmaceuticals, LLC (“OPKO”) entered into a Limited License Agreement pursuant to which OPKO acquired (i) an exclusive license to the Company’s QuoSomes and EquaSomes DDT for use in ophthalmological indications and (ii) a non-exclusive license to such technology for all other indications. Also, on February 24, 2012, the Company and OPKO entered into a Distribution Agreement pursuant to which the Company appointed OPKO as its exclusive distributor of any drug product containing propofol as an active ingredient in combination with a compound developed by the Company based on its EquaSomes DDT technology.

Research and Development

In the mid-1990s, we licensed a proprietary, patented, phospho lipid delivery technology for use in our contract manufacturing business. Subsequently we modified the lipid to enhance final product stability, ingredient penetration, ease of manufacture process, and reduction in manufacturing and raw material costs. We obtained three U.S. patents covering the composition of matter of the enhanced lipid and method of manufacturing the resulting lipid vesicle. We modified the lipid through removal of phosphate and PEGylation, which is the process of covalent attachment of polyethylene glycol polymer chains to another molecule, normally a drug or therapeutic protein.

We refer to the pegylated lipid (i.e., the lipid modified with the PEGylation process described above) used in dermatological products as QuSomes. Our Glyderm Specialty Product, Intense C Serum PM – 7.5% L-Ascorbic Acid, is formulated with QuSomes. We refer to the pegylated lipid used in liquid oral OTC products as LiquaVail; and the pegylated lipid used in gelatin capsules as HyperSorb.

Recently, we developed a pegylated lipid, which we refer to as EquaSomes, for use in combination with drugs administered by injection or infusion. In March 2011, we established a small scale research and lipid manufacturing facility in Princeton, New Jersey, to advance our efforts to formulate certain generic drug products with a combination of an active pharmaceutical ingredient and EquaSomes. Currently we are developing a novel formulation of propofol, a commonly used sedative. We have yet to perform any human clinical studies with respect to this product candidate. Total research and development costs for the fiscal years ended December 31, 2011 and 2010 were $399,624 and $240,873, respectively.

Intellectual Property

The following table lists all patents and patent applications owned or controlled by the Company or any of its wholly owned subsidiaries. All of our granted patents expire 20 years from the filing date or effective date indicated in the table unless otherwise noted.

Patent Title	Patent or Application Number	Filing or Effective Date
Delivery of biologically active material in a liposomal formulation for administration into the mouth	5891465	April, 1999
Liposomal delivery by iontophoresis	6048545	April, 2000
Compounds and methods for inhibition of phospholipase A2 and cyclooxygenase-2	6495596	December, 2002
Self-forming, thermodynamically stable liposomes and their applications	6610322	August, 2003

Oral Liposomal Delivery System	6776924	April, 2004
Self-forming, thermodynamically stable liposomes and their applications	6958160	October, 2005
Compounds and methods for inhibition of phospholipase A2 and cyclooxygenase-2	6998421	February, 2006
Self-forming, thermodynamically stable liposomes and their applications	7150883	December, 2006
Self-forming, thermodynamically stable liposomes and their applications	7718190	May, 2010
Self-forming, thermodynamically stable liposomes and their applications - Japan	4497765	April, 2010
X-conazoles plus Qusomes		
EQUA-001 (regular application) "Enhanced Delivery of Antifungal Agents"	12/006,820	January, 2008
EQUA-001 PCT, "Enhanced Delivery of Antifungal Agents"	PCT/US2009/000003	January, 2009
EQUA-001 JP	PNLG	
EQUA-001 EP, KEMP (N.111618 JHS/eg)	9701160.5	January, 2009
EQUA-003 (P), "Enhanced Delivery of Antifungal Agents"	61/128,011	May, 2008
EQUA-012 (R)	12/454,387	May, 2009
Pure PEG-Lipid Conjugates		
EQUA-013	61/217,627	June, 2009
EQUA-017P	61/284,065	December, 2009
EQUA-024R	12/802,197	June, 2010
EQUA-024 PCT	PCT/US2010/001590	June, 2010
Cyclosporin formulation		
EQUA-016P	61/273,656	August, 2009
EQUA-025R	12/802,200	June, 2010
EQUA-025 PCT	PCT/US2010/001589	June, 2010

Rapamycin		
EQUA-018P	61/276,953	September, 2009
EQUA-027R - "Method of treatment with Rapamycin"	12/924,038	September, 2010
EQUA-027 PCT - "Pharmaceutical compositions of Rapamycin"	PCT/US2010/002547	September, 2010

Customers and Marketing

BioZone Labs sells products to more than 50 customers through sales professionals who market development, formulation and manufacturing services to potential customers. During the three months ended March 31, 2012, four customers accounted for approximately 27%, 11%, 11% and 9% of the Company's sales. During the year ended December 31, 2011, four customers accounted for approximately 30%, 9%, 8% and 7% of the Company's sales. If any of these customers discontinues or substantially reduces its purchases from us, it may have a material adverse effect on our business and financial condition. We believe that we have good relationships with our customers.

Generally, we satisfy customer orders on an individual purchase order basis and do not enter into manufacturing agreements. We have a manufacturing agreement with our largest customer, which provides, among other things, that we will be the exclusive manufacturer of the products described in the agreement for a specified term; the pricing for our manufacturing services, which is subject to change during the term, and provides for payment and allowances. The agreement has a three year term and provides for annual renewals. The agreement does not require the customer to purchase any specific volumes of our products.

Manufacturing

The primary raw materials used in making products for our contract manufacturing customers either are supplied by our customers or are readily available in large quantities from multiple sources. Similarly, the primary raw materials used in making our proprietary brand products are readily available in large quantities from multiple sources. We believe that our manufacturing facilities are cGMP compliant.

Growth Strategy

Our growth strategy for our contract manufacturing business is to increase sales by establishing a dedicated sales team with industry experience who will leverage our expertise in product development and formulation to attract new contract manufacturing customers. Our growth strategy for our proprietary brand business is to hire dedicated salespeople who will introduce our proprietary brand products to regional and national wholesalers, retailers and physicians for resale in their offices.

Competition

The market for contract manufacturing services is highly competitive and price sensitive and gross margins are low. Our direct competition consists of numerous contract manufacturers, including Perrigo Company (Nasdaq:PRGO), many of which have greater financial and other resources than we do. If one or more other OTC contract manufacturers significantly reduce their prices in an effort to gain market share, our gross revenue, profitability or market position could be adversely affected.

The market for OTC health care products is highly competitive and promotion sensitive. Our direct competition consists of numerous drug manufacturers and marketers, many of which have greater financial and other resources than we do. If one or more other pharmaceutical manufacturers significantly reduce their prices or significantly increase their promotional activity in an effort to gain market share, our gross revenue from sales of proprietary health care products, profitability or market position could be adversely affected.

Government Regulation

The manufacturing, processing, formulation, packaging, labeling, testing, storing, distributing, advertising and sale of our products are subject to regulation by one or more U.S. agencies, including the U.S. Food and Drug Administration ("FDA"), the Consumer Product Safety Commission ("CPSC"), Federal Trade Commission ("FTC"), as well as several foreign, state and local agencies in localities in which our products are sold. In addition, we manufacture and market certain of our products in accordance with standards set by organizations, such as the United States Pharmacopeial Convention, Inc. ("USP"). We believe that our policies, operations and products comply in all material respects with existing regulations.

U.S. Food and Drug Administration

The FDA has jurisdiction over our OTC drug products and dietary supplements. The FDA's jurisdiction extends to the manufacturing, testing, labeling, packaging, storage and distribution of these products.

In general, OTC medicines are marketed under regulations referred to as "OTC monographs", which have been established through the FDA's OTC review procedures. Under the OTC monograph system, selected OTC drugs are generally recognized as safe and effective and do not require the submission and approval of a New Drug Application ("NDA") or an Abbreviated New Drug Application ("ANDA") prior to marketing. The OTC monograph specifies allowable combinations of ingredients and dosage levels, permitted indications, and required warnings and precautions. Drug products marketed under the OTC monograph system must conform to specific quality and labeling requirements.

The OTC monograph regulations related to the OTC products that we manufacture may change from time to time, requiring formulation, packaging or labeling changes for certain products. We cannot predict whether new legislation regulating our activities will be enacted or what effect any legislation would have on our business.

All facilities where OTC drugs are manufactured, tested, packaged, stored or distributed must comply with FDA cGMPs. All of our OTC drug products are manufactured, tested, packaged, stored and distributed according to cGMP regulations. The FDA performs periodic audits to ensure that our facilities remain in compliance with appropriate regulations. The failure of our facility to be in compliance may lead to regulatory action against us that could result in the suspension of production or distribution of our products, product seizures, loss of certain licenses or other governmental penalties, and could have a material adverse effect on our financial condition or operating results. In addition, new legislation regulating our activities could be enacted with a negative impact on our business.

Consumer Product Safety Commission

The packaging of certain our products is subject to regulation under the Poison Prevention Packaging Act ("PPPA"), pursuant to which the CPSC has authority to require dietary supplements and pharmaceuticals to be packaged in child-resistant packaging to help reduce the incidence of accidental poisonings. The CPSC has published regulations requiring iron-containing dietary supplements and numerous pharmaceuticals to have child resistant packaging, and has established rules for testing the effectiveness of child-resistant packaging and for ensuring senior adult effectiveness.

The Consumer Product Safety Improvement Act of 2008 amended the Consumer Product Safety Act (CPSA) to require that the manufacturer of any product that is subject to any CPSC rule, ban, standard or regulation certify that the product complies with such requirements based on a reasonable testing program. This certification applies to pharmaceuticals and dietary supplements that require child-resistant packaging under the PPPA. We rely on the manufacturer of our packaging supplies for compliance with such requirements.

Federal Trade Commission

The FTC exercises primary jurisdiction over the advertising and other promotional practices of marketers of OTC pharmaceuticals and dietary supplements and often works with the FDA regarding these practices. The FTC considers whether a product's claims are substantiated, truthful and not misleading. The FTC is also responsible for reviewing mergers between and acquisitions of pharmaceutical companies exceeding specified thresholds and investigating certain business practices relevant to the healthcare industry. The FTC could challenge these business practices in administrative or judicial proceedings. Although we do not market or advertise any OTC pharmaceuticals and dietary supplements, we are responsible for the accuracy of the claims made on the labels of products that we manufacture.

State Regulation

We are subject to state laws that regulate foods and drugs under laws that generally parallel federal statutes. Also, we are subject to state consumer health and safety regulations. Failure to comply with these laws and regulations could have a significant negative impact on our business.

United States Pharmacopeial Convention

The USP is a non-governmental, standard-setting organization. By reference, the Federal Food, Drug and Cosmetic Act incorporates the USP quality and testing standards and monographs as the standards that must be met for the listed drugs, unless compliance with those standards is specifically disclaimed on the product's labeling. USP standards exist for most Rx and OTC pharmaceuticals and many nutritional supplements. The FDA typically requires USP compliance as part of cGMP compliance.

Product Liability

We may be subject to product liability claims by consumers of our products. We maintain product liability insurance policies which provide coverage in the amount $5 million per occurrence and $5 million in the aggregate. A product liability claim, if successful and in excess of our insurance coverage, could have a material adverse effect on our financial condition.

Seasonality

Many of our products include cough/cold remedies, which are often sold in the winter months. Accordingly, our business is cyclical. Approximately two thirds of our revenue is generated in the second half of the calendar year.

Properties

Our facilities are located in Pittsburg, California and Miami, Florida. BioZone Labs manufactures its products in a 20,000 s.f., cGMP facility owned by 580 Garcia Avenue, LLC, its consolidated VIE. Also it fills and stores its products at a 60,000 sq. ft. rented facility located at 701 Willow Road, Pittsburg, CA, which provides for annual rentals of $343,470.

We lease approximately 1,500 square feet of office space at 4400 Biscayne Boulevard, Miami, Florida where we employ two sales professionals for our Baker Cummins brand products. The lease expires on October 31, 2012 and provides for annual rentals of approximately $23,700.

Our rent expense for our Miami facility is as follows:

	Monthly	**Yearly**

Nov 1, 2009 - Oct 31, 2010	$1,928	$23,132
Nov 1, 2010- Oct 31, 2011	$1,995	$23,941
Nov 1, 2011 - Oct 31, 2012	$2,064	$24,779

In July 2011, we entered into a lease for approximately 3,869 square feet of laboratory space in Princeton, New Jersey where we intend to establish our lipid manufacturing and scale up facility. The lease expires July 20, 2016. Rent expense is approximately $7,575 per month.

Employees

We currently employ 82 full time and 99 seasonal employees at our Pittsburg, California facilities, five employees in Princeton, New Jersey, two employees in Englewood Cliffs, New Jersey, one of whom is Mr. Maza, and two employees in Miami, Florida. These employees perform various manufacturing, sales, marketing, research and development, and administration functions. We believe that our relations with our employees are good.

Legal Proceedings

Except as may be set forth below, we are not involved in any pending legal proceeding or litigations that would have a material impact upon our business or results of operations. To the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties is subject, which would reasonably be likely to have a material adverse effect on our business or results of operations.

Aphena Pharma Solutions – Maryland, LLC f/k/a Celeste Contract Packaging, LLC, v. BioZone Laboratories, Inc. and BioZone Pharmaceuticals, Inc. and Daniel Fisher, District Court for the District of Maryland Northern Division; Case 1:12-cv-00852-WDQ

An action was initiated recently against BioZone Labs, BioZone Pharma and a former officer and director in the United States District Court for the District of Maryland on March 19, 2012. The plaintiff alleges breach of contract and other commercial wrongdoing in connection with a single purchase order issued during early 2010 relating to the development of certain over the counter products to treat cough and cold symptoms. The Company refutes the allegations and intends to vigorously defend against this action.

BioZone Laboratories, Inc. v. ComputerShare Trust Co., N.A. and Cardium Therapeutics, Inc. District Court, State of Colorado, County of Jefferson, Case No. 2012CV406

The Company commenced the above action, by filing of a Summons and Complaint, on February 2, 2012 for declaratory relief, specific performance and monetary damages against Defendants ComputerShare Trust Co., N.A. (“ComputerShare”) and Cardium Therepeutics, Inc. (“Cardium”) (collectively, the “Defendants”). This action arises from the failure of ComputerShare, which was acting as an escrow agent in connection with the Company’s purchase of Cardium stock, to deliver such stock to the Company as required by an Escrow Agreement entered into between the Company and Defendants. By Order, dated March 30, 2012, the Court dismissed this action on the ground that venue was improper in Colorado.

MANAGEMENT

The following persons are our executive officers and directors and hold the positions set forth opposite their respective names.

EXECUTIVE OFFICERS AND DIRECTORS

Name	Age	Position
Roberto Prego-Novo	68	Chairman
Elliot M. Maza	56	Chief Executive Officer, Chief Financial Officer and Secretary and Director
Brian Keller	55	President, Chief Scientific Officer and Director
Christian Oertle	39	Chief Operating Officer

Roberto Prego-Novo, Chairman. Mr. Prego-Novo was appointed to our board of directors and as our President, Principal Accounting Officer and Secretary on February 24, 2011. Mr. Prego-Novo resigned from all executive positions with us and was appointed as our Chairman on June 30, 2011. Since 1974, Mr. Novo has served as the President of Laboratorios Elmor S.A., a Venezuelan pharmaceutical company. Mr. Novo served as the Vice President, Latin America, of Teva Pharmaceutical Industries Limited from 2006 to 2010 and as the Vice President, Latin America, of IVAX Corporation from 2006 to 2008. Mr. Prego-Novo served as our President and Principal Accounting Officer from February 24, 2011 to June 30, 2011. Mr. Prego-Novo was chosen to be a director based on his extensive pharmaceutical industry experience. We believe Mr. Prego-Novo’s qualifications to serve as our chairman include his years of experience as an executive of large pharmaceutical companies, in particular at Teva Pharmaceutical Industries Limited, one of the five largest manufacturers of generic pharmaceutical products in the world. We expect that Mr. Prego-Novo will be able to draw on his knowledge of the generic pharmaceuticals industry to help us develop our branded generic pharmaceutical business.

Elliot M. Maza, J.D., C.P.A., Chief Executive Officer, Chief Financial Officer, Secretary and Director. Elliot Maza serves as our Chief Executive Officer, Chief Financial Officer and Secretary. Mr. Maza was appointed as our Interim Chief Executive Officer, Chief Financial Officer and Secretary on May 16, 2011. Mr. Maza was appointed as our Chief Executive Officer on August 2, 2011. On February 24, 2012, the Board of Directors of the Company appointed Elliot Maza as a director of the Company. From May 2006 until the present time, Mr. Maza has served in several management positions at Intellect Neurosciences, Inc., a biotechnology company focused on the development of therapeutics for Alzheimer's disease. Mr. Maza served as the Executive Vice President of Intellect Neurosciences, Inc. from May 2006 to March 2007, as President from March 2007 until October 2011, and as Chief Financial Officer from May 2006 through the present time. Mr. Maza was also appointed to the board of directors of Intellect Neurosciences, Inc. on June 26, 2007. From December 2003 to May 2006, Mr. Maza served as Chief Financial Officer of Emisphere Technologies, Inc., a biopharmaceutical company specializing in oral drug delivery. He was a partner at Ernst and Young, LLP from March 1999 to December 2003. During the period from May 1989 to March 1999, Mr. Maza served as an Associate and subsequently Vice President in the Fixed Income divisions of Goldman Sachs, Inc. and JP Morgan Securities, Inc. Mr. Maza practiced tax and corporate law at Sullivan and Cromwell in New York from September 1985 to April 1989. Mr. Maza has served on the Board of Directors and as Chairman of the Audit Committee of several biotech and pharmaceutical companies. Mr. Maza received his B.A. degree from Touro College in New York and his J.D. degree from the University of Pennsylvania Law School. He is a licensed C.P.A. and a member of the Bar in the states of New York and New Jersey. Mr. Maza was appointed as a director of the Company based on his experience as a senior executive in several biotech and biopharma companies and his positions as chief executive officer and chief financial officer of the Company.

Brian Keller, Pharm.D., President, Chief Scientific Officer and Director. Dr. Keller has served as our President, Chief Scientific Officer and Director on June 30, 2011. Dr. Keller co-founded BioZone Laboratories, Inc. with Mr. Daniel Fisher in 1989, and has served as its Executive Vice President and Chief Scientific Officer since that time. Dr. Keller is the inventor of the Company's QuSomes, LiquaVail, and HyperSorb technology. Dr. Keller graduated from University of California, San Diego, in 1979 with a BS in biology, and received his doctorate in pharmacy from University of California, San Francisco, in 1983. Dr. Keller is a registered pharmacist. We believe Dr. Keller's qualifications to serve as a director include his management and industry experience gained as the co-founder of BioZone Laboratories, Inc., one of our subsidiaries, as well as his general scientific knowledge.

Christian Oertle, Chief Operating Officer. Mr. Oertle has served as our Chief Operating Officer since June 30, 2011. From May 2003 until the present time, Mr. Oertle has served as the General Manager of BioZone Laboratories, Inc. From May 2000 to May 2003, Mr. Oertle served as the Director of Product Research and Development for BioZone Laboratories, Inc. Prior to May 2000 Mr. Oertle worked as a formulation chemist at BioZone Laboratories, Inc; Bertek Pharmaceuticals, a division of Mylan Laboratories (formerly Penederm Incorporated); and Alza Corporation. Mr. Oertle holds a Bachelors of Science Degree in Chemistry from University of California at Davis.

Family Relationships

There are no family relationships between the officers and directors listed above.

Employment Agreements

On June 30, 2011, we entered into an employment agreement with Dr. Keller pursuant to which Dr. Keller will serve as our President and Chief Scientific Officer for a period of three years in consideration for an annual salary of $200,000. Pursuant to the terms of his employment agreement, Dr. Keller shall be eligible to participate in the Company's long term incentive compensation programs and shall be entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Board and subject to certain claw back rights.

In the event Dr. Keller's employment is terminated due to his death or disability, his estate or his beneficiaries, as the case may be, shall be entitled to earned and unpaid base salary through the date of death or date of termination of his employment and all accrued and unpaid vacation time and all other additional benefits then due or earned in accordance with the Company's applicable plans and programs. In the event the Company terminates Dr. Keller's employment for cause, he shall be entitled to earned and unpaid base salary through the termination date and all accrued and unpaid vacation time and all other additional benefits then due or earned in accordance with the Company's applicable plans or programs. In the event Dr. Keller's employment is terminated without cause, other than due to Dr. Keller's death or disability, Dr. Keller shall be entitled to i) earned and unpaid base salary through the termination date, ii) the sum of his base salary, at the annualized rate in effect on the termination date (or, in the event a reduction in base salary is a basis for a termination by Dr. Keller for good reason, then the base salary in effect immediately prior to such reduction) divided by 12, and which such monthly payments are to be paid to Dr. Keller for a period of 6 months but not to extend beyond the last day of his employment period (the "Severance Period"), iii) any outstanding stock options or shares of restricted stock which are unvested shall vest and Dr. Keller shall have the right to exercise any vested stock options during the Severance Period or for the remainder of the exercise period, iv) continued participation in all medical, health and life insurance plans at the same benefit level at which he was participating on the date of the termination of his employment until the earlier of the end of the Severance Period or the date, or dates, he receives equivalent coverage and benefits under the plans and programs of a subsequent employer and (v) all accrued and unpaid vacation and all other additional benefits then due or earned in accordance with the Company's applicable plans or programs. Upon termination of Dr. Keller's employment, he shall not be entitled to any severance payments or severance benefits from the Company or any payments by the Company on account of any claim by him of wrongful termination, including claims under any federal, state or local human and civil rights or labor laws, other than the payments and benefits provided in the employment agreement.

On June 30, 2011, we entered into an employment agreement with Christian Oertle pursuant to which Mr. Oertle will serve as our Chief Operating Officer for a period of three years in consideration for an annual salary of $150,000. Pursuant to the terms of his employment agreement, Mr. Oertle shall be eligible to participate in the Company's long term incentive compensation programs and shall be entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Board which shall be subject to certain claw back rights. Mr. Oertle's employment agreement has the same termination and severance provisions as Dr. Keller's employment agreement.

On June 30, 2011, we entered into an employment agreement with Daniel Fisher, formerly Executive Vice President and Director of the Company, pursuant to which Mr. Fisher was to serve as our Executive Vice President for a period of three years in consideration for an

annual salary of $200,000 and would be eligible to participate in the Company's long term incentive compensation programs and be entitled to an annual bonus if the Company met or exceeded criteria adopted by the Board, subject to certain claw back rights. Mr. Fisher's employment agreement had the same termination and severance provisions as Dr. Keller's agreement and Mr. Oertle's agreement. On January 30, 2012, Mr. Fisher was removed from his position as Executive Vice President for cause. Pursuant to his employment agreement, Mr. Fisher is entitled to accrued salary through the date of termination. We have paid Mr. Fisher $5,000 towards the amounts due him under his employment agreement.

Involvement in Certain Legal Proceedings

Our directors and executive officers were not involved in any legal proceedings as described in Item 401(f) of Regulation S-K in the past ten years except as set forth in Legal Proceedings herein.

Directors' and Officers' Liability Insurance

The Company has obtained directors' and officers' liability insurance insuring its directors and officers against liability for acts or omissions in their capacities as directors or officers. Such insurance also insures us against losses which we may incur in indemnifying our officers and directors. In addition, the Company may enter into indemnification agreements with key officers and directors and such persons shall also have indemnification rights under applicable laws, and the Company's Articles of Incorporation and Bylaws.

Board Independence

We currently have three directors serving on our Board of Directors: Mr. Prego Novo, Mr. Maza and Dr. Keller. We are not listed on a national securities exchange and are not subject to any director independence standards. Using the definition of independence set forth in the rules of the American Stock Exchange, none of Mr. Novo, Mr. Maza and Dr. Keller would be considered an independent director of the Company.

Meetings and Committees of the Board of Directors

Our Board of Directors held one formal meeting during the fiscal year ended December 31, 2011 and did not hold any formal meetings during the fiscal year ended December 31, 2010.

We currently do not maintain any committees of the Board of Directors. Given our size and the development of our business to date, we believe that the board through its meetings can perform all of the duties and responsibilities which might be contemplated by a committee.

Except as may be provided in our bylaws, we do not currently have specified procedures in place pursuant to which security holders may recommend nominees to the Board of Directors.

Board Leadership Structure and Role in Risk Oversight

Although we have not adopted a formal policy on whether the Chairman and Chief Executive Officer positions should be separate or combined, we have traditionally determined that it is in the best interests of the Company and its shareholders to separate these roles because it allows us to separate the strategic and oversight roles within our board structure.

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding our company's assessment of risks. The Board of Directors focuses on the most significant risks facing our company and our company's general risk management strategy, and also ensures that risks undertaken by our company are consistent with the Board's appetite for risk. While the Board oversees our company, our company's management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our company and that our Board leadership structure supports this approach.

Code of Ethics

We have not yet adopted a Code of Ethics although we expect to as we develop our infrastructure and business.

EXECUTIVE COMPENSATION

Summary Compensation Table

The table below sets forth, for the last two fiscal years, the compensation earned by the executive officers listed below. No other executive officers had annual compensation in excess of $100,000 during the last fiscal year.

Name and Principal Position	Year Ended	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($) (1)	Total ($)
Elliot Maza (2)	2010	0	0	0	0	0	0	0
	2011	38,462	0	0	0	0	0	38,462
Brian Keller (3)	2010	100,000	0	0	0	0	24,771	124,771
	2011	100,000					35,712	135,712
Daniel Fisher (4)	2010	112,000	0	0	0	3,360 (5)	35,149	150,509
	2011	112,000	0	0	0	0	44,702	156,702

Christian Oertle (6)	2010	100,000	0	0	0	0	5,498	105,498
	2011	100,000	0	0	0	0	4,223	104,223

Roberto Prego-Novo (7)	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Eduardo Biancardi President, Secretary, CFO (8)	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
Timothy Neely, Chief Operating Officer (9)	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0

(1) The compensation amount set forth represents reimbursement of medical and dental insurance, life insurance, and auto expenses.

(2) Appointed as Interim Chief Executive Officer, Chief Financial Officer and Secretary on May 16, 2011, and appointed as Chief Executive Officer on August 2, 2011.

(3) Appointed as President and Chief Scientific Officer on June 30, 2011.

(4) Appointed as Executive Vice President on June 30, 2011. Removed from his position as Executive Vice President on January 30, 2012 and resigned from his position as Director on February 3, 2012.

(5) The compensation amount set forth represents Company contributions to Mr. Fisher's IRA account.

(6) Appointed as Chief Operating Officer on June 30, 2011.

(7) Appointed as President on February 24, 2011. Resigned from all officer positions and appointed as Chairman of the Board of Directors on June 30, 2011.

(8) Resigned from all positions on February 24, 2011.

(9) Resigned from all positions on February 22, 2011.

Outstanding Equity Awards at Fiscal Year-End

There were no outstanding equity awards issued to our named executive officers as of December 31, 2011.

Director Compensation

The Company does not have any compensation arrangements for members of its Board of Directors.

Stock Incentive Plan

As of December 31, 2011, the Company had not adopted a stock incentive plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except as described below, during the past three years, there have been no transactions, whether directly or indirectly, between the Company and any of its officers, directors or their family members, that exceeded the lesser of $120,000 or 1% of the Company's total assets at year end for the last two completed fiscal years.

We manufacture our products in a 20,000 s.f., cGMP manufacturing and laboratory facility located at 580 Garcia Avenue, Pittsburg, CA, which we rent from 580 Garcia Properties, LLC, a related company which has been determined bo be a variable interest entity and has been consolidated into the financial statements. Mr. Daniel Fisher, our former Executive Vice President, and his wife, Sharon Fisher, own all of the membership interests in 580 Garcia Properties, LLC. We paid $291,528 in rent each year for the years ended December 31, 2011 and 2010.

Phillip Frost, M.D., through Frost Gamma Investments Trust, beneficially owned approximately 46% of Aero's issued and outstanding capital stock, Roberto Prego-Novo, our Chairman, owned approximately 23% of Aero's issued and outstanding capital stock through Olyrca Trust. Each of Dr. Frost and Mr. Prego-Novo beneficially owned approximately 5.35% and 3.70%, respectively (excluding, with respect to Mr. Prego-Novo, 1,000,000 shares of which he disclaims ownership), of our issued and outstanding capital stock following the Asset Purchase. Dr. Frost acquired his shares in February and March, 2011 for approximately $0.027 per share and Mr. Prego-Novo acquired his shares in March 2011 for approximately $0.03 per share. These prices were negotiated at arm's length when we had no viable business and prior to the acquisition of Aero and prior to a final letter of intent with Biozone Laboratories shareholders. Mr. Steven D. Rubin, a director of

Aero and executive of the Frost Group, owns 530,000 of our shares, 30,000 of which he acquired for $0.05 per share and 500,000 of which he received as compensation for consulting services.

On February 24, 2012, we entered into a securities purchase agreement with Opko Health, Inc., pursuant to which we sold (i) a $1,700,000 10% secured convertible promissory note due two years from the date of issuance and (ii) ten year warrants to purchase 8,500,000 shares of our common stock at an exercise price of $0.40 per share for gross proceeds to us of $1,700,000. The warrants may be exercised on a cashless basis commencing on the issue date. Dr. Philip Frost, the trustee of the Frost Gamma Investments Trust, a holder of 6.07% of our issued and outstanding common stock, is the Chairman and Chief Executive Officer of Opko Health, Inc. On February 28, 2012 and February 29, 2012, we sold an additional $600,000 of notes and issued warrants on the same terms to purchase an additional 3,000,000 shares of our common stock to additional buyers for gross proceeds to us of $600,000. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

Also on February 24, 2012, the Company and OPKO Pharmaceuticals, LLC, an entity affiliated with OPKO Health, Inc., entered into a limited license agreement pursuant to which OPKO Pharmaceuticals, LLC acquired (i) an exclusive license to the Company's QuoSomes and EquaSomes DDT for use in ophthalmological indications and (ii) a non-exclusive license to such technology for all other indications. Also, effective February 24, 2012, the Company and OPKO Pharmaceuticals, LLC entered into a Distribution Agreement pursuant to which the Company appointed OPKO Pharmaceuticals, LLC as its exclusive distributor of any drug product containing propofol as an active ingredient in combination with a compound developed by the Company based on its EquaSomes DDT technology.

On February 28, 2012, the Company sold a $100,000 note and issued warrants to purchase 500,000 shares of the Company's common stock to Robert Prego-Novo, Chairman of our Board of Directors. The warrants have an exercise price of $0.40 per share.

Santana Martinez, one of our former directors, provided office space to us at no charge. Our financial statements will reflect, as occupancy costs, the fair market value of that space, which is approximately $150 per month. We treated the usage of the office space as additional paid-in capital and charged the estimated fair value rent of $150 per month to operations. We recorded total rent expense of $1,800 for the year ended December 31, 2010 and total rent expense of $1,800 for the year ended December 31, 2009.

From time to time, Daniel Fisher, our former Executive Vice President and Director advanced funds to the Company for working capital purposes in the aggregate amount of approximately $1,099,715. The advances bear interest at a weighted average rate of approximately 10% and are due on demand. The Company is in dispute with Mr. Fisher as to the entire balance due of approximately $1.1 million but has recorded as a liability the full amount claimed by him.

As part of our regular business operations, BioZone Labs purchases raw material ingredients from Equachem and sells finished products to Equalan. The financial statement impact of these intercompany sales and purchases is eliminated in consolidation. Purchases by BioZone Labs from Equachem were approximately $209,000 and $158,000 for the years ended December 31, 2010 and 2009, respectively. Sales by BioZone Labs to Equalan were approximately $190,000 and $188,000 for the years ended December 31, 2010 and 2009, respectively.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth certain information as of June 28, 2012 regarding the beneficial ownership of our common stock, by (i) each person or entity who, to our knowledge, owns more than 5% of our common stock; (ii) our executive officers; (iii) each director; and (iv) all of our executive officers and directors as a group. Unless otherwise indicated in the footnotes to the following table, each person named in the table has sole voting and investment power and that person's address is c/o BioZone Pharmaceuticals, Inc., 550 Sylvan Avenue, Suite 101, Englewood Cliffs, NJ 07632. Shares of common stock subject to options, warrants, or other rights currently exercisable or exercisable within 60 days of June 28, 2012, 2012, are deemed to be beneficially owned and outstanding for computing the share ownership and percentage of the stockholder holding such options, warrants or other rights, but are not deemed outstanding for computing the percentage of any other stockholder.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned (1)
5% Owners:		
Aero Liquidating Trust (2) 4400 Biscayne Boulevard Miami, Florida 33137	8,345,310	14.05%
Michael Brauser 3700 NE 27th Ave. Lighthouse Point, Florida 33064	4,429,377 (3)	7.46%
Frost Gamma Investments Trust (4) 4400 Biscayne Boulevard Miami, Florida 33137	3,606,500 (5)	6.07%
Barry Honig 420 E54th St. New York, New York 10022	3,952,249	6.66%

Nian Wu 103 Sassafras Court, North Brunswick, New Jersey	6,650,000 (6)	11.20%
Executive Officers and Directors		
Brian Keller	3,587,500	6.04%
Christian Oertle	787,500	1.33%
Elliot Maza	3,587,500	6.04%
Roberto Prego-Novo	2,939,467 (7)	4.95%
All executive officers and directors as a group (4 persons)	10,901,967	18.46%

1) Based on 59,380,469 shares of our common stock issued and outstanding as of June 28, 2012.

2) James Martin is the trustee of the Aero Liquidating Trust and has sole voting and investment control over the securities held by Aero Liquidating Trust.

3) Includes 270, 629 shares held by Michael Brauser and Betsy Brauser, TBE, 1,273,086 shares held by Grander Holdings Inc. 401K Profit Sharing Plan and 2,885,662 shares held by Michael H. Brauser & Betsy G. Brauser Jt. Tenants. Michael and Betsy Brauser share voting and and investment control over the securities held in the name of Michael Brauser and Betsy Brauser, TBE and Michael H. Brauser & Betsy G. Brauser Jt. Tenants. Michael Brauser is the trustee of Grander Holdings Inc. 401K Profit Sharing Plan and has sole voting and investment control over the securities held by Grander Holdings Inc. 401K Profit Sharing Plan.

4) Dr. Phillip Frost has sole voting and investment control over the securities held by Frost Gamma Investments Trust.

5) Excludes (i) 8,500,000 shares of common stock underlying a warrant to purchase common stock issued to OPKO Health, Inc. and (ii) 8,500,000 shares of common stock underlying a promissory note issued to OPKO Health, Inc. The warrant and note can be exercised or converted at $0.20 per share and contain blocker provisions providing that they can only converted up to the point where the holder would beneficially own a maximum of 4.99% of our outstanding common stock. Dr. Frost has sole voting and investment control over the securities held by OPKO Health, Inc.

6) These shares are being held in escrow pending final determination of certain valuation calculations related to the BioZone Lab Group

7) Includes (i) 2,500,000 shares of common stock held by Olycra Limited Partnership and (ii) 439,467 shares of common stock held by Mr. Prego Novo. Excludes (i) 1,000,000 shares of common stock as to which Mr. Prego-Novo disclaims beneficial ownership, (ii) 500,000 shares of common stock underlying a warrant to purchase common stock issued to Mr. Prego-Novo and (iii) 20,000 shares of common stock underlying a promissory note issued to Mr. Prego-Novo. The warrant can be exercised at an exercise price of $0.40 per share and the note can be converted at a conversion price of $0.20 per share. The warrant and note contain blocker provisions providing that they can only converted up to the point where the holder would beneficially own a maximum of 4.99% of our outstanding common stock. Mr. Prego-Novo has sole voting and investment control over the securities held by Olyrca Limited Partnership.

SELLING STOCKHOLDER

Up to 8,345,310 shares of common stock are being offered by this prospectus, all of which are being registered for sale for the account of the selling security holder. These shares were originally issued to Aero Pharmaceuticals, Inc. in connection with an Asset Purchase Agreement dated as of May 16, 2011 by and among the Company, Baker Cummins Corp. and Aero Pharmaceuticals, Inc. (the "APA" and the transaction, the "Asset Purchase"). In December 2011, Aero Pharmaceuticals, Inc. transferred the shares to the Aero Liquidating Trust.

The shares of common stock referred to above are being registered to permit public sales of the shares, and the selling stockholder may offer the shares for resale from time to time pursuant to this prospectus. The selling stockholder may also sell, transfer or otherwise dispose of all or a portion of its shares in transactions exempt from the registration requirements of the Securities Act or pursuant to another effective registration statement covering those shares. We may from time to time include additional selling stockholder in supplements or amendments to this prospectus.

The table below sets forth certain information regarding the selling stockholder and the shares of our common stock offered in this prospectus. The selling stockholder has had no material relationship with us within the past three years other than as described in the footnotes to the table below or as a result of its acquisition of our shares or other securities.

Beneficial ownership is determined in accordance with the rules of the SEC. The selling stockholder's percentage of ownership of our outstanding shares in the table below is based upon 59,380,469 shares of Common stock outstanding as of June 28, 2012.

Selling Stockholder	Ownership Before Offering: Number of Shares of Common stock Beneficially Owned	Ownership Before Offering: Number of Shares Offered	After Offering (1): Number of Shares of Common stock Beneficially Owned	After Offering (1): Percentage of Common stock Beneficially Owned
Aero Liquidating Trust (2)	8,345,310	8,345,310	0	0%
Total	--	8,345,310	--	--

(1) Represents the amount of shares that will be held by the selling stockholder after completion of this offering based on the assumptions that (a) all shares registered for sale by the registration statement of which this prospectus is part will be sold and (b) no other shares of our common stock are acquired or sold by the selling stockholder prior to completion of this offering. However, the selling stockholder may sell all, some or none of the shares offered pursuant to this prospectus and may sell other shares of our common stock that they may own pursuant to another registration statement under the Securities Act or sell some or all of their shares pursuant to an exemption from the registration provisions of the Securities Act, including under Rule 144. To our knowledge there are currently no agreements, arrangements or understanding with respect to the sale of any of the shares that may be held by the selling stockholder after completion of this offering or otherwise.

(2) James Martin is the trustee of the Aero Liquidating Trust and, as such, has sole voting and investment power over the shares held by the Aero Liquidating Trust.

DESCRIPTION OF SECURITIES

Authorized Capital Stock

We have authorized 100,000,000 shares of capital stock, par value $0.001 per share, all of which are designated as common stock.

Capital Stock Issued and Outstanding

As of June 28, 2012, there were issued and outstanding:

- 59,380,469 shares of common stock;
- Warrants to purchase (i) 1,105,000 shares of common stock at an exercise price of $1.00 per share, (ii) 1,200,000 shares of common stock at an exercise price of $0.60 per share and (iii) 8,500,000 shares of common stock at an exercise price of $0.40 per share;
- Notes convertible into 11,500,000 shares of common stock at a conversion price of $0.20 per share.

Common Stock

The holders of the common stock will be entitled to one vote per share. In addition, the holders of the common stock will be entitled to receive ratably such dividends, if any, as may be declared by our Board of Directors out of legally available funds; however, the current policy of our Board of Directors is to retain earnings, if any, for operations and growth. Upon liquidation, dissolution or winding-up, the holders of the common stock will be entitled to share ratably in all assets that are legally available for distribution. The holders of the Common Stock will have no preemptive, subscription, redemption or conversion rights.

Dividend Policy

We have not previously paid any cash dividends on our common stock and do not anticipate or contemplate paying dividends on our common stock in the foreseeable future. We currently intend to use all our available funds to develop our business. We can give no assurances that we will ever have excess funds available to pay dividends.

Transfer Agent

The transfer agent for our common stock is Island Stock Transfer.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with our accountants since our formation required to be disclosed pursuant to Item 304 of Regulation S-K, except those that have been previously reported in our filings with the Securities and Exchange Commission.

Indemnification of Directors and Officers

Nevada Revised Statutes ("NRS") Sections 78.7502 and 78.751 provide us with the power to indemnify any of our directors and officers. The director or officer must have conducted himself/herself in good faith and reasonably believe that his/her conduct was in, or not opposed to, our best interests. In a criminal action, the director, officer, employee or agent must not have had reasonable cause to believe his/her conduct was unlawful.

Under NRS Section 78.751, advances for expenses may be made by agreement if the director or officer affirms in writing that he/she believes he/she has met the standards and will personally repay the expenses if it is determined such officer or director did not meet the standards.

Our Bylaws include an indemnification provision under which we have the power to indemnify our directors, officers, former directors and officers, or any person who serves or served at our request for our benefit as a director or officer of another corporation or our representative in a partnership, joint venture, trust, or other enterprise (including heirs and personal representatives) against all expenses, liability, and loss actually and reasonably incurred.

We also have a director and officer indemnification agreement with our Chairman that provides, among other things, for the indemnification to the fullest extent permitted or required by Nevada law, provided that such indemnity shall not be entitled to indemnification in connection with any "claim" (as such term is defined in the agreement) initiated by the indemnity against us or our directors or officers unless we join or consent to the initiation of such claim, or the purchase and sale of securities by the indemnity in violation of Section 16(b) of the Exchange Act.

Any repeal or modification of these provisions approved by our stockholders shall be prospective only, and shall not adversely affect any limitation on the liability of any of our directors or officers existing as of the time of such repeal or modification.

We are also permitted to apply for insurance on behalf of any director, officer, employee or other agent for liability arising out of his actions, whether or not the NRS would permit indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Limitation of Liability of Directors

Our Amended and Restated Articles of Incorporation provides a limitation of liability such that no director or officer shall be personally liable to us or any of our stockholders for damages for breach of fiduciary duty as a director or officer, involving any act or omission of any such director or officer, provided there was no intentional misconduct, fraud or a knowing violation of the law, or payment of dividends in violation of NRS Section 78.300.

PLAN OF DISTRIBUTION

This prospectus includes 8,345,310 shares of common stock offered by the selling stockholder, the Aero Liquidating Trust. Aero Pharmaceuticals, Inc. received 8,345,310 shares of our common stock in connection with an Asset Purchase Agreement (the "APA") dated as of May 16, 2011 by and among the Company, Baker Cummins Corp., and Aero Pharmaceuticals, Inc. Aero Pharmaceuticals, Inc. agreed to distribute its shares of common stock to its shareholders pursuant to the plan of liquidation contemplated by the APA.

In December 2011, Aero Pharmaceuticals, Inc. transferred these shares to the Aero Liquidating Trust, which is holding the shares for the benefit of the holders of the common stock of Aero Pharmaceuticals, Inc. of record on December 31, 2011 (the "Aero Record Date Holders"). The Aero Liquidating Trust intends to make a pro-rata distribution to the Aero Record Date Holders of the appropriate number of units in the trust representing the right to receive the appropriate number of whole shares of the Company's common stock upon the registration of such shares under federal securities laws or at such time that they may be distributed pursuant to an exemption from the registration requirements, subject to the right of the trustee to sell the shares and distribute the proceeds. The Company has informed the Aero Liquidating Trust that it will make a cash payment, in lieu of issuing fractional shares, to the Aero Record Date Holders who would otherwise be entitled to receive fractional shares upon the distribution of the trust units by the Aero Liquidating Trust.

Upon the trust's pro-rata distribution to its shareholders of units in the trust representing the right to receive the appropriate number of whole shares of the Company's common, the Company will file a post-effective Rule 424(b) prospectus supplement to update the selling shareholder table to reflect this transfer from the trust.

LEGAL MATTERS

Sichenzia Ross Friedman and Ference LLP, New York, New York, will pass upon the validity of the shares of our common stock to be sold in this offering.

EXPERTS

The financial statements for the fiscal year ending December 31, 2011 included in this prospectus have been audited by Paritz and Co. P.A., an independent registered public accounting firm as set forth in their report, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, together with any amendments and related exhibits, under the Securities Act with respect to our shares of Common stock offered by this prospectus. The registration statement contains additional information about us and the shares of Common stock that we are offering in this prospectus.

We file annual, quarterly and current reports and other information with the SEC under the Exchange Act. You may request a copy of those filings, excluding exhibits, from us at no cost. These requests should be addressed to us at: Elliot Maza, Chief Executive Officer and Chief Financial Officer, Biozone Pharmaceuticals, Inc., 550 Sylvan Avenue, Suite 101, Englewood Cliffs, NJ 07632. Our telephone number is (201) 608-5101. The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov . The contents of these websites are not incorporated into this filing by reference. Further, the Company's references to the URLs for these websites are intended to be inactive textual references only.

Index to Consolidated Financial Statements

Index to Consolidated Financial Statements for the Three Months Ended March 31, 2012

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 76,883	$ 416,333
Account receivable net of allowance for doubtful accounts $458,524 and $449,524, respectively	1,036,358	523,039
Inventories	1,741,737	1,819,751
Prepaid expenses and other current assets	381,227	145,313
Total current assets	3,236,205	2,904,436
Property and equipment, net	3,484,297	3,342,447
Deferred financing costs, net	23,409	25,319
Goodwill	1,026,984	1,026,984
Intangibles, net	233,311	247,450
	4,768,001	4,642,200
Total Assets	$ 8,004,206	$ 7,546,636
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Account payable	1,170,169	1,616,673
Accrued expenses and other current liabilities	1,035,238	1,181,852
Accrued interest	27,397	83,548
Notes payable - shareholder	1,099,715	1,099,715
Convertible notes payable	1,095,833	2,050,000
Deferred income tax	102,022	102,022
Derivative instruments	6,002,102	883,619
Current portion of long term debt	241,149	260,741
Total current liabilities	10,773,625	7,278,170
Long Term Debt	2,995,742	3,037,591
Shareholders' deficiency		
Common stock, $.001 par value, 100,000,000 shares authorized, 56,936,165 and 55,181,165 shares issued and outstanding at March 31, 2012, and December 31,2011, respectively	56,936	55,181
Additional paid-in capital	3,987,416	3,339,171
Accumulated deficit	(9,809,513)	(6,163,477)
Total shareholders' deficiency	(5,765,161)	(2,769,125)
Total liabilities and shareholders' deficiency	$ 8,004,206	$ 7,546,636

See accompanying notes to consolidated financial statements

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2012	**2011**
Sales	$ 3,510,042	$ 2,797,468
Cost of sales	(1,783,066)	(1,106,485)
Gross profit	1,726,976	1,690,983
Operating Expenses:		
General and adminstrative expenses	2,096,745	1,523,225
Research and development expenses	221,614	64,867
Total Operating Expenses	2,318,359	1,588,092
Income (Loss) from operations	(591,383)	102,891
Interest expense	(3,472,845)	(109,591)
Change in fair value of derivative liability	418,192	-
Equity in loss of unconsolidated subsidiary		(6,595)
Loss before income taxes	(3,646,036)	(13,295)
Income taxes	-	-
Net loss	$ (3,646,036)	$ (13,295)
Net loss per common share	$ (0.06)	$ (0.00)
Basic and diluted weighted average common shares outstanding	56,366,331	44,749,999

See accompanying notes to consolidated financial statements

BIOZONE PHARMACEUTICAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2012	**2011**
Cash flows from operating activities		
Net loss	$ (3,646,036)	$ (13,295)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	9,000	7,000
Depreciation & Amortization	114,716	76,433
Amortization of financing costs	1,910	6,750
(Loss) on change in fair value of derivative liability	(418,192)	-
Interest expense related to warrants	3,332,508	-
Equity interest in subsidiary	-	6,595
Non-cash interest expense	27,397	1,849
Changes in assets and liabilities:		
Account receivable-trade	(522,319)	6,634
Inventories	78,014	(430,441)
Prepaid expenses and other current assets	(235,914)	2,714
Deferred taxes	-	7,060
Accounts payable	(446,504)	(270,618)
Accrued expenses and other current liabilities	(230,162)	137,080
Net cash used in operating activities	(1,935,582)	(462,239)
Cash flows from investing activities		
Purchase of property and equipment	(242,427)	(24,902)
Net cash used in investing activities	(242,427)	(24,902)
Cash flows from financing activities		
Proceeds from convertible debt	3,300,000	2,250,000
Proceeds from sale of common stock	650,000	-
Payment of deferred financing costs	-	(150,364)
Borrowings from noteholders	-	406,647
Repayment of borrowings from noteholders	(2,111,441)	(29,597)
Payment to shareholder	-	(1,355)
Net cash provided by financing activities	1,838,559	2,475,331
Net increase (decrease) in cash and cash equivalents	(339,450)	1,988,190
Cash and cash equivalents, beginning of period	416,333	251,475
Cash and cash equivalents, end of period	$ 76,883	$ 2,239,665
Supplemental disclosures of cash flow information:		
Interest paid	$ 223,885	$ 107,742

See accompanying notes to consolidated financial statements

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and note disclosures required by accounting principles generally accepted in the United States. The consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed with the Securities and Exchange Commission (the "SEC") on April 16, 2012. In the opinion of management, this interim information includes all material adjustments, which are of a normal and recurring nature, necessary for fair presentation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to change include assumptions used in determining the fair value of securities owned and non-readily marketable securities.

The results of operations for the three months ended March 31, 2012 are not necessarily indicative of the results to be expected for the entire year or for any other period.

2. Business Description and Going Concern

Biozone Pharmaceuticals, Inc. (formerly, International Surf Resorts, Inc.; the "Company", "we", "our") was incorporated under the laws of the State of Nevada on December 4, 2006. On March 1, 2011, we changed our name from International Surf Resorts, Inc.to Biozone Pharmaceuticals, Inc.

On May 16, 2011, we acquired substantially all of the assets and assumed all of the liabilities of Aero Pharmaceuticals, Inc. ("Aero") pursuant to an Asset Purchase Agreement dated as of that date. Aero manufactures, markets and distributes a line of dermatological products under the trade name of Baker Cummins Dermatologicals (see Note 4).

On June 30, 2011, we acquired: (i) 100% of the outstanding common stock of BioZone Laboratories, Inc. ("BioZone Labs") in exchange for 19,266,055 shares of our common stock; (ii) 100% of the outstanding membership interests of Equalan, LLC ("Equalan") and Equachem, LLC ("Equachem") in exchange for 1,027,523 and 385,321 shares of our common stock, respectively; and (iii) 45% of the outstanding membership interests of BetaZone Laboratories, LLC ("BetaZone") in exchange for 321,101 shares of our common stock. The acquired entities shared substantially common ownership prior to the foregoing acquisition. (We refer to BioZone Labs, Equalan, Equachem and BetaZone, collectively as the "BioZone Lab Group").

BioZone Labs was incorporated under the laws of the State of California in 1991. Equalan was formed as a limited liability company under the laws of the State of California on January 2, 2007. Equachem was formed as a limited liability company under the laws of the State of California on March 12, 2007 under the name Chemdyn, LLC and changed its name to Equachem, LLC on July 25, 2007. BetaZone was formed as a Florida limited liability company on November 7, 2006.

The BioZone Lab Group has operated since inception as a developer, manufacturer, and marketer of over-the-counter drugs and preparations, cosmetics, and nutritional supplements on behalf of health care product marketing companies and national retailers. The Company has been developing its proprietary drug delivery technology (the "BioZone Technology") as an enhancement for approved, generic prescription drugs that are limited due to poor stability or bioavailability or variable absorption.

The Company accounted for the acquisition of the BioZone Lab Group as a "reverse acquisition". Accordingly, the Company is considered the legal acquirer and the BioZone Lab Group is considered the accounting acquirer. The current and future financial statements will be those of the BioZone Lab Group, and Aero from the date of acquisition.

These consolidated financial statements are presented on the basis that we will continue as a going concern concept which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Our current balances of cash will not meet our working capital and capital expenditure needs for the next twelve months. In addition, as of March 31, 2012 we have a shareholder deficiency of $5,765,161 and negative working capital of $7,537,420. Because we are not currently generating sufficient cash to fund our operations, we may need to rely on external financing to meet future operating, debt repayment and capital requirements. These conditions raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

3. Summary of Significant Accounting Policies

Revenue Recognition. We follow the guidance of the SEC's Staff Accounting Bulletin ("SAB") 104 for revenue recognition and Accounting Standards Codification ("ASC") Topic 605, "Revenue Recognition". The Company operates as a contract manufacturer and produces finished goods according to customer specifications. The agreements with customers do not contain any rights of return other than for goods that fail to meet the specifications provided by the customer. The Company has not experienced any significant returns from customers and accordingly, in management's opinion, no reserve for returns is provided. We record revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the selling price to the customer is fixed or determinable and collectability of the revenue is reasonably assured.

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned, its equity investment in Betazone, Inc. and 580 Garcia Ave, LLC ("580 Garcia") a Variable Interest Entity ("VIE").

The Company considered the terms of its interest in 580 Garcia and determined that 580 Garcia is a VIE in accordance with ACS 810-10-55, which should be consolidated. As of March 31, 2012, amounts included in the consolidated assets relating to 580 Garcia, which are shown in property and equipment, and consolidated liabilities, which are reported in long-term debt, total $769,856 and $2,629,718, respectively. The Company's involvement with the entity is limited to its lease to rent the facility from 580 Garcia, with the Company as the only tenant, and the guarantee of the mortgage on the property of 580 Garcia. The Company's maximum exposure to loss, which is based on the Company's guarantee of the mortgage of 580 Garcia, is $2,629,718, which equals the carrying amount of its liability as of March 31, 2012.

Our significant unconsolidated subsidiary, which is accounted for using the equity method of accounting, is our investment in Betazone.

Convertible Instruments. We evaluate and account for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities". Applicable Generally Accepted Accounting Principles ("GAAP") requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

We account for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: We record when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Common Stock Purchase Warrants. We classify as equity any contracts that require physical settlement or net-share settlement or provide us a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement) provided that such contracts are indexed to our own stock as defined in ASC 815-40 ("Contracts in Entity's Own Equity"). We classify as assets or liabilities any contracts that require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of our common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Our derivative instruments consisting of warrants to purchase our common stock were valued using the Black-Scholes option pricing model, using the following assumptions at March 31, 2012:

Estimated dividends	None
Expected volatility	100%
Risk-free interest rate	0.83%
Expected term	4.25 years

Goodwill. Goodwill represents the excess of the consideration transferred over the fair value of net assets of business purchased. Goodwill is not being amortized but is evaluated for impairment on at least an annual basis.

4. Aero Acquisition

On May 16, 2011, we acquired the assets and assumed the liabilities of Aero in exchange for a total of 8,331,396 shares of our common stock valued at $2 million. The acquisition was accounted for under the acquisition method of accounting. On September 21, 2011, the Company issued 13,914 shares of common stock to Aero in consideration for the delay in filing the Company's Registration Statement on Form S-1, as required in the Asset Purchase Agreement between the Company and Aero. These shares were valued at $0.50 per share and charged to interest expense.

The Company engaged a leading financial advisory firm specializing in corporate finance and business valuation to determine the fair value of certain identifiable intangible assets of Aero Pharmaceuticals, Inc., which were identified based on an analysis of the transaction, a review of available supporting documents, and discussions with management. The analysis focused on determining which components met the requirements for recognition as an intangible asset separate from goodwill under ASC 805, and had characteristics that allowed its value to be reasonably estimated. This analysis ultimately identified the acquired brands and customer relationships as the qualifying intangible assets subject to amortization, which were valued at $110,000 and $172,800, respectively. Intangible assets recognized apart from goodwill are classified as finite lived (subject to amortization) on the basis of the intangible asset's expected useful life, which was determined to be 5 years.

Accordingly, the purchase price has been allocated to the fair values of tangible and intangible assets acquired and liabilities assumed at the acquisition date as follows:

Financial assets	$ 598,168
Inventory	92,343
Property and equipment	1,377
Financial liabilities	(1,672)
Total identifiable assets	690,216
Goodwill	1,026,984
Intangibles	282,800
	2,000,000

5. Property and Equipment. A summary of property and equipment and the estimated useful lives used in the computation of depreciation and amortization is as follows:

Fixed Asset	Useful Life	March 31, 2012	December 31, 2011
Vehicles	5 years	300,370	300,370
Furniture and Fixtures	10 years	64,540	60,936
Computers	5 years	191,648	191,206
MFG equipment	10 years	4,011,872	3,967,302
Lab Equipment	10 years	988,122	821,639
Bldg/Leasehold	19 years (remainder of lease)	1,635,378	1,608,055
Building	40 years	571,141	571,141
Land	Not depreciated	380,000	380,000
		8,143,071	7,900,649
Accumulated depreciation		(4,658,774)	(4,558,202)
Net		3,484,297	3,342,447

6. Equity Method Investments. Our significant unconsolidated subsidiary, which is accounted for using the equity method of accounting, is our investment in Betazone. Summarized financial information for our investment in Betazone assuming 100% ownership interest is as follows:

	March 31, 2012	December 31, 2011
Balance sheet		
Current assets	74,874	124,462
Current liabilities	186,522	131,672
Statement of operations		
Revenues	8,114	315,346
Net loss	(86,544)	(102,047)

In 2011, when the Company's share of losses equaled the carrying value of its investment, the equity method of accounting was suspended, and no additional losses were charged to operations. The Company's unrecorded share of losses for the three months ended March 31, 2011 totaled $38,945.

7. Convertible Notes Payable

The "March 2011 Notes"

On March 29, 2011, the Company sold 10% secured convertible promissory notes in the amount of $2,250,000, (the "March 2011 Notes") and warrants (the "March Warrants") to purchase securities of the Company in the Target Transaction Financing, pursuant to a Securities Purchase Agreement entered into on February 22, 2011 (the "Securities Purchase Agreement" and the "Private Placement").

The March 2011 Notes, extended as described below , originally were scheduled to mature on the earlier of October 29, 2011 or the closing date of the Target Transaction Financing (such earlier date, the "Maturity Date"). The entire principal amount and any accrued and unpaid interest was due and payable in cash on the Maturity Date.

We recorded the liability for the March 2011 Notes at an amount equal to the full consideration received upon issuance, without considering the Warrant value because the determination of the number of warrants and the exercise price of the warrants is dependent on the closing date of, and the price of securities issued in the Target Transaction Financing, which has yet to take place.

Effective October 28, 2011, the purchasers of the March 2011 Notes (the "Note Holders") agreed to extend the maturity date of the Notes (the "Extension Agreement") to October 29, 2011 (the "New Maturity Date") (see Note 5). As consideration for the agreement by the Note Holders to enter into the Extension Agreement, the Company (i) issued to the Note Holders an aggregate of 112,500 shares of its common stock, par value $0.001 per share and (ii) paid to the Investors, an aggregate of $129,000 of interest for the period beginning on February 28, 2011 (the date the Note Holders placed the principal amount in escrow) and ending on March 28, 2011. The Company agreed to provide piggyback registration rights with respect to the 112,500 shares on the same terms and conditions provided for the registrable securities in the Registration Rights Agreement contained in the Private Placement.

The Company agreed that if it fails to repay the March 2011 Notes on or before the New Maturity Date, then in addition to the interest due under the March 2011 Notes, the Company would pay an additional 2% (annualized) for each 30 day period all or any portion of the principal or accrued interest remain unpaid, subject to a maximum aggregate interest rate of 20% (the sum of the 10% interest rate plus 2% for each 30 day delay period), with such 2% being calculated on the full principal amount regardless of whether any portion thereof has been repaid by the Company and such full amount accruing as of the day following the New Maturity Date and then upon each 30 day anniversary of the New Maturity Date.

On December 8, 2011 the Company repaid $200,000 to one of the note holders. In March 2012, the Company repaid in full all of the outstanding principal and accrued interest due with respect to the March 2011 Notes.

The "September 2011 Note"

On September 22, 2011, the Company issued a 10% unsecured convertible promissory note with a principal amount of $500,000, due on March 22, 2012 (the "September 2011 Note") and a warrant (the "September Warrant") to purchase certain securities of the Company in the Target Transaction Financing, pursuant to a Securities Purchase Agreement entered into on that date.

On November 30, 2011, the note and accrued interest were converted into 1,018,356 shares of common stock, par value $0.001 per share. The Company also issued the holder a warrant to purchase 500,000 shares of common stock at an exercise price of $1.00 per share.

The "OPKO Notes"

On February 24, 2012, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with OPKO Health Inc. (the "Buyer") pursuant to which the Company sold (i) $1,700,000 of its 10% secured convertible promissory note (the "Note") due two years from the date of issuance (the "Maturity Date") and (ii) warrants (the "Warrants") to purchase 8,500,000 shares of the Company's common stock at an exercise price of $0.20 per share for gross proceeds to the Company of $1,700,000. On February 28, 2012 and February 29, 2012, the Company sold an additional $600,000 of its Notes and issued Warrants to purchase an additional 3,000,000 shares of the Company's common stock to additional Buyers for gross proceeds to the Company of $600,000.

The entire principal amount and any accrued and unpaid interest on the Notes shall be due and payable in cash on the Maturity Date. The Notes bear interest at the rate of 10% per annum. The Notes are convertible into shares of the Company's common stock at an initial conversion price of $0.20 per share, subject to adjustment. The Company may prepay any outstanding amount due under the Notes, in whole or in party, prior to the Maturity Date. The Notes are subject to certain "Events of Defaults" which could cause all amounts due and owing thereunder to become immediately due and payable. Among other things, the Company's failure to pay any accrued but unpaid interest when due, the failure to perform any obligation under the Transaction Documents (as defined herein) or if any representation or warranty made by the Company in connection with the Transaction Documents shall prove to have been incorrect in any material respect, shall constitute an Event of Default under the Transaction Documents.

The Warrant is immediately exercisable and expires ten years after the date of issuance. The Warrant has an initial exercise price of $0.40 per share. The Warrant is exercisable in cash or, while a registration statement covering the shares of Common Stock issuable upon exercise of the Warrant, or an exemption from registration, is not available, by way of a "cashless exercise".

The Company is prohibited from effecting a conversion of the Notes or exercise of the Warrants, to the extent that as a result of such conversion or exercise, the Buyer would beneficially own more than 4.99% (subject to waiver) in the aggregate of the issued and outstanding shares of the Company's common stock, calculated immediately after giving effect to the issuance of shares of common stock upon conversion of such Note or exercise of such Warrant, as the case may be.

In connection with the sale of the Notes and the Warrants, the Company and the collateral agent for the Buyers entered into a Pledge and Security Agreement (the "Security Agreement" and, collectively with the Securities Purchase Agreement, the Note and the Warrant, the "Transaction Documents") pursuant to which all of the Company's obligations under the Notes are secured by a first priority perfected security interest in all of the tangible and intangible assets of the Company, including all of its ownership interest in its subsidiaries.

We determined the initial fair value of the OPKO Notes warrants to be $5,221,172 based on the Black-Scholes option pricing model, which we treated as a liability with a corresponding decrease in the carrying value of the OPKO Notes. Under authoritative guidance, the carrying value of the OPKO Notes may not be reduced below zero. Accordingly, we recorded the excess of the value of the OPKO Notes warrants over the allocated fair value of the OPKO Notes as interest expense incurred at the time of the issuance of the OPKO Notes in the amount of $2,921,172. The discount related to the OPKO Notes will be amortized over the term of the notes as interest expense, calculated using an effective interest method.

The "March 2012 Purchase Order Notes"

On March 13, 2012, the "Company sold a 10% senior convertible promissory note (the "Note") to an accredited investor (the "Investor") for an aggregate purchase price of $1,000,000. The principal amount of the Note is payable in cash on such dates and in such amounts as set forth in the Note, based on the receipt of proceeds from sales to a certain vendor (the "Vendor Proceeds"). The last date of such scheduled payment shall be referred to as the "Final Maturity Date".

The Note bears interest at the rate of 10% per annum. The Company may prepay any outstanding amounts owing under the Note, in whole or in part, at any time prior to the Final Maturity Date. The entire remaining principal amount and all accrued but unpaid or unconverted interest thereof, shall be due and payable on the earliest of (1) the Final Maturity Date, (2) the consummation of a financing by the Company resulting in net proceeds equal to or greater than 1.5 times the remaining outstanding unconverted principal amount hereunder and (3) the occurrence of an Event of Default (as defined in the Note). The Note is convertible into shares of the Company's common stock at an initial conversion price of $1.50 per share.

The Company is prohibited from effecting a conversion of the Note, to the extent that as a result of such conversion, the Investor would beneficially own more than 4.99% (subject to waiver) in the aggregate of the issued and outstanding shares of the Company's common stock, calculated immediately after giving effect to the issuance of shares of common stock upon conversion of the Note.

All of the Company's obligations under the Note are secured by a first priority security interest in the Vendor Proceeds.

The Buyers of the OPKO Notes agreed to subordinate their security interest in the Vendor Proceeds to the interest of the Investor under the Note.

The following table sets forth a summary of all the outstanding convertible promissory notes at March 31, 2012:

Convertible promissory notes issued	$ 6,050,000
Notes repaid	(2,250,000)
Less amounts converted to common stock	(500,000)
	3,300,000
Less debt discount	2,204,167
Balance March 31, 2012	$ 1,095,833

8. Notes Payable – Shareholder . This amount is due to our former Executive Vice President for advances made to the Company, bears interest at a weighted average rate of approximately 10% and is due on demand. The Company is in dispute with the shareholder as to the balance due but has recorded the full amount claimed by the shareholder.

9. Long Term Debt. Long-term debt (excluding capital leases) matures as follow:

	3/31/2012	12/31/2011
Notes payable of Biozone Labs		
Capitalized lease obligations bearing interest at rates ranging from 8.6% to 16.3%, payable in monthly installments of $168 to $1,589, inclusive of interest	$ 265,514	$ 307,255
City of Pittsburg Redevelopment Agency, 3% interest, payable in monthly installments of $3,640 inclusive of interest	251,659	257,639
Other	90,000	90,000
Notes payable of 580 Garcia Properties		
Mortgage payable of 580 Garcia collateralized by the land and building payable in monthly installments of $20,794, inclusive of interest at 7.24% per annum	2,629,718	2,643,438
	$ 3,236,891	$ 3,298,332
Less: current portion	241,149	260,741
	$ 2,995,742	$ 3,037,591

10. Warrants

The January 2012 Warrants

On January 11, 2012 and January 25, 2012 the Company sold an aggregate of 1,300,000 units (the "Units") to accredited investors. Each Unit was sold for a purchase price of $0.50 per Unit and consisted of: (i) one share of Common Stock and (ii) a four-year warrant to purchase .5 shares of Common Stock purchased at an exercise price of $1.00 per share, subject to adjustment upon the occurrence of certain events. The warrants may be exercised on a cashless basis after twelve (12) months from the date of closing if there is no effective registration statement covering the shares of Common Stock issuable upon exercise of the Warrant. These warrants provide the holder with "piggyback registration rights", which obligate us to register the common shares underlying the warrants in the event that we decide to register any of our common stock either for our own account or the account of a security holder (other than with respect to registration of securities covered by certain employee option plans). The terms of the January 2012 Warrants fail to specify a penalty if we fail to satisfy our obligations under these piggyback registration rights. Presumably, we would be obligated to make a cash payment to the holder to compensate for such failure. Based on authoritative guidance, we have accounted for the January 2012 Warrants as liabilities.

As of March 31, 2012, a total of 650,000 January 2012 Warrants remain outstanding, with an exercise price of $0.50 per share.

The "Investor Warrants"

On March 29, 2011 and September 22, 2011, the Company issued warrants (the "Investor Warrants") to purchase securities of the Company in the Target Transaction Financing (Note 7). The Warrants are immediately exercisable and expire five years after the date of issue. Each Warrant has an initial exercise price of 120% of the price of the securities sold in the Target Transaction Financing (the "Financing Share Price"). The Warrant entitles the holder to purchase the number of shares of Common Stock and/or other securities, including units of securities, sold in the Target Transaction Financing equal to the Warrant Coverage (as defined herein) (a) multiplied by the principal amount of the Note (the "Purchase Price") and (b) divided by the Financing Share Price. "Warrant Coverage" means (i) 50% if closed on or prior to 120 days, (ii) 75% if closed after 120 days but before 150 days and (iii) 100%, if closed after 150 days after the closing of the Private Placement. The Warrant is exercisable in cash or by way of a "cashless exercise" during any period that a registration statement covering the shares of Common Stock and/or other securities issuable upon exercise of the Warrant, or an exemption from registration, is not available. The exercise price of the Warrant is subject to a "ratchet" anti-dilution adjustment for a period of one year from the closing of the Private Placement. This adjustment provides that, in the event that the Company issues certain securities at a price lower than the then applicable exercise price, the exercise price of the Warrant will be immediately reduced to equal the price at which the Company issued the securities.

On February 28, 2012, each holder of Investor Warrants entered into a Cancellation Agreement, which provides, among other things, for the cancellation of the Investor Warrants. In exchange, the Company issued to the former holders of the Investor Warrants a total of 1,000,000 warrants of the Company's common stock at an exercise price of $0.60 per share

As of March 31, 2012, a total of 1,000,000 New Warrants remain outstanding, which are recorded as derivative liabilities.

"The OPKO Warrants"

In connection with the sale of the OPKO Notes, we issued warrants (the "OPKO Warrants") entitling the holders to purchase up to 11,500,000 shares of our common stock. The OPKO Warrants expire ten years from date of issuance and have an exercise price of $0.20 per common share. The OPKO Warrants contain a "cashless exercise" feature. These warrants provide the holder with "piggyback registration rights", which obligate us to register the common shares underlying the warrants in the event that we decide to register any of our common stock either for our own account or the account of a security holder (other than with respect to registration of securities covered by certain employee option plans). The terms of the OPKO Warrants fail to specify a penalty if we fail to satisfy our obligations under these piggyback registration rights. Presumably, we would be obligated to make a cash payment to the holder to compensate for such failure. Based on authoritative guidance, we have accounted for the Convertible Note Warrants as liabilities. The liability for the OPKO Warrants, measured at fair value, based on a Black-Scholes option pricing model, has been offset by a reduction in the carrying value of the related Notes. As of March 31, 2012, a total of 11,500,000 OPKO Warrants remain outstanding, with an exercise price of $0.20 per share.

On April 25, 2012, holders of 3,500,000 OPKO Warrants exercised their Warrants through the cashless exercise feature and received a total of 2,636,804 shares of Company common stock.

12. Concentrations. Approximately, 26% and 11% of the Company's sales for the three months ended March 31, 2012 were made to two customers. Our top two customers accounted for 16% and 13% of the Company's sales for the three months ended March 31, 2011.

13. Contingencies

Employment Agreements

On June 30, 2011, the Company entered into three year executive employment agreements with three stockholders, Brian Keller, Christian Oertle and Daniel Fisher, to serve as our President, Chief Operating Officer and Executive Vice President, respectively. The agreements with Messrs. Keller and Fisher provide for annual salaries of $200,000 each and the agreement with Mr. Oertle provides for an annual salary of $150,000. Pursuant to the terms of the agreements, each of these stockholders is eligible to participate in the Company's long term incentive compensation programs and is entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board, subject to certain claw back rights. The agreements provide for payments of six months' severance in the event of early termination (other than for cause).

On January 30, 2012, Mr. Fisher was removed from his position as Executive Vice President for cause. Pursuant to his employment agreement, Mr. Fisher is entitled to accrued salary through the date of his termination.

Leases

The Company leases its facilities under operating leases that expire at various dates. Total rent expense under these leases is recognized ratably over the initial renewal period of each lease. Total rent and related expenses under operating leases were $175,198 and $158,483 for the three months ended March 31, 2012 and 2011, respectively. Operating lease obligations after 2011 relate primarily to office facilities.

Litigation

We are not involved in any pending legal proceeding or litigation that we believe would have a material impact upon our business or results of operations.

Aphena Pharma Solutions – Maryland, LLC f/k/a Celeste Contract Packaging, LLC, v. BioZone Laboratories, Inc. and BioZone Pharmaceuticals, Inc. and Daniel Fisher, DISTRICT COURT FOR THE DISTRICT OF MARYLAND NORTHERN DIVISION Case 1:12-cv-00852-WDQ

An action was initiated recently against BioZone Labs, BioZone Pharma and a former officer and director in the United States District Court for the District of Maryland. The complaint in that matter, which was filed on March 19, 2012, alleges breach of contract and other commercial wrongdoing in connection with a single purchase order issued during early 2010 relating to the development of certain over the counter products to treat cough and cold symptoms. Although the complaint does not specify the amount of plaintiff's alleged monetary damages, plaintiff's payment associated with the purchase order was less than $190,000. Accordingly, although our investigation into the matter is still in its earliest stages, we do not believe it will have a material impact on our business. In addition, to the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party, which would reasonably be likely to have a material adverse effect on our business or results of operations.

BioZone Laboratories, Inc. v. ComputerShare Trust Co., N.A. and Cardium Therapeutics, Inc. District Court, State of Colorado, County of Jefferson, Case No. 2012CV406

The Company commenced the above action, by filing of a Summons and Complaint, on February 2, 2012 for declaratory relief, specific performance and monetary damages against Defendants ComputerShare Trust Co., N.A. ("ComputerShare") and Cardium Therepeutics, Inc. ("Cardium") (collectively, the "Defendants"). This action arises from, inter alia, the failure of ComputerShare, which was acting as an escrow agent in connection with the Company's purchase of Cardium stock, to deliver such stock to the Company as required by an Escrow Agreement entered into between the Company and Defendants. By Order, dated March 30, 2012, the Court dismissed this action on the ground that venue was improper in Colorado.

14. Capital Deficiency

On January 11, 2012 and January 25, 2012 the Company sold an aggregate of 1,300,000 units (the "Units") to accredited investors. Each Unit was sold for a purchase price of $0.50 per Unit and consists of: (i) one share of Common Stock and (ii) a four-year warrant to purchase .5 shares of Common Stock purchased at an exercise price of $1.00 per share, subject to adjustment upon the occurrence of certain events.

On February 27, 2012, the Company issued warrants to purchase 1,000,000 shares of the Company's common stock at an exercise price of $0.60 per share to the former holders of the March 2011 Notes described in Note 7 – Convertible Notes Payable in connection with the repayment of those notes.

On March 1, 2012, the Company issued 455,000 shares of its common stock to certain individuals who previously purchased shares of the Company's common stock on November 3, 2011 at a purchase price of $1.00 per share.

15. Income Taxes. No provision for income taxes has been recorded due to the 100% valuation allowance provided against net operating loss carryforwards.

Index to Consolidated Financial Statements for the Year Ended December 31, 2011 and 2010

Paritz & Company, P.A.
certified public accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Biozone Pharmaceuticals, Inc.

We have audited the accompanying consolidated balance sheets of Biozone Pharmaceuticals, Inc. as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in shareholders' deficiency and cash flows for the years ended December 31, 2011 and 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Biozone Pharmaceuticals, Inc. as of December 31, 2011 and 2010 and the results of its operations and its cash flows for the years ended December 31, 2011 and 2010 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company does not have sufficient cash balances to meet working capital and capital expenditure needs for the next twelve months. In addition, as of December 31, 2011, the Company has a shareholder deficiency of $2,769,125 and negative working capital of $4,373,734. The continuation of the Company as a going concern is dependent on, among other things, the Company's ability to obtain necessary financing to repay debt that is in default and to meet future operating and capital requirements. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

/s/ Paritz and Company. P.A.

Hackensack, N.J.
April 12, 2012

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEET

	December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 416,333	$ 251,475
Account receivable net of allowance for doubtful accounts $449,524 and $118,356, respectively	523,039	1,397,414
Inventories	1,819,751	2,501,110
Prepaid expenses and other current assets	145,313	43,282
Total current assets	2,904,436	4,193,281
Property and equipment, net	3,342,447	3,262,133
Deferred financing costs, net	25,319	35,363
Goodwill	1,026,984	-
Intangibles, net	247,450	-
Investment in unconsolidated subsidiary	-	42,677
	4,642,200	3,340,173
Total Assets	$ 7,546,636	$ 7,533,454
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Note payable - bank	-	2,502,863
Account payable	1,616,673	963,853
Accrued expenses and other current liabilities	1,181,852	132,889
Accrued interest	83,548	-
Notes payable - shareholder	1,099,715	1,102,926
Convertible notes payable	2,050,000	-
Deferred income tax	102,022	98,750
Derivative instruments	883,619	-
Current portion of long term debt	260,741	277,299
Total current liabilities	7,278,170	5,078,580
Long Term Debt	3,037,591	3,044,074
Shareholders' deficiency		
Common stock, $.001 par value, 100,000,000 shares authorized, 55,181,165 and 44,749,999 shares issued and outstanding at December 31, 2011, and 2010, respectively	55,181	44,750
Additional paid-in capital	3,339,171	72,217
Accumulated deficit	(6,163,477)	(706,167)
Total shareholders' deficiency	(2,769,125)	(589,200)
Total liabilities and shareholders' deficiency	$ 7,546,636	$ 7,533,454

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,	
	2011	**2010**
Sales	$ 12,605,146	$ 15,253,685
Cost of sales	(8,639,658)	(8,427,608)
Gross profit	3,965,488	6,826,077
Operating Expenses:		
General and adminstrative expenses	7,452,864	6,617,249
Research and development expenses	399,624	240,873
Total operating expenses	7,852,488	6,858,122
Loss from operations	(3,887,000)	(32,045)
Interest expense	(1,242,853)	(439,018)
Change in fair value of derivative liability	(281,508)	-
Equity in earnings (loss) of unconsolidated subsidiary	(42,677)	55,305
Loss before credit for income taxes	(5,454,038)	(415,758)
Provision (benefit) for income taxes	3,272	(95,945)
Net loss	$ (5,457,310)	$ (319,813)
Net loss per common share	$ (0.11)	$ (0.01)
Basic and diluted weighted average common shares outstanding	50,443,025	44,749,999

BIOZONE PHARMACEUTICALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2011	**2010**
Cash flows from operating activities		
Net (loss)	$ (5,457,310)	$ (319,813)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Deferred income taxes	3,272	-
Bad debt expense	326,456	554,343
Depreciation and amortization	531,844	432,566
Amortization of financing costs	160,408	7,401
Write-off obsolete inventory	1,439,616	-
Gain on change in fair value of derivative liability	281,508	-
Equity in loss (earnings) of unconsolidated subsidiary	42,677	(55,305)
Non-cash interest expense	758,044	-
Changes in assets and liabilities:		
Account receivable-trade	560,353	(650,485)
Inventories	(665,914)	(62,790)
Prepaid expenses and other current assets	(102,031)	43,879
Deferred taxes	-	(103,005)
Accounts payable	652,240	(58,845)
Accrued expenses and other current liabilities	1,047,884	(49,366)
Net cash used in operating activities	(420,953)	(261,420)
Cash flows from investing activities		
Purchase of property and equipment	(575,430)	(357,610)
Cash acquired on business combination	585,720	-
Net cash provided by (used in) investing activities	10,290	(357,610)
Cash flows from financing activities		
Proceeds from convertible debt	2,750,000	-
Payment of deferred financing costs	(150,364)	
Repayment of borrowings from noteholders	(2,725,904)	(92,223)
Proceeds from sale of common stock	705,000	
Advance from (payment to) shareholder	(3,211)	375,321
Net cash provided by financing activities	575,521	283,098
Net increase (decrease) in cash and cash equivalents	164,858	(335,932)
Cash and cash equivalents, beginning of year	251,475	587,407
Cash and cash equivalents, end of year	$ 416,333	$ 251,475
Supplemental disclosures of cash flow information:		
Interest paid	$ 539,616	$ 439,018
Conversion of convertible note payable and acrued interest to common stock	$ 509,178	$ -

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

	Common Stock		Additional paid in capital	Accumulated defecit	Total
	Number of Shares	Amount			
Balance as of December 31, 2009	44,749,999	$ 44,750	$ 115,248	$ (386,354)	$ (226,356)
Distribution			(43,031)		(43,031)
Net loss for year				(319,813)	(319,813)
Balance at December 31, 2010	44,749,999	44,750	72,217	(706,167)	589,200
Shares issued for acquisition	8,331,396	8,331	1,991,669		2,000,000
Proceeds from sale of common stock	955,000	955	704,045		705,000
Shares issued to extend maturity date of convertible notes payable	112,500	113	56,137		56,250
Shares issued upon conversion of convertible note payable	1,018,356	1,018	508,160		509,178
Shares issued for liquidated damages	13,914	14	6,943		6,957
Net loss for the year				(5,457,310)	(5,457,310)
Balance at December 31, 2011	55,181,165	$ 55,181	$ 3,339,171	$ (6,163,477)	$ (2,769,125)

NOTE 1 – Business

Biozone Pharmaceuticals, Inc. (formerly, International Surf Resorts, Inc.; the "Company", "we", "our") was incorporated under the laws of the State of Nevada on December 4, 2006. On March 1, 2011, we changed our name from International Surf Resorts, Inc.to Biozone Pharmaceuticals, Inc.

On May 16, 2011, we acquired substantially all of the assets and assumed all of the liabilities of Aero Pharmaceuticals, Inc. ("Aero") pursuant to an Asset Purchase Agreement dated as of that date. Aero manufactures markets and distributes a line of dermatological products under the trade name of Baker Cummins Dermatologicals (see Note 3).

On June 30, 2011, we acquired: (i) 100% of the outstanding common stock of BioZone Laboratories, Inc. ("BioZone Labs") in exchange for 19,266,055 shares of our common stock; (ii) 100% of the outstanding membership interests of Equalan, LLC ("Equalan") and Equachem, LLC ("Equachem") in exchange for 1,027,523 and 385,321 shares of our common stock, respectively; and (iii) 45% of the outstanding membership interests of BetaZone, LLC ("BetaZone") in exchange for 321,101 shares of our common stock. The acquired entities shared substantially common ownership prior to the foregoing acquisition. (We refer to BioZone Labs, Equalan, Equachem and BetaZone, collectively as the "BioZone Lab Group").

BioZone Labs was incorporated under the laws of the State of California in 1991. Equalan was formed as a limited liability company under the laws of the State of California on January 2, 2007. Equachem was formed as a limited liability company under the laws of the State of California on March 12, 2007 under the name Chemdyn, LLC and changed its name to Equachem, LLC on July 25, 2007. BetaZone was formed as a Florida limited liability company on November 7, 2006.

The BioZone Lab Group has operated since inception as a developer, manufacturer, and marketer of over-the-counter drugs and preparations, cosmetics, and nutritional supplements on behalf of health care product marketing companies and national retailers. The Company has been developing our proprietary drug delivery technology (the "BioZone Technology") as an enhancement for approved, generic prescription drugs that are limited due to poor stability or bioavailability or variable absorption.

The Company accounted for the acquisition of the BioZone Lab Group as a "reverse acquisition". Accordingly, the Company is considered the legal acquirer and the BioZone Lab Group is considered the accounting acquirer. The current and future financial statements will be those of the BioZone Lab Group, and Aero from the date of acquisition.

These consolidated financial statements are presented on the basis that we will continue as a going concern concept which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Our current balances of cash will not meet our working capital and capital expenditure needs for the next twelve months. In addition, as of December 31, 2011, we have a shareholder deficiency of $2,769,125 and negative working capital of $4,373,734. Because we are not currently generating sufficient cash to fund our operations and we have debt that is in default, we may need to rely on external financing to meet future operating, debt repayment and capital requirements. These conditions raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of Biozone Phamaceuticals, Inc. and its subsidiaries, all of which are wholly owned, its equity investment in Betazone, Inc. and its 580 Garcia Ave, a Variable Interest Entity ("VIE").

The Company considered the terms of its interest in 580 Garcia and determined that it was a variable interest entity (VIE) in accordance with ACS 810-10-55, and that it should be consolidated. As of December 31, 2011, amounts included in the consolidated assets, which are shown in Property and equipment and consolidated liabilities, which are reported in long-term debt total $773,510 and $2,643,435, respectively relating to 580 Garcia. The Company's involvement with the entity is limited to the lease it has to rent its facility from 580 Garcia, in which the Company is the only tenant, and the guarantee of the mortgage on the property of 580 Garcia. The Company's maximum exposure to loss, which is based on the Company's guarantee of the mortgage of 580 Garcia is $2,643,435, which equals the carrying amount of its liability as of December 31, 2011.

Our significant unconsolidated subsidiary that is accounted for using the equity method of accounting is our investment in Betazone Laboratories LLC.

Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates and assumptions include the collectability of accounts receivable and deferred taxes and related valuation allowances. Certain of our estimates, including evaluating the collectability of accounts receivable, could be affected by external conditions, including those unique to our industry, and general economic conditions. It is possible that these external factors could have an effect on our estimates that could cause actual results to differ from our estimates. We re-evaluate all of our accounting estimates at least quarterly based on these conditions and record adjustments when necessary.

Cash and Cash Equivalents

We consider all short-term highly liquid investments with an original maturity at the date of purchase of three months or less to be cash

equivalents.

Revenue Recognition

We follow the guidance of the Securities and Exchange Commission's Staff Accounting Bulletin ("SAB") 104 for revenue recognition and Accounting Standards Codification ("ASC") Topic 605, "Revenue Recognition". The Company operates as a contract manufacturer and produces finished goods according to customer specifications. The agreements with customers do not contain any rights of return other than for goods that fail to meet the specifications provided by the customer. The Company has not experienced any significant returns from customers and accordingly, in management's opinion, no reserve for returns is provided. We record revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the selling price to the customer is fixed or determinable and collectability of the revenue is reasonably assured.

Accounts Receivable and Allowance for Doubtful Accounts Receivable

We have a policy of reserving for uncollectible accounts based on our best estimate of the amount of probable credit losses in our existing accounts receivable. We extend credit to our customers based on an evaluation of their financial condition and other factors. We generally do not require collateral or other security to support accounts receivable. We perform ongoing credit evaluations of our customers and maintain an allowance for potential bad debts if required. We determine whether an allowance for doubtful accounts is required by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations. In these cases, we use assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. We may also record a general allowance as necessary. Direct write-offs are taken in the period when we have exhausted our efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that we should abandon such efforts.

Inventories

Inventories are stated at the lower of cost, determined using the weighted average cost method, and net realizable value. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs to complete and dispose of the product.

If the Company identifies excess, obsolete or unsalable items, its inventories are written down to their realizable value in the period in which the impairment is first identified. During the year ended December 31, 2011 we recorded a charge to cost of sales of $1,439,616 relating to the write-down of inventory due to obsolescence. Shipping and handling costs incurred for inventory purchases and product shipments are recorded in cost of sales in the Company's consolidated statements of operations.

Fair Value Measurements

We adopted the provisions of ASC Topic 820, “Fair Value Measurements and Disclosures”, which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities
Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable
Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The warrant liabilities issued in connection with our convertible debt, classified as a level 3 liability, are the only financial liability measured at fair value on a recurring basis

We measure derivative liabilities at fair value using the Black-Scholes option pricing model with assumptions that include the fair value of the stock underlying the derivative instrument, the exercise or conversion price of the derivative instrument, the risk free interest rate for a term comparable to the term of the derivative instrument and the volatility rate and dividend yield for our common stock. For derivative instruments convertible into or exercisable for shares of our preferred stock, we considered the price per share of $.50 paid by unrelated parties as the fair value of our common stock. For derivative instruments convertible into or exercisable for shares of our common stock, we considered the results of a valuation performed by a third party specialist and other internal analyses performed by management to determine the value of our stock at the commitment dates of applicable transactions. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The Company has not paid dividends to date and does not expect to pay dividends in the foreseeable future due to its substantial accumulated deficit. Accordingly, expected dividends yields are currently zero. Expected volatility is based principally on an analysis of historical volatilities of similarly situated companies in the marketplace for a number of periods that is at least equal to the contractual term or estimated life of the applicable financial instrument.

We also considered the use of the lattice or binomial models with respect to valuing derivative financial instruments that feature anti-dilution price protection; however, the differences in the results are insignificant due to the low probability of triggering price adjustments in such financial instruments

Stock-based compensation

We recognize compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-based awards, we calculate the fair value of the award on the date of grant using the Black-Scholes method for stock options and the quoted price of our common stock for unrestricted shares; the expense is recognized over the service period for awards expected to vest. For non-employee stock-based awards, we calculate the fair value of the award on the date of grant in the same manner as employee awards. However, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the useful lives of the assets. Expenditures for additions and improvements are capitalized; repairs and maintenance are expensed as incurred.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of net assets of business purchased. Goodwill is not being amortized but is evaluated for impairment on at least an annual basis.

Impairment of long lived assets

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are to be held and used, impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

Income taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Convertible Instruments

We evaluate and account for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities".

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

We account for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: We record when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption. The embedded conversion option in connection with our convertible debt could not be exercised unless and until we completed a Qualifying Financing transaction. Accordingly, we determined based on authoritative guidance that the embedded conversion option is deemed to be a contingent conversion rather than active conversion option that did not require accounting recognition at the commitment dates of the issuances of the Notes.

Common Stock Purchase Warrants and Other Derivative Financial Instruments

We classify as equity any contracts that require physical settlement or net-share settlement or provide us a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement) provided that such contracts are indexed to our own stock as defined in ASC 815-40 ("Contracts in Entity's Own Equity"). We classify as assets or liabilities any contracts that require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of our common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Our derivative instruments consisting of warrants to purchase our common stock were valued using the Black-Scholes option pricing model, using the following assumptions at December 31, 2011:

Estimated dividends	None
Expected volatility	100%
Risk-free interest rate	0.83%
Expected term	4.25 years

Concentration of Credit Risk

Financial instruments that potentially expose us to concentrations of credit risk consist principally of cash and cash equivalents. We maintain our cash accounts at high quality financial institutions with balances, at times, in excess of Federally insured limits. Management believes that the financial institutions that hold our deposits are financially sound and therefore pose minimal credit risk

Research and development

Research and development expenditures are charged to operations as incurred

NOTE 3 – Aero Acquisition

On May 16, 2011, we acquired the assets and assumed the liabilities of Aero in exchange for a total of 8,331,396 shares of our common stock valued at $2 million. The acquisition was accounted for under the acquisition method of accounting. On September 21, 2011, the Company issued 13,914 shares of common stock to Aero Pharmaceuticals, Inc. in consideration for the delay in filing the Company's Registration Statement on Form S-1, as required in the Asset Purchase Agreement between the Company and Aero Pharmaceuticals, Inc. These shares were valued at $0.50 per share and charged to interest expense.

The Company engaged a leading financial advisory firm specializing in corporate finance and business valuation to determine the fair value of certain identifiable intangible assets of Aero Pharmaceuticals, Inc., which were identified based on an analysis of the transaction, a review of available supporting documents, and discussions with management. The analysis focused on determining which components met the requirements for recognition as an intangible asset separate from goodwill under ASC 805, and had characteristics that allowed its value to be reasonably estimated. This analysis ultimately identified the acquired brands and customer relationships as the qualifying intangible assets subject to amortization, which were valued at $110,000 and $172,800, respectively. Intangible assets recognized apart from goodwill are classified as finite lived (subject to amortization) on the basis of the intangible asset's expected useful life, which was determined to be 5 years.

Accordingly, the purchase price has been allocated to the fair values of tangible and intangible assets acquired and liabilities assumed at the acquisition date as follows:

Financial assets	$ 598,168
Inventory	92,343
Property and equipment	1,377
Financial liabilities	(1,672)
Total identifiable assets	690,216
Goodwill	1,026,984
Intangibles	282,800
	$2,000,000

The following table provides unaudited pro-forma results of operations for the fiscal years ended December 31, 2011 and 2010 as if the acquisition had been consummated as of the beginning of each period presented. The pro-forma results include the effect of certain purchase accounting adjustments, such as the estimated changes in depreciation and amortization expense on the acquired intangible assets. However, pro-forma results do not include any anticipated cost savings or other effects of the planned integration of the companies. Accordingly, such amounts are not necessarily indicative of the results if the acquisition had occurred on the dates indicated, or which may occur in the future.

	Pro-forma results Year ended December 31,	
	2011	2010

Revenues	$12,712,091	$15,585,000
Loss before income taxes	(5,515,081)	(516,458)
Net loss per share	$ (0.11)	$ (0.01)

NOTE 4 – Property and Equipment

A summary of property and equipment and the estimated useful lives used in the computation of depreciation and amortization is as follows:

Fixed Asset	Useful Life	December 31, 2011	December 31, 2010
Vehicles	5 years	300,370	271,607
Furniture and Fixtures	10 years	60,936	66,195
Computers	5 years	191,206	142,978
MFG equipment	10 years	3,967,302	3,938,440
Lab Equipment	10 years	821,639	413,198
Building improvements	19 years	1,608,055	1,545,758
Building	40 years	571,141	571,141
Land	Not depreciated	380,000	380,000
		7,900,649	7,329,317
Accumulated depreciation		(4,558,202)	(4,067,184)
Net		3,342,447	3,262,133

NOTE 5 – Equity Method Investments

Our significant unconsolidated subsidiary that is accounted for using the equity method of accounting is our investment in Betazone Laboratories LLC. Summarized financial information for our Invesment in Betazone Laboratories, LLC assuming 100% ownership interest is as follows:

	2011	2010
Balance sheet		
Current assets	124,462	95,054
Current Liabilities	131,672	217
Statement of operations		
Revenues	315,346	225,266
Net income (loss)	(102,047)	122,901

In 2011, when the company's share of losses equaled the carrying value of its investment, the equity method of accounting was suspended, and no additional losses were charged to operations. The company's unrecorded share of losses for 2011 totaled $3,245.

NOTE 6 – Convertible Notes Payable

The "March 2011 Notes"

On March 29, 2011, the Company sold 10% secured convertible promissory notes in the amount of $2,250,000, (the "March 2011 Notes") and warrants (the "March Warrants") to purchase securities of the Company in the Target Transaction Financing (as defined below), pursuant to a Securities Purchase Agreement entered into on February 22, 2011 (the "Securities Purchase Agreement" and the "Private Placement").

The March 2011 Notes, extended as described below , originally were scheduled to mature on the earlier of October 29, 2011 or the closing date of the Target Transaction Financing (such earlier date, the "Maturity Date"). The entire principal amount and any accrued and unpaid interest was due and payable in cash on the Maturity Date.

We recorded the liability for the March 2011 Notes at an amount equal to the full consideration received upon issuance, without considering the Warrant value because the determination of the number of warrants and the exercise price of the warrants is dependent on the closing date of, and the price of securities issued in the Target Transaction Financing, which has yet to take place.

Effective October 28, 2011, the purchasers of the March 2011 Notes (the "Note Holders") agreed to extend the maturity date of the Notes (the "Extension Agreement") to October 29, 2011(the "New Maturity Date") (see Note 5). As consideration for the agreement by the Note Holders to enter into the Extension Agreement, the Company (i) issued to the Note Holders an aggregate of 112,500 shares of its common stock, par value $0.001 per share and (ii) paid to the Investors, an aggregate of $129,000 of interest for the period beginning on February 28, 2011 (the date the Note Holders placed the principal amount in escrow) and ending on March 28, 2011. The Company agreed to provide piggyback registration rights with respect to the 112,500 shares on the same terms and conditions provided for the registrable securities in the Registration Rights Agreement contained in the Private Placement.

The Company agreed that if it fails to repay the March 2011 Notes on or before the New Maturity Date, then in addition to the interest due under the March 2011 Notes, the Company would pay an additional 2% (annualized) for each 30 day period all or any portion of the principal or accrued interest remain unpaid, subject to a maximum aggregate interest rate of 20% (the sum of the 10% interest rate plus 2% for each 30 day delay period), with such 2% being calculated on the full principal amount regardless of whether any portion thereof has been repaid by the Company and such full amount accruing as of the day following the New Maturity Date and then upon each 30 day anniversary of the New Maturity Date.

On December 8, 2011 the Company repaid $200,000 to one of the note holders.

In March 2012, the Company repaid in full all of the outstanding principal and accrued interest due with respect to the March 2011 Notes.

The "September 2011 Note"

On September 22, 2011, the Company issued a 10% unsecured convertible promissory note with a principal amount of $500,000, due on March 22, 2012 (the "September 2011 Note") and a warrant (the "September Warrant") to purchase certain securities of the Company in the Target Transaction Financing, pursuant to a Securities Purchase Agreement entered into on that date (the"Securities Purchase Agreement").

On November 30, 2011, the note and accrued interest were converted into 1,018,356 shares of common stock, par value $0.001 per share. The Company also issued the holder a warrant to purchase 500,000 shares of common stock at an exercise price of $1.00 per share.

NOTE 7 – Notes Payable – Shareholder

This amount is due to our former Executive Vice President for advances made to the Company, bears interest at a weighted average rate of approximately 10% and is due on demand. The Company is in dispute with the shareholder as to the balance due but has recorded the full amount claimed by the shareholder.

NOTE 8 – Long Term Debt

	Year ended December 31,	
Notes payable of Biozone Labs	2011	2010
Capitalized lease obligations bearing interest at rates ranging from 8.6% to 16.3%, payable in monthly installments of $168 to $1,589, inclusive of interest	$ 307,255	$ 213,510
City of Pittsburg Redevelopment Agency, 3% interest, payable in monthly installments of $3,640 inclusive of interest	257,639	304,721
Other	90,000	100,000
Notes payable of 580 Garcia Properties		
Mortgage payable of 580 Garcia collateralized by the land and building payable in monthly installments of $20,794, inclusive of interest at 7.24% per annum	2,643,438	2,703,142
	$ 3,298,332	$ 3,321,373
Less: current portion	260,741	277,299
	3,037,591	3,044,074

Long-term debt (excluding capital leases) matures as follow:

12/31/2012	106,797
12/31/2013	112,434
12/31/2014	118,446
12/31/2015	124,766
12/31/2016	131,695
Thereafter	2,396,940

Future minimum annual lease payments for capital leases in effect as of December 31, 2011 are as follows:

12/31/2012	153,944
12/31/2013	69,316
12/31/2014	58,214
12/31/2015	25,780
12/31/2016	-
Thereafter	-

NOTE 9 – Warrants

On March 29, 2011 and September 22, 2011, the Company issued warrants to purchase securities of the Company in the Target Transaction Financing (Note 5). The Warrants are immediately exercisable and expire five years after the date of issue. Each Warrant has an initial exercise price of 120% of the price of the securities sold in the Target Transaction Financing (the "Financing Share Price"). The Warrant entitles the holder to purchase the number of shares of Common Stock and/or other securities, including units of securities, sold in the Target Transaction Financing equal to the Warrant Coverage (as defined herein) (a) multiplied by the principal amount of the Note (the "Purchase Price") and (b) divided by the Financing Share Price. "Warrant Coverage" means (i) 50% if closed on or prior to 120 days, (ii) 75% if closed after 120 days but before 150 days and (iii) 100%, if closed after 150 days after the closing of the Private Placement. The Warrant is exercisable in cash or by way of a "cashless exercise" during any period that a registration statement covering the shares of Common Stock and/or other securities issuable upon exercise of the Warrant, or an exemption from registration, is not available. The exercise price of the Warrant is subject to a "ratchet" anti-dilution adjustment for a period of one year from the closing of the Private Placement. This adjustment provides that, in the event that the Company issues certain securities at a price lower than the then applicable exercise price, the exercise price of the Warrant will be immediately reduced to equal the price at which the Company issued the securities.

The value of the warrants have been recorded as a derivative liability.

NOTE 10 – Income Taxes

The reconciliation of income tax benefit at the U.S. statutory rate of 34% for the years ended December 31, 2011 and 2010 to the Company's effective tax rate is as follows:

	Year ended December 31,	
	2011	2010
U.S. federal statutory rate	-34.0%	-34.0%
State income tax, net of federal benefit	-6.0%	-6.0%
Permanent differences	8.7%	0.0%
Increase in valuation allowance	31.9%	28.0%
Income tax provision (benefit)	0.6%	-12.0%

The benefit for income tax is summarized as follows:

	Year ended December 31,	
	2011	2010

Federal:		
Current	$ -	$ -
Deferred	(1,693,454)	(81,553)
State and local:		
Current	-	
Deferred	(298,845)	(14,392)
Change in valuation allowance	1,995,571	-
Income tax provision (benefit)	$ 3,272	$ (95,945)

The tax effects of temporary differences that give rise to the Company's net deferred tax liability as of December 31, 2011 and 2010 are as follows:

	Year ended December 31,	
	2011	2010
Deferred tax assets		
Net operating losses	$ 1,003,188	$ 274,138
Allowance for doubtful accounts	179,810	47,342
	1,182,998	321,480
Less: valuation allowance	(1,182,998)	(274,138)
	-	47,342
Deferred tax liability		
Depreciation	102,022	(146,092)
Total deferred tax liability	$ 102,022	$ (98,750)

As of December 31, 2011 and 2010, the Company had approximately $2,500,000 and $685,000 of federal and state net operating loss carryovers ("NOLs") which begin to expire in 2028. Utilization of the NOLs may be subject to limitation under the Internal Revenue Code Section 382 should there be a greater than 50% ownership change as determined under regulations. The change in ownership occurred of the Company that in June 2011 resulted in an annual limitation on the usage of the Company's pre-acquisition net operating loss carryforwards.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the assessment, management has established a full valuation allowance against all of the deferred tax asset relating to NOLs for every period because it is more likely than not that all of the deferred tax asset will not be realized.

The Company files U.S. federal and states of California tax returns that are subject to audit by tax authorities beginning with the year ended December 31, 2008.The Company's policy is to classify assessments, if any, for tax and related interest and penalties as tax expense. We do not currently have any ongoing tax examinations.

NOTE 11 – Concentrations

Approximately, 27% and 9% of the Company's sales for the year ended December 31, 2011 were made to two customers. These customers accounted for 30% and 11% of the Company's sales for the year ended December 31, 2010.

NOTE 12 – Contingencies

Employment Agreements

On June 30, 2011, the Company entered into three year executive employment agreements with three stockholders, Brian Keller, Christian Oertle and Daniel Fisher, to serve as our President, Chief Operating Officer and Executive Vice President, respectively. The agreements with Messrs. Keller and Fisher provide for annual salaries of $200,000 each and the agreement with Mr. Oertle provides for an annual salary of $150,000. Pursuant to the terms of the agreements, each of these stockholders is eligible to participate in the Company's long term incentive compensation programs and is entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board, subject to certain claw back rights. The agreements provide for payments of six months' severance in the event of early termination (other than for cause).

Leases

The Company leases its facilities under operating leases that expire at various dates. Total rent expense under these leases is recognized ratably over the initial renewal period of each lease. The following table presents future minimum lease commitments under non-cancelable operating leases at December 31, 2011:

2012	$ 466,414
2013	442,623
2014	442,623
2015	211,022
2016	63,481
Thereafter	-
	$1,626,163

Total rent and related expenses under operating leases were $411,551 and $403,669 for the years ended December 31, 2011, 2010 respectively. Operating lease obligations after 2011 relate primarily to office facilities

Litigation

We are not involved in any pending legal proceeding or litigation that we believe would have a material impact upon our business or results of operations.

Aphena Pharma Solutions – Maryland, LLC f/k/a Celeste Contract Packaging, LLC, v. BioZone Laboratories, Inc. and BioZone Pharmaceuticals, Inc. and Daniel Fisher, DISTRICT COURT FOR THE DISTRICT OF MARYLAND NORTHERN DIVISION Case 1:12-cv-00852-WDQ

An action was initiated recently against BioZone Labs, BioZone Pharma and a former officer and director in the United States District Court for the District of Maryland. The complaint in that matter, which was filed on March 19, 2012, alleges breach of contract and other commercial wrongdoing in connection with a single purchase order issued during early 2010 relating to the development of certain over the counter products to treat cough and cold symptoms. Although the complaint does not specify the amount of plaintiff's alleged monetary damages, plaintiff's payment associated with the purchase order was less than $190,000. Accordingly, although our investigation into the matter is still in its earliest stages, we do not believe it will have a material impact on our business. In addition, to the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party, which would reasonably be likely to have a material adverse effect on our business or results of operations.

BioZone Laboratories, Inc. v. ComputerShare Trust Co., N.A. and Cardium Therapeutics, Inc. District Court, State of Colorado, County of Jefferson, Case No. 2012CV406

The Company commenced the above action, by filing of a Summons and Complaint, on February 2, 2012 for declaratory relief, specific performance and monetary damages against Defendants ComputerShare Trust Co., N.A. ("ComputerShare") and Cardium Therepeutics, Inc. ("Cardium") (collectively, the "Defendants"). This action arises from, inter alia, the failure of ComputerShare, which was acting as an escrow agent in connection with the Company's purchase of Cardium stock, to deliver such stock to the Company as required by an Escrow Agreement entered into between the Company and Defendants. By Order, dated March 30, 2012, the Court dismissed this action on the ground that venuw was improper in Colorado.

NOTE 13 - Subsequent Events

On January 11, 2012, the Company sold an aggregate of 600,000 units (the "Units") with gross proceeds to the Company of $300,000. Each Unit was sold for a purchase price of $0.50 per Unit and consists of: (i) one share of Common Stock and (ii) a four-year warrant to purchase 300,000 shares of Common Stock purchased at an exercise price of $1.00 per share, subject to adjustment upon the occurrence of certain events. The warrants may be exercised on a cashless basis after twelve (12) months from the date of closing, if there is no effective registration statement covering the shares of Common Stock issuable upon exercise of the Warrant.

On January 25, 2012, the Company sold an aggregate of 700,000 units (the "Units") with gross proceeds to the Company of $350,000.

Each Unit was sold for a purchase price of $0.50 per Unit and consists of: (i) one share of Common Stock and (ii) a four-year warrant to purchase 350,000 shares of Common Stock at an exercise price of $1.00 per share, subject to adjustment upon the occurrence of certain events. The warrants may be exercised on a cashless basis after twelve (12) months from the date of closing, if there is no effective registration statement covering the shares of Common Stock issuable upon exercise of the Warrant.

On January 30, 2012, the Board of Directors of the Company removed Daniel Fisher from his position as the Company's Executive Vice President. Mr. Fisher resigned from his position as Director on February 3, 2012.

On February 24, 2012, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with a purchaser (the "Buyer") pursuant to which the Company sold (i) $1,700,000 of its 10% secured convertible promissory note (the "Note") due two years from the date of issuance (the "Maturity Date") and (ii) warrants (the "Warrants") to purchase 8,500,000 shares of the Company's common stock at an exercise price of $0.40 per share for gross proceeds to the Company of $1,700,000. On February 28, 2012 and February 29, 2012, the Company sold an additional $600,000 of its Notes and issued Warrants to purchase an additional 3,000,000 shares of the Company's common stock to additional Buyers for gross proceeds to the Company of $600,000.

The entire principal amount and any accrued and unpaid interest on the Notes shall be due and payable in cash on the Maturity Date. The Notes bear interest at the rate of 10% per annum. The Notes are convertible into shares of the Company's common stock at an initial conversion price of $0.20 per share, subject to adjustment. The Company may prepay any outstanding amount due under the Notes, in whole or in party, prior to the Maturity Date. The Notes are subject to certain "Events of Defaults" which could cause all amounts due and owing thereunder to become immediately due and payable. Among other things, the Company's failure to pay any accrued but unpaid interest when due, the failure to perform any obligation under the Transaction Documents (as defined herein) or if any representation or warranty made by the Company in connection with the Transaction Documents shall prove to have been incorrect in any material respect, shall constitute an Event of Default under the Transaction Documents.

The Warrant is immediately exercisable and expires ten years after the date of issuance. The Warrant has an initial exercise price of $0.40 per share. The Warrant is exercisable in cash or, while a registration statement covering the shares of Common Stock issuable upon exercise of the Warrant, or an exemption from registration, is not available, by way of a "cashless exercise".

The Company is prohibited from effecting a conversion of the Notes or exercise of the Warrants, to the extent that as a result of such conversion or exercise, the Buyer would beneficially own more than 4.99% (subject to waiver) in the aggregate of the issued and outstanding shares of the Company's common stock, calculated immediately after giving effect to the issuance of shares of common stock upon conversion of such Note or exercise of such Warrant, as the case may be.

In connection with the sale of the Notes and the Warrants, the Company and the collateral agent for the Buyers entered into a Pledge and Security Agreement (the "Security Agreement" and, collectively with the Securities Purchase Agreement, the Note and the Warrant, the "Transaction Documents") pursuant to which all of the Company's obligations under the Notes are secured by a first priority perfected security interest in all of the tangible and intangible assets of the Company, including all of its ownership interest in its subsidiaries.

On February 27, 2012, the Company issued warrants to purchase 1,000,000 shares of the Company's common stock at an exercise price of $0.60 per share to the former holders of the March 2011 Notes described in Note 6 – Convertible Notes Payable in connection with the repayment of those notes.

On March 1, 2012, the Company issued 455,000 shares of its common stock to certain individuals who previously purchased shares of the Company's common stock on November 3, 2011 at a purchase price of $1.00 per share.

On March 13, 2012, the "Company sold a 10% senior convertible promissory note (the "Note") to an accredited investor (the "Investor") for an aggregate purchase price of $1,000,000. The principal amount of the Note is payable in cash on such dates and in such amounts as set forth in the Note, based on the receipt of proceeds from sales to a certain vendor (the "Vendor Proceeds"). The last date of such scheduled payment shall be referred to as the "Final Maturity Date".

The Note bears interest at the rate of 10% per annum. The Company may prepay any outstanding amounts owing under the Note, in whole or in part, at any time prior to the Final Maturity Date. The entire remaining principal amount and all accrued but unpaid or unconverted interest thereof, shall be due and payable on the earliest of (1) the Final Maturity Date, (2) the consummation of a financing by the Company resulting in net proceeds equal to or greater than 1.5 times the remaining outstanding unconverted principal amount hereunder and (3) the occurrence of an Event of Default (as defined in the Note). The Note is convertible into shares of the Company's common stock at an initial conversion price of $1.50 per share.

The Company is prohibited from effecting a conversion of the Note, to the extent that as a result of such conversion, the Investor would beneficially own more than 4.99% (subject to waiver) in the aggregate of the issued and outstanding shares of the Company's common stock, calculated immediately after giving effect to the issuance of shares of common stock upon conversion of the Note.

All of the Company's obligations under the Note are secured by a first priority security interest in the Vendor Proceeds.

Certain holders of senior secured indebtedness of the Company agreed to subordinate their security interest in the Vendor Proceeds to the interest of the Investor under the Note.

BIOZONE PHARMECEUTICALS, INC.

8,345,310 Shares

Common Stock

PROSPECTUS

, 2012

PART II - INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuances and Distribution.

The following table sets forth the costs and expenses payable by us in connection with the issuance and distribution of the securities being registered. None of the following expenses are payable by the selling stockholder. All of the amounts shown are estimates, except for the SEC registration fee.

SEC registration fee	$	3,953.07
Legal fees and expenses	$	50,000
Accounting fees and expenses	$	25,000
Miscellaneous	$	15,000
TOTAL	$	93,953.07

Item 14. Indemnification of Directors and Officers.

Nevada Revised Statutes ("NRS") Sections 78.7502 and 78.751 provide us with the power to indemnify any of our directors and officers. The director or officer must have conducted himself/herself in good faith and reasonably believe that his/her conduct was in, or not opposed to, our best interests. In a criminal action, the director, officer, employee or agent must not have had reasonable cause to believe his/her conduct was unlawful.

Under NRS Section 78.751, advances for expenses may be made by agreement if the director or officer affirms in writing that he/she believes he/she has met the standards and will personally repay the expenses if it is determined such officer or director did not meet the standards.

Our Bylaws include an indemnification provision under which we have the power to indemnify our directors, officers, former directors and officers, or any person who serves or served at our request for our benefit as a director or officer of another corporation or our representative in a partnership, joint venture, trust, or other enterprise (including heirs and personal representatives) against all expenses, liability, and loss actually and reasonably incurred.

We also have a director and officer indemnification agreement with our Chairman that provides, among other things, for the indemnification to the fullest extent permitted or required by Nevada law, provided that such indemnity shall not be entitled to indemnification in connection with any "claim" (as such term is defined in the agreement) initiated by the indemnity against us or our directors or officers unless we join or consent to the initiation of such claim, or the purchase and sale of securities by the indemnity in violation of Section 16(b) of the Exchange Act.

Any repeal or modification of these provisions approved by our stockholders shall be prospective only, and shall not adversely affect any limitation on the liability of any of our directors or officers existing as of the time of such repeal or modification.

We are also permitted to apply for insurance on behalf of any director, officer, employee or other agent for liability arising out of his actions, whether or not the NRS would permit indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Our Amended and Restated Articles of Incorporation provides a limitation of liability such that no director or officer shall be personally liable to us or any of our stockholders for damages for breach of fiduciary duty as a director or officer, involving any act or omission of any such director or officer, provided there was no intentional misconduct, fraud or a knowing violation of the law, or payment of dividends in violation of NRS Section 78.300

Item 15. Recent Sales of Unregistered Securities.

On June 13, 2012, the Company sold 10% promissory notes to accredited investors for an aggregate purchase price of $200,000. The principal amount of the notes is payable in cash on the date that is the earlier of receipt by the Company of $500,000 or more from any source (other than sales in the ordinary course of business) or three months from the issuance date. The notes were issued to "accredited investors," as such term is defined in the Securities Act and were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

On April 18, 2012, the Company sold a 10% senior secured convertible promissory note to an accredited investor for a purchase price of $250,000. The principal amount of the Note is payable in cash on such dates and in such amounts as set forth in the Note, based on the receipt of proceeds from sales to a certain vendor (the "Vendor Proceeds"). August 7, 2012, the last date of such scheduled payment, is referred to as the "Final Maturity Date". The Company may prepay any outstanding amounts owing under the Note, in whole or in part, at any time prior to the Final Maturity Date. The entire remaining principal amount and all accrued but unpaid or unconverted interest thereof, is due and payable on the earliest of (1) the Final Maturity Date, (2) the consummation of a financing by the Company resulting in net proceeds equal to or greater than 1.5 times the remaining outstanding unconverted principal amount thereunder or (3) the occurrence of an event of default (as defined in the Note). The note is convertible into shares of the Company's common stock at an initial conversion price of $1.50 per share. The Company is prohibited from effecting a conversion of the Note, to the extent that as a result of such conversion, the investor would beneficially own more than 4.99% (subject to waiver) in the aggregate of the issued and outstanding shares of the

Company's common stock, calculated immediately after giving effect to the issuance of shares of common stock upon conversion of the Note. All of the Company's obligations under the Note are secured by a first priority security interest in the Vendor Proceeds. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On March 13, 2012, we sold a 10% senior convertible promissory note to an accredited investor for an aggregate purchase price of $1,000,000. The principal amount of the note is payable in cash on such dates and in such amounts as set forth in the Note, based on the receipt of proceeds from sales to a certain vendor (the "Vendor Proceeds"). July 7, 2012, the last date of such scheduled payment, is referred to as the "Final Maturity Date". The Company may prepay any outstanding amounts owing under the Note, in whole or in part, at any time prior to the Final Maturity Date. The entire remaining principal amount and all accrued but unpaid or unconverted interest thereof, shall be due and payable on the earliest of (1) the Final Maturity Date, (2) the consummation of a financing by the Company resulting in net proceeds equal to or greater than 1.5 times the remaining outstanding unconverted principal amount hereunder and (3) the occurrence of an Event of Default (as defined in the Note). The Note is convertible into shares of the Company's common stock at an initial conversion price of $1.50 per share. All of the Company's obligations under the Note are secured by a first priority security interest in the Vendor Proceeds. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On March 1, 2012, we issued 455,000 shares of its common stock to certain individuals at a purchase price of $1.00 per share. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On February 24, 2012, we entered into a securities purchase agreement with Opko Health, Inc., pursuant to which we sold (i) a $1,700,000 10% secured convertible promissory note due two years from the date of issuance and (ii) ten year warrants to purchase 8,500,000 shares of our common stock at an exercise price of $0.40 per share for gross proceeds to us of $1,700,000. The warrants may be exercised on a cashless basis commencing on the issue date. Dr. Philip Frost, the trustee of the Frost Gamma Investments Trust, a holder of 6.07% of our issued and outstanding common stock, is the Chairman and Chief Executive Officer of Opko Health, Inc. On February 28, 2012 and February 29, 2012, we sold an additional $600,000 of notes and issued warrants on the same terms to purchase an additional 3,000,000 shares of our common stock to additional buyers for gross proceeds to us of $600,000. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On February 27, 2012, we issued four year warrants to purchase 1,000,000 shares of our common stock at an exercise price of $0.60 per share to the former holders of the March 2011 Notes described in Note 6 – Convertible Notes Payable in connection with the repayment of those notes. The transaction did not involve any underwriters, underwriting discounts or commissions of any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On January 25, 2012, we sold an aggregate of 700,000 units of our securities for gross proceeds of $350,000. Each unit was sold for a purchase price of $0.50 per unit and consists of: (i) one share of common stock and (ii) a four-year warrant to purchase fifty (50%) percent of the number of shares of common stock purchased at an exercise price of $1.00 per share, subject to adjustment upon the occurrence of certain events. The warrants may be exercised on a cashless basis after twelve months from the date of closing, if there is no effective registration statement covering the shares of common stock issuable upon exercise of the warrant. We granted the investors "piggy-back" registration rights with respect to the shares of common stock underlying the units and the shares of common stock underlying the warrants, for a period of twelve months from the date of closing. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On January 11, 2012, we sold an aggregate of 600,000 units with gross proceeds to the Company of $300,000. Each unit was sold for a purchase price of $0.50 per unit and consists of: (i) one share of common stock and (ii) a four-year warrant to purchase fifty (50%) percent of the number of shares of common stock purchased at an exercise price of $1.00 per share, subject to adjustment upon the occurrence of certain events. The warrants may be exercised on a cashless basis after twelve (12) months from the date of closing, if there is no effective registration statement covering the shares of common stock issuable upon exercise of the Warrant. The Company granted the investors "piggy-back" registration rights with respect to the shares of common stock underlying the units and the shares of common stock underlying the warrants, for a period of twelve months from the date of closing. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 30, 2011, we issued 500,000 shares of common stock at a purchase price of $0.50 per share pursuant to a subscription agreement. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 30, 2011, we issued 1,018,356 shares of common stock upon conversion of the principal and all of the interest due on a certain convertible promissory note issued on September 22, 2011. We also issued the holder a five year warrant to purchase 500,000 shares of common stock at an exercise price of $1.00 per share. The shares and warrants were issued to an "accredited investor" in a transaction that did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 3, 2011, we issued 455,000 shares of common stock at a purchase price of $1.00 per share pursuant to subscription agreements entered into on October 31, 2011 and November 1, 2011. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On October 28, 2011, we issued an aggregate of 112,500 shares of our common stock to the holders of the notes issued in March 2011, in consideration for the extension of the maturity dates of such Notes. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On September 22, 2011, we issued a 10% convertible promissory note with a principal amount of $500,000 due on March 22, 2012 and a five year warrant to purchase certain securities of the Company in a Target Transaction Financing (defined as "a private placement of the Company's securities yielding gross proceeds to the Company of at least $8,000,000"). The warrant has an exercise price equal to the lower of (x) $1.80 or (y) 120% of the price that the Company's securities will be sold in a Target Transaction Financing. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On September 21, 2011, we issued 13,914 shares of common stock to Aero Pharmaceuticals, Inc., due to the delay in filing the Company's Registration Statement on Form S-1, as required by the Asset Purchase Agreement between the Company and Aero Pharmaceuticals, Inc. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 7, 2011, we issued 500,000 shares of our common stock to a consultant in exchange for strategic corporate advisory services. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On June 30, 2011, we issued an aggregate of (i) 19,266,055 shares of our common stock to the shareholders of BioZone Labs in consideration for 100% of the issued and outstanding shares of common stock of BioZone Labs; (ii) 1,027,523 shares of our common stock to the members of Equalan in consideration for 100% of the outstanding membership interests of Equalan; (iii) 385,321 shares of our common stock to the members of Equachem in consideration for 100% of the outstanding membership interests of Equachem; and 321,101 shares of our common stock to the members of BetaZone in consideration for 45% of the outstanding membership interests of BetaZone. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On May 16, 2011, the Company issued 7,724,000 shares of our restricted common stock to Aero and assumed Aero's liabilities in connection with the acquisition and agreed to issue additional shares on the basis of one share for (A) each dollar of current assets transferred to the Company at the closing, as set forth on the closing date balance sheet of Aero, to be delivered following the closing, and (B) each dollar of costs incurred for liquidation, certain income taxes and perfected or settled dissenters' rights of appraisal, up to a maximum of an additional 7,500,000 shares. Pursuant to the foregoing, the Company issued an additional 607,396 shares. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On March 29, 2011, we issued 10% secured convertible promissory notes in the aggregate principal sum of $2,250,000, due on September 29, 2011 (unless accelerated as described below) and five year warrants to purchase certain securities of the Company in the Target Transaction (which is defined as a transaction pursuant to which the Company will acquire one or more businesses or companies approved by the holders), pursuant to a Securities Purchase Agreement Financing entered into on February 22, 2011. The notes have an aggregate principal amount of $2,250,000 and mature on the earlier of September 29, 2011 or the closing date of the Target Transaction Financing (such earlier date, the "Maturity Date"). The entire principal amount and any accrued and unpaid interest shall be due and payable in cash on the Maturity Date. The notes bear interest at the rate of 10% per annum. The principal and interest will not be prepaid except in connection with the consummation of the Target Transaction Financing, in which case the holder may elect either to (i) convert all of the principal and accrued and unpaid interest then outstanding into the securities offered in the Target Transaction Financing at a price per share or unit, as the case may be, equal to 80% of the price at which such securities are sold or (ii) require the Company to repay the principal amount then outstanding and any accrued and unpaid interest in cash. In the event that the note is not prepaid or converted prior to September 29, 2011, the Company shall pay to the holders (in the aggregate) a penalty fee equal to: (i) the principal amount of the note divided by (ii) $2,000,000 and multiplied by (iii) $100,000. In the event that the Target Transaction has not closed on or prior to September 29, 2011, the Company shall pay to the holder 150% of any portion of the principal amount then outstanding plus all accrued and unpaid interest thereon. The warrants have an exercise price of 120% of the price that the Company's securities will be sold in a Target Transaction. The notes and warrants were issued to accredited investors in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of and Rule 506 promulgated thereunder. In March 2012, we repaid in full all of the outstanding principal and accrued interest due with respect to the notes. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On March 1, 2011, we issued 1,000,000 shares of our common stock to Roberto Prego-Novo Jr., the adult son of our Chairman, in consideration for $30,000. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

In June 2007 we issued 529,800 shares of our common stock for $0.25 per share for gross proceeds of $132,450. In March 2007, we issued 240,000 shares of our common stock to repay certain loans in the amount of $60,000. The shares were issued were issued in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act and Rule 506 promulgated thereunder.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated by reference herein.

(b) Financial Statement Schedules.

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement on Form S-1/A to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Englewood Cliffs, State of New Jersey, on the 2nd day of July 2012.

BIOZONE PHARMECEUTICALS, INC.
(Registrant)

By: /s/ Elliot Maza
Name: Elliot Maza
Title: Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

In accordance with the requirements of the Securities Act of 1933, this registration statement was signed by the following persons in the capacities and on the dates stated.

SIGNATURE	TITLE	DATE
/s/ Elliot Maza Elliot Maza	Chief Executive Officer and Chief Financial Officer	July 2, 2012
* Roberto Prego-Novo	Chairman of the Board of Directors	July 2, 2012
* Brian Keller	President, Chief Scientific Officer and Director	July 2, 2012

* Executed on July 2, 2012 by Elliot Maza as attorney-in-fact under power of attorney granted in the Registration Statement previously filed on September 21, 2011.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Articles of Incorporation (1)
3.2	Certificate of Amendment to Articles of Incorporation (1)
3.3	Certificate of Amendment to Articles of Incorporation (2)
3.4	Bylaws (1)
5.1	Opinion of Sichenzia Ross Friedman Ference LLP*
10.1	Asset Purchase Agreement, dated as of May 16, 2011, by and among the Company, Baker Cummins Corp. and Aero Pharmaceuticals, Inc.(4)
10.2	Assignment and Assumption Agreement, dated May 16, 2011, by and among the Company, Baker Cummins Corp. and Aero Pharmaceuticals, Inc. (4)
10.3	Bill of Sale, dated as of May 16, 2011, made and delivered by Aero Pharmaceuticals, Inc., to Baker Cummins Corp. (4)
10.4	Securities Purchase Agreement, dated as of February 28, 2011. (3)
10.5	Form of Secured Convertible Promissory Note (3)
10.6	Form of Warrant (3)
10.7	Form of Registration Rights Agreement (3)
10.8	Pledge and Security Agreement (3)
10.9	Non-Recourse Principal Stockholder Stock Pledge Agreement (3)
10.10	Director and Officer Indemnification Agreement (3)
10.11	Amendment No.1 to Asset Purchase Agreement dated as of April 25, 2011 by and between Aero Pharmaceuticals, Inc. and Teva Respiratory, LLC(4)
10.12	Form of LLC Membership Interest Purchase Agreement (Equalan LLC) (5)
10.13	Form of Stock Purchase Agreement (BioZone Laboratories Inc.) (5)
10.14	Form of LLC Membership Interest Purchase Agreement (Equachem LLC) (5)
10.15	Form of LLC Membership Interest Purchase Agreement (Betazone LLC) (5)
10.16	Form of Lockup Agreement (5)
10.17	Stock Option Agreement between Brian Keller and Opko Health, Inc. (5)
10.18	Stock Option Agreement between Daniel Fisher and Opko Health, Inc. (5)
10.19	Employment Agreement between the Company and Brian Keller (5)
10.20	Employment Agreement between the Company and Daniel Fisher (5)
10.21	Employment Agreement between the Company and Christian Oertle (5)
10.22	License Agreement (5)
10.23	Amendment No. 1 to License Agreement (5)
10.24	Amendment No. 2 to License Agreement (5)
10.25	Form of Securities Purchase Agreement (6)
10.26	Form of Convertible Promissory Note (6)
10.27	Form of Warrant (6)

10.28	Form of Registration Rights (6)
10.29	Form of Note Extension Agreement (7)
10.30	Form of Subscription Agreement (8)
10.31	Form of Subscription Agreement (9)
10.32	Form of Subscription Agreement (11)
10.33	Form of Warrant (11)
10.34	Form of Subscription Agreement (12)
10.35	Form of Warrant (12)
10.36	Form of Security and Stock Pledge Agreement (12)
10.37	Form of Note (13)
10.38	Form of Note (14)
10.39	Stock Purchase Agreement *
10.40	Qusome Patent Assignment*
10.41	Sugar Lipid License*
10.42	Pure PEG-Lipid Patent Assignment*
10.43	Property Lease with 580 Garcia Properties LLC*
10.44	Opko Distribution Agreement*
10.45	Opko License Agreement*
10.46	Supply Agreement (redacted)*
10.47	Form of LLC Membership Interest Purchase Agreement with exhibits (Equalan LLC)*
10.48	Form of Stock Purchase Agreement (BioZone Laboratories Inc.) with exhibits*
10.49	Form of LLC Membership Interest Purchase Agreement (Equachem LLC) with exhibits*
10.50	Form of LLC Membership Interest Purchase Agreement (Betazone LLC) with exhibits*
10.51	Promissory Note dated September 10, 2001*
10.52	Promissory Note dated September 1, 2002*
10.53	Promissory Note dated September 30, 2005*
10.54	Promissory Note dated December 31, 2008*
10.55	Promissory Note dated January 7, 2010*
10.56	Promissory Note dated April 8, 2010*
10.57	Promissory Note dated May 19, 2010*
10.58	Form of Purchase Order*
10.59	Amendment No. 2 to Betazone License Agreement*
10.60	Promissory Note*
21	List of Subsidiaries (4)
23.1	Consent of Paritz & Company PA*
23.2	Consent of Sichenzia Ross Friedman Ference LLP (included in Exhibit 5.1)*

24.1 Power of Attorney (10)

* Filed herewith
** Confidential treatment has been requested for this exhibit and confidential portions have been filed with the SEC

(1) Incorporated by reference to the Company's Registration Statement on Form SB-2, filed with the SEC on September 20, 2007.

(2) Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the SEC on March 4, 2011.

(3) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on March 1, 2011.

(4) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on May 19, 2011.

(5) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on July 7, 2011.

(6) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on September 27, 2011

(7) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on October 28, 2011

(8) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on October 31, 2011

(9) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on December 7, 2011

(10) Included on the signature page hereto

(11) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on January 13, 2012

(12) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on March 1, 2012

(13) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on March 16, 2012

(14) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on April 23, 2012

SICHENZIA ROSS FRIEDMAN FERENCE LLP
61 Broadway, 32 nd Floor
New York, NY 10006
Telephone: (212) 930-9700
Facsimile: (212) 930-9725

July 2, 2012

VIA ELECTRONIC TRANSMISSION

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

RE: Biozone Pharmaceuticals, Inc.
Form S-1Registration Statement (File No. 333-176951)

Ladies and Gentlemen:

We refer to the above-captioned registration statement on Form S-1 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), filed by Biozone Pharmaceuticals, Inc., a Nevada corporation (the "Company"), with the Securities and Exchange Commission.

We have examined the originals, photocopies, certified copies or other evidence of such records of the Company, certificates of officers of the Company and public officials, and other documents as we have deemed relevant and necessary as a basis for the opinion hereinafter expressed. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as certified copies or photocopies and the authenticity of the originals of such latter documents.

Based on our examination mentioned above, we are of the opinion that the securities being sold pursuant to the Registration Statement are duly authorized, legally and validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to our firm under "Legal Matters" in the related Prospectus. In giving the foregoing consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Act, or the rules and regulations of the Securities and Exchange Commission.

/s/ Sichenzia Ross Friedman Ference LLP

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement"), dated as of December 29, 2011, is made by and among Biozone Pharmaceuticals, Inc., a Nevada corporation ("Seller"), Global Property Corp., a Nevada corporation ("Buyer") and ISR Investments LLC, a Nevada limited liability company ("ISR"), Eduardo Biancardi, an individual and Timothy Neely, an individual (ISR, Mr. Biancardi and Mr. Neely, the "Stockholders" and, together with Buyer, the "Buyer Parties").

RECITALS

A. Seller owns 55% of the issued and outstanding shares of capital stock (the "Shares") of ISR de Mexico, S. de R. L. de C.V., a Mexican corporation (the "Company").

B. The Stockholders hold an aggregate of 13,948,001 shares of common stock, $0.001 par value per share, of Seller (the "Purchase Price Shares"), and the Stockholders have agreed to transfer such shares back to Seller for cancellation (the "Repurchase").

C. In connection with the Repurchase, Buyer wishes to acquire from Seller, and Seller wishes to transfer to Buyer, the Shares, upon the terms and subject to the conditions set forth herein.

Accordingly, the parties hereto agree as follows:

1. Purchase and Sale of Stock.

(a) Purchased Shares. Subject to the terms and conditions provided below, Seller shall sell and transfer to Buyer and Buyer shall purchase from Seller, on the Closing Date (as defined in Section 1(c)), all of the Shares.

(b) Purchase Price. The purchase price for the Shares shall be the transfer and delivery by the Stockholders to Seller of the Purchase Price Shares, deliverable as provided in Section 2(b).

(c) Closing. The closing of the transactions contemplated in this Agreement (the "Closing") shall take place as soon as practicable following the execution of this Agreement. The date on which the Closing occurs shall be referred to herein as the Closing Date (the "Closing Date").

2. Closing.

(a) Transfer of Shares. At the Closing, Seller shall deliver to Buyer certificates representing the Shares, duly endorsed to Buyer or as directed by Buyer, which delivery shall vest Buyer with good and marketable title to all of the issued and outstanding shares of capital stock of the Company, free and clear of all liens and encumbrances.

(b) Payment of Purchase Price. At the Closing, the Stockholders shall deliver to Seller a certificate or certificates representing the Purchase Price Shares duly endorsed to Seller, which delivery shall vest Seller with good and marketable title to the Purchase Price Shares, free and clear of all liens and encumbrances.

3. Representations and Warranties of Seller. Seller represents and warrants to Buyer Parties as of the date hereof as follows:

(a) Corporate Authorization; Enforceability . The execution, delivery and performance by Seller of this Agreement is within the corporate powers and has been, duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) Governmental Authorization. The execution, delivery and performance by Seller of this Agreement requires no consent, approval, Order, authorization or action by or in respect of, or filing with, any Governmental Authority.

(c) Non-Contravention; Consents. The execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby do not (i) violate the certificate of incorporation or bylaws of Seller or (ii) violate any applicable Law or Order.

(d) Capitalization. As of the date hereof, Seller owns the Shares, which shares represent 55% of the issued and outstanding capital stock of the Company. The Shares are duly authorized, validly issued, fully-paid, non-assessable and free and clear of any Liens.

. Representations and Warranties of Buyer Parties. Buyer Parties, jointly and severally, represent and warrant to Seller as of the date hereof as follows:

(a) Enforceability. The execution, delivery and performance by Buyer Parties of this Agreement are within Buyer Parties' powers. This Agreement has been duly executed and delivered by Buyer Parties and constitutes the valid and binding agreement of Buyer Parties, enforceable against Buyer Parties in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) Governmental Authorization. The execution, delivery and performance by Buyer Parties of this Agreement require no consent, approval, Order, authorization or action by or in respect of, or filing with, any Governmental Authority.

(c) Non-Contravention; Consents. The execution, delivery and performance by Buyer Parties of this Agreement, and the consummation of the transactions contemplated hereby do not violate any applicable Law or Order.

(d) Purchase for Investment. Buyer is financially able to bear the economic risks of acquiring an interest in the Company and the other transactions contemplated hereby, and has no need for liquidity in this investment. Buyer has such knowledge and experience in financial and business matters in general, and with respect to businesses of a nature similar to the business of the Company, so as to be capable of evaluating the merits and risks of, and making an informed business decision with regard to, the acquisition of the Shares. Buyer is acquiring the Shares solely for its own account and not with a view to or for resale in connection with any distribution or public offering thereof, within the meaning of any applicable securities laws and regulations, unless such distribution or offering is registered under the Securities Act of 1933, as amended (the "Securities Act"), or an exemption from such registration is available. Buyer has (i) received all the information it has deemed necessary to make an informed investment decision with respect to the acquisition of the Shares, (ii) had an opportunity to make such investigation as it has desired pertaining to the Company and the acquisition of an interest therein, and to verify the information which is, and has been, made available to it and (iii) had the opportunity to ask questions of Seller concerning the Company. Buyer has received no public solicitation or advertisement with respect to the offer or sale of the Shares. Buyer realizes that the Shares are "restricted securities" as that term is defined in Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act, the resale of the Shares is restricted by federal and state securities laws and, accordingly, the Shares must be held indefinitely unless their resale is subsequently registered under the Securities Act or an exemption from such registration is available for their resale. Buyer understands that any resale of the Shares by it must be registered under the Securities Act (and any applicable state securities law) or be effected in circumstances that, in the opinion of counsel for the Company at the time, create an exemption or otherwise do not require registration under the Securities Act (or applicable state securities laws). Buyer acknowledges and consents that certificates now or hereafter issued for the Shares will bear a legend substantially as follows:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS (THE "STATE ACTS"), HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND QUALIFICATION UNDER THE STATE ACTS OR PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS (INCLUDING, IN THE CASE OF THE SECURITIES ACT, THE EXEMPTIONS AFFORDED BY SECTION 4(1) OF THE SECURITIES ACT AND RULE 144 THEREUNDER). AS A PRECONDITION TO ANY SUCH TRANSFER, THE ISSUER OF THESE SECURITIES SHALL BE FURNISHED WITH AN OPINION OF COUNSEL OPINING AS TO THE AVAILABILITY OF EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION AND/OR SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY THERETO THAT ANY SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES LAWS.

Buyer understands that the Shares are being sold to it pursuant to the exemption from registration contained in Section 4(1) of the Securities Act and that Seller is relying upon the representations made herein as one of the bases for claiming the Section 4(1) exemption.

(e) Liabilities. Following the Closing, Seller will have no debts, liabilities or obligations relating to the Company or its business or activities, whether before or after the Closing, and there are no outstanding guaranties, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by Seller directly or indirectly in relation to the Company or its business and that may survive the Closing.

(f) Title to Purchase Price Shares. The Stockholders are the sole record and beneficial owners of their respective Purchase Price Shares. At Closing, the Stockholders will have good and marketable title to the Purchase Price Shares, which Purchase Price Shares are, and at the Closing will be, free and clear of all options, warrants, pledges, claims, liens and encumbrances, and any restrictions or limitations prohibiting or restricting transfer to Seller, except for restrictions on transfer as contemplated by applicable securities laws.

5. Indemnification and Release.

(a) Indemnification. Buyer Parties covenant and agree to jointly and severally indemnify, defend, protect and hold harmless Seller, and its officers, directors, employees, stockholders, agents, representatives and affiliates (collectively, together with Seller, the "Seller Indemnified Parties") at all times from and after the date of this Agreement from and against all losses, liabilities, damages, claims, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation), whether or not involving a third party claim (collectively, "Losses"), incurred by any Seller Indemnified Party as a result of or arising from (i) any breach of the representations and warranties of Buyer Parties set forth herein or in certificates delivered in connection herewith, (ii) any breach or nonfulfillment of any covenant or agreement on the part of Buyer Parties under this Agreement, (iii) any debt, liability or obligation of the Company, whether incurred or arising prior to the date hereof or after, (iv) any debt, liability or obligation of Seller for actions taken prior to February 24, 2011, including without limitation, any amounts due to or owing to any former officer, director or Affiliate of Seller or to attorneys, accountants, and advisors prior to February 24, 2011, or (v) the conduct and operations of the business of the Company before the Closing, (vi) claims asserted against the Company whether arising before or after the Closing, or (vii) any federal or state income tax payable by Seller and attributable to the transaction contemplated by this Agreement or activities prior to February 24, 2011, or with respect to the Company.

(b) Third Party Claims.

(i) If any claim or liability (a "Third-Party Claim") should be asserted against any of the Seller Indemnified Parties (the "Indemnitee") by a third party after the Closing for which Buyer Parties have an indemnification obligation under the terms of Section 5(a), then the Indemnitee shall notify Buyer Parties (the "Indemnitor") within 20 days after the Third-Party Claim is asserted by a third party (said notification being referred to as a "Claim Notice") and give the Indemnitor a reasonable opportunity to take part in any examination of the books and records of the Indemnitee relating to such Third-Party Claim and to assume the defense of such Third-Party Claim and in connection therewith and to conduct any proceedings or negotiations relating thereto and necessary or appropriate to defend the Indemnitee and/or settle the Third-Party Claim. The expenses (including reasonable attorneys' fees) of all negotiations, proceedings, contests, lawsuits or settlements with respect to any Third-Party Claim shall be borne by the Indemnitor. If the Indemnitor agrees to assume the defense of any Third-Party Claim in writing within 20 days after the Claim Notice of such Third-Party Claim has been delivered, through counsel reasonably satisfactory to Indemnitee, then the Indemnitor shall be entitled to control the conduct of such defense, and shall be responsible for any expenses of the Indemnitee in connection with the defense of such Third-Party Claim so long as the Indemnitor continues such defense until the final resolution of such Third-Party Claim. The Indemnitor shall be responsible for paying all settlements made or judgments entered with respect to any Third-Party Claim the defense of which has been assumed by the Indemnitor. Except as provided in subsection (ii) below, both the Indemnitor and the Indemnitee must approve any settlement of a Third-Party Claim. A failure by the Indemnitee to timely give the Claim Notice shall not excuse Indemnitor from any indemnification liability except only to the extent that the Indemnitor is materially and adversely prejudiced by such failure.

(ii) If the Indemnitor shall not agree to assume the defense of any Third-Party Claim in writing within 20 days after the Claim Notice of such Third-Party Claim has been delivered, or shall fail to continue such defense until the final resolution of such Third-Party Claim, then the Indemnitee may defend against such Third-Party Claim in such manner as it may deem appropriate and the Indemnitee may settle such Third-Party Claim, in its sole discretion, on such terms as it may deem appropriate. The Indemnitor shall promptly reimburse the Indemnitee for the amount of all settlement payments and expenses, legal and otherwise, incurred by the Indemnitee in connection with the defense or settlement of such Third-Party Claim. If no settlement of such Third-Party Claim is made, then the Indemnitor shall satisfy any judgment rendered with respect to such Third-Party Claim before the Indemnitee is required to do so, and pay all expenses, legal or otherwise, incurred by the Indemnitee in the defense against such Third-Party Claim.

(c) Non-Third-Party Claims. Upon discovery of any claim for which Buyer Parties have an indemnification obligation under the terms of this Section 5 which does not involve a claim by a third party against the Indemnitee, the Indemnitee shall give prompt notice to Buyer Parties of such claim and, in any case, shall give Buyer Parties such notice within 30 days of such discovery. A failure by Indemnitee to timely give the foregoing notice to Buyer Parties shall not excuse Buyer Parties from any indemnification liability except to the extent that Buyer Parties are materially and adversely prejudiced by such failure.

(d) Release by Buyer Parties. Buyer Parties, on behalf of themselves and their Related Parties, hereby release and forever discharge Seller and its individual, joint or mutual, past and present representatives, Affiliates, officers, directors, employees, agents, attorneys, stockholders, controlling persons, subsidiaries, successors and assigns (individually, a "Releasee" and collectively, "Releasees") from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which Buyer Parties or any of their Related Parties now have or have ever had against any Releasee. Buyer Parties hereby irrevocably covenant to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any Releasee, based upon any matter released hereby. "Related Parties" shall mean, with respect to Buyer Parties, (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with Buyer Parties, (ii) any Person in which Buyer Parties hold a Material Interest or (iii) any Person with respect to which any Buyer Party serves as a general partner or a trustee (or in a similar capacity). For purposes of this definition, "Material Interest" shall mean direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of voting securities or other voting interests representing at least ten percent (10%) of the outstanding voting power of a Person or equity securities or other equity interests representing at least ten percent (10%) of the outstanding equity securities or equity interests in a Person.

6. Definitions. As used in this Agreement:

(a) "Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with the first Person. For the purposes of this definition, "Control," when used with respect to any Person, means the possession, directly or indirectly, of the power to (i) vote 10% or more of the securities having ordinary voting power for the election of directors (or comparable positions) of such Person or (ii) direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing;

(b) "Governmental Authority" means any domestic or foreign governmental or regulatory authority;

(c) "Law" means any federal, state or local statute, law, rule, regulation, ordinance, code, Permit, license, policy or rule of common law;

(d) "Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset. For purposes of this Agreement, a Person will be deemed to own, subject to a Lien, any property or asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset;

(e) "Order" means any judgment, injunction, judicial or administrative order or decree;

(f) "Permit" means any government or regulatory license, authorization, permit, franchise, consent or approval; and

(g) "Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

7. Miscellaneous.

(a) Counterparts. This Agreement may be signed in any number of counterparts, each of which will be deemed an original but all of which together shall constitute one and the same instrument.

(b) Amendments and Waivers.

(i) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(ii) No failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by Law.

(c) Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer (including by operation of Law) any of its rights or obligations under this Agreement without the consent of each other party hereto.

(d) No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns and nothing herein expressed or implied will give or be construed to give to any Person, other than the parties hereto, those referenced in Section 5 above, and such permitted successors and assigns, any legal or equitable rights hereunder.

(e) Governing Law. This Agreement will be governed by, and construed in accordance with, the internal substantive law of the State of New York.

(f) Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

(g) Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter of this Agreement. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof of this Agreement.

(h) Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the remainder of the provisions of this Agreement (or the application of such provision in other jurisdictions or to Persons or circumstances other than those to which it was held invalid, illegal or unenforceable) will in no way be affected, impaired or invalidated, and to the extent permitted by applicable Law, any such provision will be restricted in applicability or reformed to the minimum extent required for such provision to be enforceable. This provision will be interpreted and enforced to give effect to the original written intent of the parties prior to the determination of such invalidity or unenforceability.

(i) Notices. Any notice, request or other communication hereunder shall be given in writing and shall be served either personally, by overnight delivery or delivered by mail, certified return receipt and addressed to the following addresses:

If to Buyer:

Global Property Corp.
_____
_____
Attention of _____
Tel: _____
Fax: _____

If to ISR Investments LLC:

_____
_____
Tel: _____
Fax: _____

If to Eduardo Biancardi:

_____
_____
Tel: _____
Fax: _____

If to Timothy Neely:

_____
_____
Tel: _____
Fax: _____

If to Seller:

Biozone Pharmaceuticals, Inc.
4400 Biscayne Boulevard
Miami, FL 33137
Attention of CEO

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
Attention of Harvey Kesner, Esq.
Tel: (212) 930-9700
Fax: (212) 930-9725

[Signature Page Follows]

[SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered, effective as of the date first above written.

Biozone Pharmaceuticals, Inc.

By: _____
Name: Elliot Maza
Title: Chief Executive Officer

Global Property Corp.

By: _____
Name:
Title:

ISR Investments LLC

By: _____
Name:
Title:

Eduardo Biancardi

_____

Timothy Neely

_____

US007150883B2

(12) **United States Patent**
Keller et al.

(10) **Patent No.: US 7,150,883 B2**
(45) **Date of Patent: *Dec. 19, 2006**

(54) **SELF FORMING, THERMODYNAMICALLY STABLE LIPOSOMES AND THEIR APPLICATIONS**

(75) Inventors: **Brian Charles Keller**, Antioch, CA (US); **Dan D. Lasic**, deceased, late of Fremont, CA (US); by **Alenka Lasic**, legal representative, Fremont, CA (US)

(73) Assignee: **BioZone Laboratories, Inc.**, Pittsburg, CA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: **11/178,001**

(22) Filed: **Jul. 8, 2005**

(65) **Prior Publication Data**

US 2005/0249797 A1 Nov. 10, 2005

Related U.S. Application Data

(63) Continuation of application No. 10/262,284, filed on Sep. 30, 2002, now Pat. No. 6,958,160, which is a continuation of application No. 09/745,292, filed on Dec. 20, 2000, now Pat. No. 6,610,322.

(51) **Int. Cl.**
A61K 9/127 (2006.01)

(52) **U.S. Cl.** **424/450**; 428/402.2

(58) **Field of Classification Search** 424/450, 424/1.21, 9.321, 9.51, 417
See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

5,225,212	A	7/1993	Martin et al.	
5,358,714	A *	10/1994	Green	424/400
5,415,869	A *	5/1995	Straubinger et al.	424/450
5,720,973	A	2/1998	Rosenberg et al.	
5,741,515	A	4/1998	Ciceri et al.	
5,807,573	A *	9/1998	Ljusberg-Wahren et al.	424/450
5,859,228	A	1/1999	Janjic et al.	
5,912,272	A	6/1999	Hoppe et al.	
6,110,492	A *	8/2000	Alving et al.	424/450
6,610,322	B1 *	8/2003	Keller et al.	424/450
6,734,171	B1 *	5/2004	Saravolac et al.	514/44
6,958,160	B1 *	10/2005	Keller et al.	424/450

FOREIGN PATENT DOCUMENTS

EP	0 211 647	8/1985
EP	0 707 847	10/1994
JP	2000247868	9/2000
WO	94/19019	2/1993

OTHER PUBLICATIONS

International Search Report, BIOZ-0001PCT, International Application PCT/US 01/50118, mailed Nov. 7, 2002.

* cited by examiner

Primary Examiner—Gollamudi S. Kishore
(74) *Attorney, Agent, or Firm*—Thelen Reid & Priest LLP; Lee M. Pederson

(57) **ABSTRACT**

A lipid composition forms liposomes spontaneously upon mixing with an aqueous solution. The lipid composition includes diacylglycerol-PEG compounds. Such lipid compositions are useful for forming liposomes, which in turn are useful for a variety of purposes, including the delivery of therapeutic agents.

5 Claims, 5 Drawing Sheets

LICENSE AGREEMENT

This License Agreement is entered into between Dr. Nian Wu ("Dr. Wu") and BioZone Pharmaceuticals, Inc., a Nevada corporation with a principle place of business at 4400 Biscayne Blvd., Suite 850, Miami, FL ("BioZone") and is effective as of the last date signed below.

Whereas Dr. Wu has invented drug delivery compounds and technologies described in United States provision patent application 61/440,488 entitled "Polymer-Carbohydrate-Lipid Conjugates" and filed on February 8, 2011; and in United States non provisional patent application (application number is not available at the present time) entitled "Polymer-Carbohydrate-Lipid Conjugates" and filed on January 20, 2012 ("Sugar Lipid Technology");

Whereas Dr. Wu has a close relationship with BioZone, including a substantial ownership position; and

Whereas BioZone desires to have access to the Sugar Lipid Technology for a potential commercial formulation of Propofol;

Whereas BioZone intends to enter into a sublicense agreement with OPKO Health Inc. whereby BioZone will grant certain rights in a commercial formulation of Propofol utilizing the Sugar Lipid Technology;

Therefore the parties agree as follows:

1. Dr. Wu grants BioZone an exclusive royalty-free non-transferable license, including the right to sublicense, to the Sugar Lipid Technology, including licenses under the US patent applications described above and all claiming aspects of this Sugar Lipid Technology in the field of Propofol formulations.

2. The parties shall share costs on patent prosecutions and cooperate and enforcement matters according to the commercial interests of the parties.

3. BioZone shall provide sufficient funding to support the development of a potential commercial formulation of Propofol using the Sugar Lipid Technology.

4. BioZone shall ensure that the license agreement with OPKO Health Inc. provides for a 50/50 profits sharing arrangement.

Signature page follows

This License Agreement shall have an effective date of February 13, 2012.

Dr. Nian Wu	Feb 13, 2012 Date
Dr. Brian Keller President, BioZone Pharmaceuticals, Inc.	13 Feb 2012 Date
Elliot Maza CEO, BioZone Pharmaceuticals, Inc.	2/13/12 Date

ASSIGNMENT OF PATENT RIGHTS

WHEREAS, Dr. Nian Wu, residing at 103 Sassafras Court, North Brunswick, NJ 08902-5005, and Dr. Brian Charles Keller, residing at 5058 Nortonville Way, Antioch, CA 94531 (collectively, the "ASSIGNORS") are co-inventors of United States patent application number 12/802,197 entitled "Pure PEG-Lipid Conjugates" and filed on June 1, 2010 (the "PATENT"); and

WHEREAS, both Dr. Wu and Dr. Keller previously have agreed to assign their rights in the PATENT to BioZone Pharmaceuticals, Inc., a corporation organized under and pursuant to the laws of Nevada, having its executive offices at 550 Sylvan Avenue, Englewood, NJ 07632 (hereinafter referred to as "ASSIGNEE") for good and valuable consideration, the sufficiency of which and receipt of which are hereby acknowledged;

THEREFORE, ASSIGNORS do hereby assign to ASSIGNEE, its successors and assigns, the below indicated right, title, and interest throughout the world, in and to the PATENT and all patents, patent applications, foreign equivalents, divisions, reissues, continuations and any extensions thereof and rights of priority therein, said interest being the entire ownership interest in the same, to be held and enjoyed by said ASSIGNEE, its successors, assigns, or other legal representatives, to the full end of the term thereof, as fully and entirely as the same would have been held and enjoyed by ASSIGNORS if this assignment and sale had not be made;

And for the consideration aforesaid, ASSIGNORS hereby covenant and agree to and with said ASSIGNEE, its successors and assigns, that whenever ASSIGNEE, its counsel or representative, or the counsel or representative of its successors or assigns, shall advise that an amendment to, or a division of, or any other proceeding or action in connection with an application concerning said PATENT, including interference and enforcement proceedings, is lawful and desirable, or that a reissue or continuation or extension of such application or PATENT issuing therefrom is lawful and desirable, ASSIGNORS will sign all papers and drawings, take all rightful oaths and affidavits, and do all acts necessary or required to be done for the procurement and enforcement of all lawful rights associated with the PATENT, or for the reissue or continuation or extension of the same, will do all acts necessary or required to secure in said ASSIGNEE, its successors or assigns, the title to and full benefit of all rights hereby assigned, without charge to said ASSIGNEE or its successors or assigns, but at their expense; and ASSIGNORS hereby appoint every present or future officer of said ASSIGNEE, and its successors and assigns, as their agent to sign all such papers and to do all such necessary acts on its behalf, to the fullest extent permitted by law;

And ASSIGNORS hereby authorize and request the Commissioner of Patents and Trademarks and any other granting authority to issue any Letters Patent resulting from said Invention and application(s) concerning same to said ASSIGNEE.

This assignment shall have an effective date of January 27, 2012.

ACK

I declare under penalty of perjury under the laws of the United States of America, and under penalty of the laws of any other jurisdiction before which this document may be presented, that all of the foregoing is true and correct.

Dated: 01/27/2012

Name: _____
Dr. Nian Wu

Dated: 2/12/12

Name: _____
Dr. Brian Charles Keller

ACCEPTANCE BY ASSIGNEE

In connection with an assignment in any jurisdiction in which an acceptance by ASSIGNEE is required, I hereby accept this assignment on behalf of BioZone Pharmaceuticals, Inc.

I declare under penalty of perjury under the laws of the United States of America, and under penalty of the laws of any other jurisdiction before which this document may be presented, that I am an officer of the above-identified ASSIGNEE and have signed this document on behalf of ASSIGNEE with the full authority of its board of directors.

Dated: 2/12/12

Name: _____
Elliot Maza, Chief Executive Office and CFO

LEASE

This Lease ("Lease") is entered into as of March 1, 2004 between 580 Garcia Properties, LLC, a California limited liability company ("Landlord"), and Biozone Laboratories, Inc., a California corporation ("Tenant").

Recitals

A. Landlord is the owner of certain land, buildings, and improvements located at 580 Garcia Ave., Pittsburg, California (the "Premises").

B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Premises on the terms and conditions in this Lease.

For good and valuable consideration, the parties agree as follows:

Section 1. Lease.

Landlord leases to Tenant and Tenant leases from Landlord the Premises on the terms and conditions in this Lease.

Section 2. Term of Lease.

The term ("Term") of this Lease shall be for Twenty-Five (25) years, commencing on March 1, 2004 ("Commencement Date"), and ending on February 28, 2029 (the "Termination Date"), unless sooner terminated pursuant to the terms of this Lease.

Section 3. Base Rent.

(a) Tenant shall pay to Landlord during the Term of this Lease as monthly rental for the leased Premises the sum of (i) the amount of the then-current monthy payment under the loan from Wachovia SBA Lending, Inc. to Tenant and Lender as Co-Borrowers (the "Wachovia Loan") and (ii) $3,500 (the "Additional Rental Amount," adjusted pursuant to Section (b) below), which shall be paid in advance on the first day of each calendar month (the "Base Rent"). All rental to be paid by Tenant to Landlord shall be in lawful money of the United States of America and shall be paid without deduction or offset, prior notice or demand.

(b) Commencing on the first anniversary of this Lease, and on each subsequent anniversary during the Term until payment in full of all amounts owed under the Wachovia Loan (the "Wachovia Payoff"), the Additional Rental Amount for the ensuing twelve (12) month period ("ARA Adjustment Period") shall be an amount equal to the greater of (i) the Additional Rental

Amount in effect immediately prior to the commencement of this ARA Adjustment Period (without regard to any temporary abatement of rental then or previously in effect pursuant to the provisions of this Lease), or (ii) the product obtained by multiplying the Additional Rental Amount in effect immediately prior to the commencement of the ARA Adjustment Period (without regard to any temporary abatement of rental then or previously in effect pursuant to the provisions of this Lease) by a fraction, the numerator of which is the Index, as defined below, published nearest but prior to the commencement date of the ARA Adjustment Period, and the denominator of which is the Index published nearest but prior to the commencement of the twelve (12) month period immediately preceding the ARA Adjustment Period.

(c) As of the date of the Wachovia Payoff, the Base Rent will become the product obtained by multiplying $16,500 by a fraction, the numerator of which is the Index published nearest but prior to the date of the Wachovia Payoff, and the denominator of which is the Index published nearest but prior to March 1, 2004. Commencing on the first anniversary of the Wachovia Payoff, and on each subsequent anniversary of the Wachovia Payoff during the Term, the Base Rent for the ensuing twelve (12) month period ("Adjustment Period") shall be an amount equal to the greater of (i) the Base Rent in effect immediately prior to the commencement of this Adjustment Period (without regard to any temporary abatement of rental then or previously in effect pursuant to the provisions of this Lease), or (ii) the product obtained by multiplying the Base Rent in effect immediately prior to the commencement of the Adjustment Period (without regard to any temporary abatement of rental then or previously in effect pursuant to the provisions of this Lease) by a fraction, the numerator of which is the Index, published nearest but prior to the commencement date of the Adjustment Period, and the denominator of which is the Index published nearest but prior to the commencement of the twelve (12) month period immediately preceding the Adjustment Period.

(d) The term "Index" as used in this Lease means the Consumer Price Index (All Urban Consumers) for the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, base year 1982-1984, published by the Bureau of Labor Statistics of the U.S. Department of Labor. If the Bureau of Labor Statistics revises the Index, the parties agree that the Bureau of Labor Statistics will be the sole judge of the comparability of successive indexes, but if that agency fails to supply indexes that it deems comparable, or if no succeeding index is published, then the parties shall negotiate to determine an appropriate alternative published price index. If they are unable to agree on an alternative index within thirty (30) days after the request to do so is made by one party to the other, then either party may request that each appoint a person satisfactory to it, within fifteen (15) days after this request, to select an alternative published price index. The two (2) persons so appointed, within fifteen (15) days after the later of them is appointed, shall appoint a third person acceptable to each to act with them in the selection of an alternative price index. Within thirty (30) days after the appointment process is completed, and on the basis of all pertinent facts, the appointees by majority vote shall select an alternative published price index and advise Landlord and Tenant in writing of the selection. All fees and expenses incurred in the appointment of the persons shall be shared equally by Landlord and Tenant.

Section 4. Use.

Tenant will occupy and use the Premises for manufacturing use, warehouse and storage use, office space, and all other uses incident to the conduct of the Tenant's business. Tenant will comply with all laws, rules, and orders of all federal, state and municipal governments or agencies that may be applicable to use of the Premises.

Section 5. Utilities.

During the Term, Tenant shall pay, before delinquency, all charges or assessments for telephone, water, sewer, gas, heat, electricity, garbage disposal, trash disposal, and all other utilities and services of any kind that may be used on the Premises.

Section 6. Taxes.

Tenant shall pay to the public authorities charged with the collection on or before the last day on which payment may be made without penalty or interest all taxes, permit, inspection, and license fees, and other public charges of whatever nature that are assessed against the Premises or arise solely because of the occupancy, use, or possession of the Premises, subsequent to the commencement of the Term, and all installments of assessments that are due during the Term. Tenant shall deliver to Landlord, on demand, original receipts or photocopies evidencing payment of all taxes, assessments and public charges paid by Tenant. If Tenant fails to pay taxes, assessments and charges on or before the last day on which payment may be made without penalty or interest, then Landlord may, but shall not be obligated to, pay those taxes, assessments or charges, together with interest or penalties. Any amounts that Landlord may pay pursuant to this provision, together with interest at a rate of ten percent (10%) per annum, shall be repaid to Landlord by Tenant on demand as additional rent.

Section 7. Condition of Premises.

Tenant acknowledges that as of the date of this Lease, Tenant has inspected the Premises and all improvements on the Premises and that the Premises and improvements are in good order, repair, and condition.

Section 8. Repairs and Maintenance.

(a) Tenant agrees, at Tenant's own expense, to keep the Premises (including without limitation, the sidewalks, the parking lot, and the landscaping that are part of the Premises) in good condition and repair, and to deliver to Landlord physical possession of the Premises at the end of the Term, or any extension of the Term, in good condition and repair, reasonable wear and

tear from use and loss by fire or other casualty or by earthquake or other act of God excepted.

(b) If at any time during the Term, including renewals or extensions, Tenant fails to maintain the Premises or make any repairs or replacements as required by this Section, Landlord may, but shall not be required to, enter the Premises and perform the maintenance or make the repairs or replacements for the account of Tenant. Any sums expended by Landlord in so doing, together with interest at ten percent (10%) per annum, shall be deemed additional rent and shall be immediately due from Tenant on demand of Landlord.

Section 9. Alterations.

(a) Tenant shall have the right to make alterations to the building and improvements on the Premises. All improvements, additions, alterations, and major repairs shall be in accordance with applicable laws and at Tenant's own expense. Tenant will indemnify and defend Landlord for all liens, claims, or damages caused by remodeling, improvements, additions, alterations, and major repairs. Landlord agrees, when requested by Tenant, to execute and deliver any applications, consents, or other instruments required to permit Tenant to do this work or to obtain permits for the work.

(b) Except as set forth in the preceding paragraph, all alterations and improvements made to the Premises shall become the property of Landlord and shall remain on and be surrendered with the Premises at the expiration or sooner termination of this Lease, including any renewals or extensions.

(c) At least ten (10) days before any construction commences or materials are delivered for any alterations that Tenant is making to the Premises, whether or not Landlord's consent is required, Tenant shall give written notice to Landlord as to when the construction is to commence or the materials are to be delivered. Landlord shall then have the right to post and maintain on the Premises and notices that are required to protect Landlord and Landlord's interest in the Premises from any liens for work or labor performed or materials furnished in making the alterations; provided, however, that it shall be Tenant's duty to keep the Premises free and clear of all liens, claims and demands for work performed, materials furnished, or operations conducted on the Premises at the request of Tenant.

(d) Tenant will not at any time permit any mechanics', laborers', or materialmen's liens to stand against the Premises for any labor or material furnished to Tenant or claimed to have been furnished to Tenant or Tenant's agents, contractors, or subtenants, in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction or sufferance of Tenant; provided, however, that Tenant shall have the right to contest the validity or amount of any lien or claimed lien, upon giving to Landlord a letter executed by Tenant assuring that the lien or claimed lien will be paid, when and to the extent that the lien is finally determined to be valid and owing. Tenant's right, however, to contest these liens shall not extend beyond the point where Landlord's title to the Premises could be lost. On final determination of the lien or claim of lien, Tenant will immediately pay any final judgment rendered, with all property costs and

charges, and shall have the lien released or judgment satisfied at Tenant's own expense. If Tenant fails to pay the judgment promptly or otherwise fails to prevent any sale, foreclosure or forfeiture of the Premises because of a lien, Landlord shall have the right, upon five (5) days written notice to Tenant, to pay or prevent this action, and the amount paid by Landlord shall be immediately due and payable to Landlord, and shall bear interest at the rate of ten percent (10%) per annum from the date of payment by Landlord until repayment by Tenant.

Section 10. Entry.

Tenant shall permit Landlord or Landlord's agents, representatives, or employees to enter the Premises at all reasonable times and upon reasonable notice to inspect the Premises and to do other lawful acts that may be necessary to protect Landlord's interest in the Premises under this Lease or to perform Landlord's duties under this Lease.

Section 11. Surrender of Premises; Holding Over.

(a) On the Termination Date or the end of any extension or renewal of this Lease, Tenant shall promptly surrender and deliver the Premises to Landlord in as good condition as they are now at the date of this Lease, reasonable wear and tear excepted.

(b) At the end of the Term, or any extension, should Tenant hold over for any reason, it is agreed that in the absence of a written agreement to the contrary, that tenancy shall be from month-to-month only and not a renewal of this Lease, nor an extension for any further term. Landlord shall have the right to establish a new Base Rent amount for any month-to-month hold over and shall give written notice to Tenant of any such charge.

Section 12. Indemnity.

Tenant agrees to indemnify and defend Landlord from any claims, demands, and causes of action of any nature and any expense incident to the defense, for injury to or death of persons or loss of or damage to property occurring on or about the Premises that grow out of or are connected with Tenant's use and occupation of the Premises or the condition of the Premises (unless the condition is one for which Landlord has expressly assumed the responsibility for remedying and the condition is not caused by Tenant), during the Term.

Section 13. Insurance.

(a) Landlord shall obtain and maintain in force a standard fire and extended risk insurance policy with Landlord as insured, insuring the Premises, and in form satisfactory to Landlord, which may also include, at Landlord's option, earthquake, flood, demolition, increased cost of construction due to changes in building codes, and other coverages Landlord deems prudent or as

may be required under the terms of any mortgage or deed of trust at any time encumbering the Premises. Any proceeds of the insurance shall be payable to Landlord and used for repair and reconstruction of the improvements, if Landlord is obligated under this Lease to repair or reconstruct, subject to any requirements as to the disposition of the proceeds that may be imposed by the beneficiary under any mortgage or deed of trust at any time encumbering the Premises.

(b) Tenant shall pay to Landlord all premiums paid by Landlord for the property damage insurance policy described in the preceding paragraph. Upon termination of this Lease for any reason other than Tenant's default, the unused portion of any prepaid premiums will be repaid to Tenant on the same pro rata basis.

(c) Tenant agrees at all times during the Term and during any extension, to maintain in force, at Tenant's sole cost and expense, insurance on the building and improvements that may be built or placed on the Premises, against the hazard of fire, with all standard extended coverage, including vandalism and malicious mischief, in an amount equal to their full insurable value, with a replacement cost endorsement, excluding the cost of excavation and of foundation below the level of the lowest basement floor, or if there is no basement, below the level of the ground.

(d) Tenant agrees to procure and maintain public liability insurance, including products and completed operations insurance, from a responsible insurance company authorized to do business in California, and excess umbrella coverage for injury or death or property damage, for any claims, demands, or causes of action of any person arising out of accidents occurring on the Premises during the Term or arising out of Tenant's use of the Premises.

(e) Each policy of insurance shall be issued by a responsible insurance company authorized to do business in California, and shall be issued in the names of Landlord, Tenant, and any beneficiary under any deed of trust covering the Premises, if required by the deed of trust, as their respective interests may appear. Tenant shall deliver a certificate for each insurance policy to Landlord with all relevant endorsements. Each policy of insurance shall be primary and noncontributory with any policies carried by Landlord. Each insurance policy shall provide that a thirty (30) day notice of cancellation and of any material modification of coverage shall be given to all named insureds. The insurance coverage required under this Section may be carried by Tenant under a blanket policy insuring other locations of Tenant's business, provided that the Premises covered by this Lease are specifically identified as included under that policy. Tenant agrees that upon the failure to insure as provided in this Lease, or to pay the premiums in the insurance, Landlord may contract for the insurance and pay the premiums, and all sums expended by Landlord for the insurance shall be considered additional rent under this Lease and shall be immediately repayable by Tenant.

(f) At all times during the Term and any extensions or renewals, Tenant agrees to keep and maintain, or cause Tenant's agents, contractors, or subcontractors to keep and maintain, workmen's compensation insurance and other forms of insurance as may from time to time be required by law or may other wise be necessary to protect Landlord and the Premises from claims of any person who may at any time work on the Premises, whether as a servant, agent, or employee of Tenant or otherwise. This insurance shall be maintained at the expense of Tenant or

Tenant's agents, contractors, or subcontractors and not at the expense of Landlord.

(g) Tenant and Landlord each release the other and waive the entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against, which perils occur in, on, or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors, or invitees. Tenant and Landlord shall, upon obtaining the required policies of insurance, give notice to the insurance carriers that this mutual waiver of subrogation is in this Lease.

Section 14. Trade Fixtures.

(a) Tenant shall have the right, at any time and from time to time during the Term and any renewals or extensions, at Tenant's sole cost and expense, to install and affix on the Premises items for use in Tenant's trade or business, which Tenant, in Tenant's sole discretion, deems advisable (collectively "Trade Fixtures"). Trade Fixtures installed in the Premises by Tenant shall always remain the property of Tenant and may be removed at the expiration of the Term or any extension, provided that any damage to the Premises caused by the removal of the Trade Fixtures shall be repaired by Tenant, and further provided that Landlord shall have the right to keep any Trade Fixtures or to require Tenant to remove any Trade Fixtures that Tenant might otherwise elect to abandon.

(b) Any Trade Fixtures that are not removed from the Premises by Tenant within thirty (30) days after the Termination Date shall be deemed abandoned by Tenant and shall automatically become the property of Landlord as owner of the real property to which they are affixed.

Section 15. Signs.

Tenant shall not place, maintain, nor permit on any exterior door, wall, or window of the Premises any sign, awning, canopy, marquee, or other advertising without the consent of Landlord, which will not be unreasonably withheld. Furthermore, Tenant shall not place any decoration, lettering, or advertising matter on the glass of any exterior show window of the Premises without the approval of Landlord, which shall not be unreasonably withheld. If Landlord consents to any sign, awning, canopy, marquee, decoration, or advertising matter, Tenant shall maintain it in good appearance and repair at all times during this Lease. At the Termination Date, any of the items mentioned in this section that are not removed from the Premises by Tenant may, without damage or liability, be destroyed by Landlord.

Section 16. Damage and Destruction.

(a) If the building or other improvements constructed on the Premises are damaged or destroyed, whether partially or entirely, by any cause, Tenant, at Tenant's own cost and expense,

but utilizing the proceeds of insurance, if any, including any insurance carried by Landlord to the extent available, shall repair, restore, or reconstruct the damaged or destroyed building and other improvements so that the condition and quality of the new building and other improvements shall be as near as reasonably possible to the condition and quality immediately prior to the damage or destruction. Damage to or destruction of any portion of the building, fixtures, or other improvements on the Premises by fire, the elements, or any other cause shall not terminate this Lease or entitle Tenant to surrender the Premises or otherwise affect the respective obligations of the parties, any present or future law to the contrary notwithstanding. However, if the building, fixtures, or other improvements on the Premises are destroyed or damaged to the extent that the Premises are wholly unsuitable or inadequate for the purposes for which Tenant was using the Premises prior to the destruction or damage, all Rent shall abate effective the date of the destruction or damage. Further, if the building constructed on the Premises is damaged to the extent that the Premises are partially unsuitable or inadequate for the purposes for which Tenant was using the Premises prior to the damage, the Rent otherwise payable by Tenant shall be reduced effective the date of the damage so that the new base Rent payable shall be an amount equivalent to the proportion of the base Rent otherwise payable as the total floor area of the building still reasonably suitable for Tenant's use under this Lease bears to the total floor area of the building prior to the damage. Upon the completion by Tenant of a new building and other improvements after completion of their repair, restoration, or reconstruction, all partial or total abatement of rental shall cease and the full rental provided for in this Lease shall again be payable.

(b) If the Premises are damaged or destroyed in whole or in part, Tenant shall proceed with due diligence to have plans and specifications prepared and obtain approval by Landlord, which approval shall not be unreasonably withheld, to commence rebuilding, reconstruction, or restoration as promptly as possible after the occurrence of the event causing the damage or destruction, and thereafter to diligently complete the work. If Tenant does not proceed with due diligence and does not diligently finish the work, Landlord or any beneficiary under any deed of trust covering the Premises, if permitted by the deed of trust, may, but shall not be obligated to, enter the Premises and do whatever may be necessary for the rebuilding, recordation, repair, or restoration of any building or improvements damaged or destroyed, at Tenant's cost.

(c) Regardless of any contrary provisions in this Lease, if the building or other improvements to be constructed on the Premises or any substitute are damaged or destroyed by any cause to the extent of more than twenty-five percent (25%) of its insurable value, Tenant may, at Tenant's sole option, terminate this Lease within ninety (90) days of the damage or destruction by giving written notice to Landlord. In the event of termination, Tenant shall pay to Landlord all insurance proceeds, if any, received by Tenant as a result of the damage or destruction to the extent allocable to the building or other improvements owned by Landlord.

Section 17. Condemnation.

(a) If, during the Term or any renewal or extension, the whole or any part of the Premises shall be taken pursuant to any condemnation proceeding, this Lease shall terminate as of 12:01 a.m. of the date that actual physical possession of the Premises is taken, and after that, both

Landlord and Tenant shall be released from all obligations under this Lease, unless otherwise agreed between the parties.

(b) If the whole or any part of the Premises are taken pursuant to any condemnation proceeding, then Landlord shall be entitled to the entirety of any condemnation award except that portion allocable to Tenant's unsalvageable Trade Fixtures.

Section 18. Assignment and Subletting.

(a) Tenant may sublease or assign all or any portion of the Premises upon obtaining Landlord's prior written consent, which will not be unreasonably withheld.

Section 19. Default.

Any of the following events or occurrences shall constitute a material breach of this Lease by Tenant and, after the expiration of any applicable grace period, shall constitute an event of default (each an Event of Default):

(a) The failure by Tenant to pay any amount in full when it is due under the Lease following ten (10) days written notice and failure to cure;

(b) The failure by Tenant to perform any other obligation under this Lease, if the failure has continued for a period of ten (10) days after Landlord demands in writing that Tenant cure the failure. If, however, by its nature the failure cannot be cured within ten (10) days, Tenant may have a longer period as is necessary to cure the failure, but this is conditioned upon Tenant's promptly commencing to cure within the ten (10) day period and thereafter diligently completing the cure;

(c) Any of the following: A general assignment by Tenant for the benefit of Tenant's creditors; any voluntary filing, petition, or application by Tenant under any law relating to insolvency or bankruptcy, whether for a declaration of bankruptcy, a reorganization, an arrangement, or otherwise; the abandonment, vacation, or surrender of the Premises by Tenant without Landlord's prior written consent; or the dispossession of Tenant from the Premises (other than by Landlord) by process of law or otherwise;

(d) The appointment of a trustee or receiver to take possession of all or substantially all of Tenant's assets; or the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, unless the appointment or attachment, execution, or seizure is discharged within thirty (30) days; or the involuntary filing against Tenant of (i) a petition to have Tenant, declared bankrupt, or (ii) a petition for reorganization or arrangement of Tenant under any law relating to insolvency or bankruptcy, unless, in the case of any involuntary filing, it is dismissed within sixty (60) days;

(e) The abandonment of the Premises by Tenant.

Section 20. Remedies.

Upon the occurrence of an Event of Default, Landlord, may in its discretion pursue any and all rights or remedies available to Landlord at law or in equity.

Section 21. Late Charge.

Tenant acknowledges that Tenant's failure to pay any installment of the Base Rent, or any other amounts due under this Lease as and when due may cause Landlord to incur costs not contemplated by Landlord when entering into this Lease, the exact nature and amount of which costs would be extremely difficult and impracticable to ascertain. Accordingly, if any installment of the Base Rent, or any other amount due under the Lease is not received by Landlord as and when due, the, without any notice to Tenant, Tenant shall pay Landlord an amount equal to five percent (5%) of the past due amount, which the parties agree represents a fair and reasonable estimate of the costs incurred by Landlord as result of the late payment by Tenant.

Section 22. Default Interest.

If Tenant fails to pay any amount due under this Lease as and when due, that amount shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

Section 23. Rent

All monetary obligations of Tenant to Landlord under the Lease, including but not limited to the Base Rent or reimbursement of taxes, utilities or maintenance paid by Landlord, shall be deemed rent.

Section 24. Waiver of Breach.

Any express or implied waiver of a breach of any term of this Lease shall not constitute a waiver of any further breach of the same or other term of this Lease; and the acceptance of rent shall not constitute a waiver of any breach of any term of this Lease, except as to the payment of rent accepted.

Section 25. Estoppel Certificates.

At any time, with at least fifteen (15) days' prior notice by Landlord, Tenant shall execute,

acknowledge, and deliver to Landlord a certificate certifying:

(a) the Commencement Date and the Term,

(b) the amount of the monthly Base Rent,

(c) the dates to which rent and other charges have been paid,

(d) that this Lease is unmodified and in full force or, if there have been modifications, that this Lease is in full force, as modified, and stating the date and nature of each modification,

(e) that no notice has been received by Tenant of any default by Tenant that has not been cured, except, if any exist, those defaults must be specified in the certificate, and Tenant must certify that no event has occurred that, but for the expiration of the applicable time period or the giving of notice or both, would constitute an Event of Default under this Lease,

(f) that no default of Landlord is claimed by Tenant, except, if any, those defaults must be specified in the certificate, and

(g) other matters as may be reasonably requested by Landlord.

Any certificate may be relied on by prospective purchasers, mortgagees, or beneficiaries under any deed of trust on the Premises or any part of it.

Section 26. Attorney Fees.

If any action at law or in equity is brought to recover any rent or other sums under this Lease, or for or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this Lease, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party as part of prevailing party's costs reasonable attorney fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

Section 27. Heirs and Successors.

This Lease shall be binding on and shall inure to the benefit of the permitted successors and assigns of Landlord and Tenant.

Section 28. Partial Invalidity.

Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Lease shall remain in effect, unimpaired

by the holding.

Section 29. Entire Agreement.

This instrument constitutes the sole agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant, and the specified lease term, and correctly sets forth the obligations of Landlord and Tenant. Any agreement or representations respecting the Premises or their leasing by Landlord to Tenant not expressly set forth in this instrument are void.

Section 30. Amendments.

This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

Section 31. Subordination.

(a) This Lease shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or later placed upon the Premises and to any advances made on the security of it or Landlord's interest in it, and to all renewals, modifications, consolidations, replacements, and extensions of it. However, if any mortgagee, trustee, or ground landlord elects to have this Lease prior to the lien of its mortgage or deed of trust or prior to its ground lease, and gives notice of that to Tenant, this Lease shall be deemed prior to the mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of the mortgage, deed of trust, or ground lease, or the date of recording of it. If any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, Tenant shall attorn to the purchaser at the foreclosure sale or to the grantee under the deed in lieu of foreclosure. If any ground lease to which this Lease is subordinate is terminated, Tenant shall attorn to the ground lessor. Tenant agrees to execute any documents, in form and substance reasonably acceptable to Tenant, required for the subordination, to make this Lease prior to the lien of any mortgage or deed of trust or ground lease, or to evidence the attornment.

(b) If any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, or if any ground lease to which this Lease is subordinate is terminated, this Lease shall not be barred, terminated, cut off, or foreclosed. Neither shall the rights and possession of Tenant under this Lease be disturbed, if Tenant is not then in default in the payment of rental and other sums due under this Lease or otherwise in default under the terms of this Lease, and if Tenant attorns to the purchaser, grantee, or ground lessor as provided in the preceding paragraphs, if requested, enters into a new lease for the balance of the term of this Lease on the same terms and provisions in this Lease. Tenant's covenant under the preceeding paragraph to subordinate this Lease to any ground lease, mortgage, deed of trust, or other hypothecation later executed is conditioned on each senior

instrument containing the commitments specified in this subsection.

Section 32. Governing Law.

This Lease shall be governed by and construed in accordance with California law.

WHEREFORE, the parties have executed this Lease as of the date first above written.

LANDLORD:

580 GARCIA PROPERTIES, LLC

By: _____
Name: Dan Fisher
Title: Manager

TENANT:

BIOZONE LABORATORIES, INC.

By: _____
Name: Dan Fisher
Title: President

DISTRIBUTION AGREEMENT

(Propofol^{EQ})

This Distribution Agreement (the "Agreement"), is entered into as of February 24, 2012 ("Effective Date") by and between Biozone Pharmaceuticals, Inc. ("Biozone") and OPKO Pharmaceuticals, LLC, a Delaware limited liability company ("Distributor").

Recitals

A. Biozone is an integrated pharmaceutical company using its unique, patented drug delivery technology to develop proprietary generic drugs. Biozone is presently developing a Biozone enhanced formulation of propofol using it Equasomes technology. Any pharmaceutical product containing propofol as an active ingredient in combination with a Biozone compound, composition, delivery method or technology is hereinafter referred to as a "Product," or the "Products."

B. Distributor has the requisite experience and resources to distribute the Products for Biozone in the Territory, and Distributor desires the right to sell the Products within the Territory.

Agreement

In consideration of the Recitals and the mutual promises contained in this Agreement, Biozone and Distributor agree as set forth below.

1. Definitions.

1.1 Definitions. In addition to terms defined elsewhere in this Agreement, the terms set forth below have the meanings indicated for the purposes of this Agreement.

"Affiliate" means any Person which controls, is controlled by or is under common control with Distributor or Biozone, as the case may be. The term "control" means the ownership, directly or indirectly, or the power to direct the voting or disposition of fifty percent (50%) or more of the voting stock or equity interests of the subject Person, or such other relationship as in fact constitutes actual control.

"cGMP" means all applicable good manufacturing practices, including but not limited to current "good manufacturing practices" and any other methods used for the manufacturing, testing, validation, labeling, packaging, storage, shipment and installation of any and all pharmaceutical products, equipment and related materials to ensure that such products and materials meet the legal requirements for safety and effectiveness as established by the Regulatory Authority, including specifically, without limitation, Title 21, Part 211 of the Code of Federal Regulations of the United States.

"Distributor Costs" shall be calculated using Distributor's standard accounting procedures and in accordance with U.S. generally accepted accounting principles, and shall

include all costs (direct and indirect) incurred by Distributor and its Affiliates in connection with distribution, marketing and sale of Products, including without limitation:

(a) sales commissions payable in connection with the Products;

(b) Manufacturing Costs for the Products;

(c) costs associated with the purchase, sale, and shipment of the Products, including warehousing, shipment and transportation costs;

(d) royalties and other payments payable by Distributor to third parties in order to obtain rights under one or more patents controlled by such third parties that cover the Products or which are reasonably necessary in order to sell the Products;

(e) sales and marketing costs specific for Products;

(f) legal costs incurred in connection with defending or prosecuting infringement actions relating to the Products; and

(g) costs and expenses to obtain Regulatory Authority Approvals for sale of the Products.

"FDA" means the Food and Drug Administration or any successor agency of the United States government.

"Manufacturing Cost" shall mean Biozone's actually incurred and non-reimbursable costs for the manufacture of the Products in final form in compliance with the Specifications and suitable for administration in humans and for commercial purposes, which shall include and be limited to (i) the actual costs of all drug substance, raw materials, solutions and suspensions, (ii) allocable costs for equipment until the end of the amortization period for such equipment, (iii) costs for quality control, compliance, validation and quality assurance, and (iv) direct labor costs, all as calculated in accordance with U.S. generally accepted accounting principles consistently applied. Any development expenses are expressly excluded from this definition.

"Net Sales" shall mean gross amounts invoiced by Distributor, its Affiliates, and its sublicensees for sales of the Products to customers, less the following: (a) payments made or credits allowed to customers, allowances, rebates, discounts, profit share payments and other usual and customary discounts, including, without limitation, volume and prompt payment discounts, to customers, (b) the amount of chargebacks and amounts repaid or credited by reason of rejections, damages or returns of goods, or because of retroactive price adjustments, (c) specific amounts not collectible after reasonable collection efforts, (d) taxes, duties, tariffs, surcharges and other governmental charges paid, absorbed or allowed in connection with the sale, import or export of Products, (e) freight, postage, insurance charges and other transportation costs actually incurred by Distributor in connection with transporting the Products, and (f) discounts or rebates or other payments required by law to be made under governmental special medical assistance programs, all of the foregoing as determined in accordance with generally accepted accounting principles in the U.S. Only sales of Products by Distributor to unrelated

parties shall be deemed Net Sales hereunder. Sales of Products between Distributor, its Affiliates or sublicensees shall be excluded from Net Sales. However, sales of Products by Affiliates or sublicensees to unrelated third parties shall be included as Net Sales as if such sales were made directly by Distributor to such unrelated third parties. Net Sales shall not include the distribution from Distributor of Products free of charge for use in clinical trials, research, or for promotional purposes.

In the event that a product containing a Product is sold in a finished combination package containing such Product packaged together in combination with one or more other products, devices, equipment or components (a "Combination Product"), Net Sales for such Combination Product will be calculated by multiplying actual Net Sales of such Combination Product by the fraction A/(A+B) where A is the selling price of the Product if sold separately in finished form and B is the selling price of any other products, equipment or components in the Combination Product if sold separately in finished form provided that the selling price of any Combination Product shall not be less than A+B. In the event that a product containing a Product or one or more of such products, equipment or components in the Combination Product are not sold separately, then the parties shall negotiate in good faith a formula for calculating Net Sales for such Combination Product that reflects the respective contributions of the product containing Product and such other products, equipment or components to the overall value of such Combination Product. Distributor covenants that it will not intentionally manipulate any part of the fraction A/ (A+B) to avoid or reduce royalty payments or obligations that would otherwise be due for sales of Products in combination form or otherwise.

"Person" means any natural person, corporation, unincorporated organization, partnership, association, joint stock company, joint venture, limited liability company, trust or government, or any agency or political subdivision of any government, or any other entity.

"Profit Margin" means Net Sales minus Distributor Costs associated with an applicable period.

"Regulatory Authority" means a governmental regulatory authority within the Territory which has authority over the clinical testing, manufacturing, marketing, or sale of pharmaceutical products.

"Regulatory Authority Approval" shall mean, with respect to the U.S. or any country in the Territory, all approvals by the appropriate governmental or other authorities necessary to carry out clinical trials, manufacturing, distribution, sales or marketing of the Products in such country, including without limitation, where applicable, labeling, pricing and/or reimbursement approval in that country.

"Specifications" means, with respect to each Product, the specifications therefor as approved in the applicable Regulatory Authority Approval for the Product.

"Term" means the period during which this Agreement is in effect.

"Territory" means worldwide

2. Representations and Warranties.

2.1 Biozone Representations and Warranties. Biozone makes the following representations and warranties to Distributor:

(a) Biozone is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all requisite right, power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Biozone have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by Biozone, and constitutes the legal, valid and binding obligation of Biozone, enforceable in accordance with its terms, except to the extent that its enforcement is limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally and by general principles of equity.

(b) The execution and delivery of this Agreement by Biozone does not, and the consummation of the transactions contemplated hereby and the compliance with the terms hereof will not (i) violate any governmental rule applicable to Biozone, (ii) conflict with any provision of the certificate of incorporation or by-laws of Biozone, (iii) conflict with any material contract to which Biozone is a party or by which it is otherwise bound or (iv) require any approval, authorization, consent, license, exemption, filing or registration with any court, arbitrator or Regulatory Authority.

(c) Biozone is the sole and exclusive owner or licensee of the rights granted to Distributor and Biozone is not a party to any agreement or understanding with a third party that is inconsistent with the rights granted to Distributor hereunder.

(d) Biozone will comply in all material respects with all laws, rules and regulations in effect from time to time applicable to the manufacture, labeling, packaging, storage, distribution and supply of the Products under this Agreement, including applicable cGMP.

(e) Any Products supplied by Biozone pursuant to this Agreement shall comply with Biozone's Specifications and the requirements of all applicable Regulatory Authorities when shipped by Biozone, including the purity, and physical and chemical properties, stability, formulation and label contents.

2.2 Distributor Representations and Warranties. Distributor makes the following representations and warranties to Biozone:

(a) Distributor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all requisite right, power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Distributor have been duly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by Distributor, and constitutes the legal, valid and binding obligation of Distributor, enforceable in

accordance with its terms, except to the extent that its enforcement is limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally and by general principles of equity.

(b) The execution, delivery and performance of this Agreement by Distributor: (1) does not and will not violate or conflict with any provision of law or regulation, or any writ, order, judgment or decree of any court or governmental or regulatory authority, or any provision of Distributor's Charter or Bylaws; and (2) does not and will not, with or without the passage of time or the giving of notice, result in the breach of, or constitute a default, cause the acceleration of performance, or require any consent under, or result in the creation of any lien, charge or encumbrance upon any property or assets of Distributor pursuant to any material instrument or agreement to which Distributor is a party or by which Distributor or its properties may be bound or affected.

(c) The Distributor will comply in all material respects with all laws, rules and regulations in effect from time to time applicable to the marketing and distribution of the Products in the Territory.

3. Development; Appointment.

3.1 Appointment and Acceptance. Subject to the terms and conditions of this Agreement, Biozone shall appoint Distributor as the exclusive distributor of the Products within the Territory, and Distributor accepts such appointment. Distributor shall have the rights to appoint subdistributors, representatives, dealers and agents to market, sell and distribute Products in the Territory.

4. Supply of Product to Distributor.

4.1 Supply of Product. Biozone agrees to supply Products to Distributor at its Manufacturing Cost in finished form, fully packaged and labeled for resale. Biozone represents and warrants that the Products supplied to Distributor by Biozone or its Affiliates shall be manufactured, packaged, and labeled in accordance with cGMP, the Specifications and all applicable regulatory requirements.

4.2 Purchase Orders. This Agreement shall serve as the master contract governing Distributor's purchase of the Products throughout the Term. This Agreement shall be implemented by Distributor's issuance of individual purchase orders ("Purchase Orders") specifying the quantity, desired shipment date and delivery address of the Products. The terms of this Agreement shall prevail over any conflicting, inconsistent or additional terms set forth in any Purchase Order. As soon as it shall become apparent to Biozone that any circumstances may result in a failure or delay in delivery of any Products, it shall promptly notify Distributor and as soon as possible thereafter meet with Distributor to discuss the best practical method of assuring Distributor a source of supply of such Product, as applicable, during the continuance of such circumstances.

4.3 Packaging; Labeling. The price for each Product includes the expense of printing and providing package inserts, labeling and packaging materials (collectively, "Labeling"). For each Product, Distributor shall design the Labeling to be used on such Product sold by Distributor within the Territory and shall provide Biozone with the textual content of the Labeling. Biozone shall provide to Distributor a sample of the printed Labeling for each Product manufactured by Biozone for Distributor's approval. Distributor shall be responsible, with respect to each Product, for compliance of the labeling content provided to Biozone with the requirements of the Specifications, Regulatory Authority Approval, and applicable law. Once approved by Distributor, Biozone will not change in any manner any Labeling of any Product manufactured by Biozone without the prior written consent of Distributor. Biozone shall label and package all Products in accordance with the respective Labeling approved by Distributor and in accordance with cGMP and the applicable requirements of the FDA and other Regulatory Authorities and applicable law.

4.4 Shipment; Risk of Loss. Biozone shall (at Distributor's cost and expense) be responsible for shipment of Products to Distributor's facility or such other location(s) as may be designated by Distributor from time to time. Shipment will be by such means as is reasonably agreed by Biozone and Distributor, provided that shipment shall be made in accordance with all applicable laws. Title and risk of loss shall pass to Distributor upon delivery to Distributor's facility or other specified designation. Distributor shall be responsible for all freight costs, insurance and duties actually incurred by Biozone in connection with shipment of the Products ("Shipment Expenses"), and Biozone shall invoice Distributor for such Shipment Expenses separately.

4.5 Product Inspection and Defective Product. All Products received by Distributor shall be subject to inspection and testing by Distributor in accordance with its quality assurance program then in effect. When the results of any inspection or testing indicate that any Product does not conform to the Specifications or the Purchase Order or any provisions of this Agreement or is otherwise defective, Distributor will give Biozone written notice thereof. Biozone shall have thirty (30) days within which to reject Distributor's claims. Disputes between the parties not resolved during such thirty (30) day period shall be resolved by an independent, U.S., GMP laboratory or consultant mutually agreed by the parties, and such laboratory or consultant shall be appointed not later than fifteen (15) days after the expiry of such forty-five (45) day period. The determination of such laboratory or consultant shall be binding on both parties as to Distributor's right to reject or revoke acceptance of the Products, and the fees and expenses of the laboratory or consultant shall be borne by the party whose opinion was rejected. If the laboratory or consultant finds the Products to be nonconforming, Biozone shall make replacement delivery of conforming Products at its expense, and Distributor shall have the right to return or destroy any nonconforming Products at Biozone's expense, including transportation and handling costs, as well as all of Distributor's out of pocket expenses. Biozone shall instruct Distributor as to whether to return or destroy nonconforming Products. Payment for Products shall not be deemed acceptance of such Products; Distributor will be credited with the price of rejected Products and no payment shall be due until Distributor receives fully conforming Products. If the laboratory or consultant finds the Products to be in compliance with said Specifications and the Purchase Order, Distributor will have the option to either retain the Products for sale or have the Products replaced by Biozone at Distributor's cost.

4.6 Alternate Site. To ensure Distributor an alternate source of supply of any Product in the event of any problem with supply, Distributor shall have the right to have one or more manufacturing sites qualified as an alternate approved site (back-up site) for manufacturing such Product under the applicable Product Regulatory Authority Approval. Biozone shall, at Distributor's expense, fully cooperate with Distributor and assist Distributor in this regard, including without limitation by disclosing Biozone's manufacturing processes to Distributor and providing technical assistance

4.7 Maintenance of the DMFs. During the Term, Biozone shall, or shall cause its supplier of active pharmaceutical ingredients ("API"), at Biozone's expense (i) maintain on file with the FDA at all times a Drug Master File ("DMF") for the Products which meets the requirements of the FDA, (ii) amend the DMF to permit Distributor to incorporate by reference all data and information in the applicable DMF which is necessary in support of its submissions to Regulatory Authorities for each Product, and (iii) assist and cooperate with Distributor in connection with Distributor's submissions to the FDA and other Regulatory Authorities for Regulatory Authority Approvals for the Products. Biozone shall, or shall cause its supplier of API to, maintain and update the DMF during the Term as required by applicable law, and immediately notify Distributor and the FDA in writing of any changes in any DMF. Promptly upon Distributor's request, Biozone shall, or shall cause its supplier of API to, provide Distributor with any required authorization to allow all applicable Regulatory Authorities to access, review and refer to the DMFs in connection with any regulatory submissions or product applications regarding the Products by Distributor.

4.8 Notification of Certain Events. Each party shall immediately inform the other party of (i) any pending or threatened litigation, governmental investigation, proceeding or action involving a Product of which that party becomes aware, and (ii) any defective, adulterated or misbranded Product or of any information which may suggest that an API or Product is or may be defective, adulterated or misbranded, or fails to meet the specifications or to maintain the stability as indicated. Biozone shall immediately notify Distributor of any pending or threatened litigation, governmental investigation, proceeding or action involving Biozone's manufacturing facilities for any API or Product, and of any information coming to its attention concerning adverse experiences with any Product. Biozone shall investigate and provide Distributor with any reasonable assistance requested by it in connection with adverse experiences and customer complaints relating to the Product supplied by Biozone pursuant to this Agreement.

4.9 Record Retention. Biozone will retain copies of all records or documentation generated by it in connection with the processing and testing of all Products under the terms of this Agreement, and all records which may be reasonably necessary to assist Distributor in the event of a product recall or adverse drug event or product complaint, for not less than two (2) years after the expiration date of each Product to which the documentation relates and, if longer, such period as is required by applicable law.

4.10 Intellectual Property. To enable Distributor to make a non-infringement evaluation with respect to each Product to be supplied by Biozone hereunder, Biozone shall promptly provide Distributor with such information regarding all APIs and Products as requested by Distributor, including without limitation batch record reports, API and Product production

processes, formulation records, certificates of analysis, impurity reports and percentages, analytical methods, material data, safety information, synthetic methods and pathways, and intermediate profiles and percentages, and other information (the "Product Documentation"). Biozone represents, warrants and covenants, with respect to each Product, as of the date of each shipment of such Product to Distributor, that the Product will be manufactured in strict compliance with the Product Documentation provided to Distributor upon which Distributor based its non-infringement evaluation, and with the processes and methods described in the respective Product Regulatory Authority Approval. In addition, Biozone represents, warrants and covenants that it has the right and authority to enter into this Agreement without violating any rights of any Person, and that Distributor does not need and will not need any license or right which Biozone or any of its Affiliates owns or has the right to use that is necessary for Distributor to engage in, and Biozone shall not assert and shall cause its Affiliates not to assert any intellectual property right that would prevent or impair the manufacturing, marketing, sale or use of Product by or for Distributor or any other transactions contemplated by this Agreement.

5. Royalty and Payment.

5.1 Royalty.

(a) Distributor shall pay to Biozone a royalty equal to fifty percent (50%) of the Profit Margin during the Term.

5.2 Payment for Product.

(a) Biozone shall invoice Distributor for all Products supplied to Distributor pursuant to this Agreement, referencing in each such invoice the Purchase Order(s) to which such invoice relates. Distributor shall pay Biozone for Products purchased pursuant to this Agreement within 30 days of the date of the invoice in United States dollars.

(b) Amounts owing to Biozone for royalties pursuant to Section 5.1 shall be paid on a quarterly basis commencing with the calendar quarter in which the first commercial sale of any Product is made by Distributor or its Affiliates, with such amounts due and received by Biozone on or before the sixtieth day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned (the "Royalty Payment Date"). A statement showing how any amounts payable to Biozone under Section 5.1 have been calculated shall be submitted to Biozone on the Royalty Payment Date. All royalties owing with respect to Net Sales stated in currencies other than U.S. dollars shall be converted at the rate published in the *Wall Street Journal* on the day preceding the payment due date.

(c) All payments pursuant to this Article 5 shall be made at Biozone's address set forth in this Agreement for notices or, if requested by Biozone, by wire transfer of immediately available funds to an account designated by Biozone. Any amounts which are not paid when due shall bear interest from the date payment was due until the date payment is received by Biozone, at a rate of interest equal to the lower of (i) 12% per annum or (ii) the highest rate of interest permitted to be charged under applicable law.

5.3 Audit Rights.

(a) Each of Distributor, Biozone, and their Affiliates shall keep full, true and accurate books and records throughout the term of this Agreement sufficient to show the Distributor Cost, Manufacturing Cost Net Sales and Profit Margin calculations and to verify the accuracy and completeness of the accounting referred to above, including without limitation, inventory, raw materials, supply, purchase and invoice records, manufacturing and shipping records, sales analysis, general ledgers, financial statements, and tax returns relating to the Products. Such books and records shall be preserved for a period not less than three (3) years after the calendar quarter to which the records apply or as required by federal law, both during and after the term of this Agreement.

(b) Each of Distributor and Biozone shall have the right to appoint an independent registered public accounting firm reasonably acceptable to the other party to audit the records of such other party and its Affiliates and sublicensee(s) as necessary to verify all calculations and payments pursuant to this Agreement. If a deficiency with regard to any payment or calculation hereunder is determined by such accounting firm, such determination shall be final and binding upon all parties. Each party may exercise its right of audit no more frequently than once in any calendar year. In the event a determination is made that Biozone has not been paid the profit share amounts due to it under this Agreement, Distributor shall promptly pay to Biozone the excess of the proper amount due over the amount actually paid within thirty (30) days of such determination by such independent certified public accountant. In the event a determination is made that Biozone was paid more than the required profit share amounts due under this Agreement, Biozone shall promptly refund to the Distributor the amount of the overpayment within thirty (30) days of such determination by such independent certified public accountant. The fees and expenses of the accountant performing any verification pursuant to this Section shall be paid by the party initiating the verification; provided that if a determination is made that the profit share amount paid to Biozone with respect to any calendar quarter was less than ninety-five percent (95%) of the amount properly due to such party due to Distributor's error, Distributor shall reimburse Biozone for the costs of such verification; and if a determination is made that the profit share amount paid to Biozone with respect to any calendar quarter was more than one hundred and five percent (105%) of the amount properly charged and Biozone requested such verification, Biozone shall reimburse Distributor for the costs of such verification. Any accountant who examines the books and records of a party pursuant to this Section shall not disclose any information relating to the business of such party except as necessary to provide to the other part a meaningful statement of account hereunder and such accounting firm shall execute a confidentiality agreement in customary form.

6. Development and Commercialization of Product.

6.1 Development. Biozone shall use its best efforts to expeditiously complete the development on behalf of Distributor of a stable, commercially saleable Product in accordance with cGMP, the Specifications, and applicable law, including without limitation, undertaking all formulation and development activities and any and all stability, toxicity, bioequivalence or other

studies required in connection with obtaining Regulatory Authority Approval for the Products in the Territory. BioZone shall also be responsible for developing a process for the manufacture and supply of Product in accordance with the Specifications and applicable law and for maintaining the DMF in accordance with Section 4.7 hereof. Biozone will keep Distributor currently advised of the progress of its development efforts, and any and all material problems encountered therein, the efforts being made to overcome such problems, estimates of completion dates, and such other information as may be requested by Distributor from time to time. At Distributor's request, Biozone will provide Distributor with written reports covering the foregoing.

6.2 Regulatory Approval; Commercialization. Distributor shall obtain and maintain all Regulatory Authority Approvals required by any Regulatory Authority to purchase, market and sell the Products under this Agreement in the Territory, and will comply in all material respects with all laws, rules and regulations in effect from time to time applicable to the purchase, marketing and sale of the Products in the Territory or any other activities to be performed by Distributor hereunder. During the Term, Distributor shall use its commercially reasonable efforts, at its own expense, to actively and diligently promote, market and sell the Products in the Territory.

6.3 Trademark. The Products shall in Distributor's discretion be sold in the Territory under Distributor's Trademarks. The Trademarks, if any, shall be the sole and exclusive property of Distributor.

6.4 Adverse Events. Each of Biozone and Distributor represent that it has in place a system for monitoring investigations and following up on adverse events and product complaints. Each party shall immediately inform the other party of (i) any pending or threatened litigation, governmental investigation, proceeding or action involving any Products, or Distributor's or Biozone's facilities for making or storing Products of which either becomes aware, and (ii) any defective, adulterated or misbranded Products or of any information which may suggest that any Products are or may be defective, adulterated or misbranded, or failure to meet the applicable specifications or to maintain the stability as indicated. Each party shall immediately notify the other party of any information coming to its attention concerning adverse experiences with any Products.

7. Certain Covenants.

7.1 Exclusivity. BioZone agrees with respect to each Product that, except for the supply of such Product to Distributor pursuant to this Agreement, Biozone will not, directly or indirectly, manufacture, market or sell any such Product or otherwise grant any other Person any rights in the Territory with respect to the Products.

7.2 Compliance with Laws. Each party shall comply with all laws, regulations, policies and guidelines applicable in connection with its activities hereunder.

7.3 Reasonable Assistance. Biozone shall use commercially reasonable efforts to assist Distributor at its expense in Distributor's efforts to obtain Regulatory Authority Approvals to

market the Products in the Territory. Throughout the duration of this Agreement and on no less than a bi-annual basis, the parties shall confer with each other to the mutual benefit of both parties in order to achieve the objectives of this Agreement.

7.4 Insurance. During the Term and for a period of three years thereafter, each of Biozone and Distributor shall maintain insurance coverage of the types and in amounts usually insured by companies of the size and operating the business conducted by such party, including, without limitation, such insurance coverage as each of Biozone and Distributor is required to maintain under applicable law and comprehensive general liability insurance (including product liability) safeguarding against liability for injuries to persons, including injuries resulting in death, and damage to property. Upon request by either party, the non-requesting party shall furnish to the requesting party written certificates from its insurance carriers that such party maintains the insurance required by this Agreement

7.5 Access Rights. Each party shall have the right, upon reasonable notice to the other party and during normal business hours, to inspect and audit such other party's facilities (or the facilities of its agents and contractors) where the Products are manufactured, stored, packaged or labeled to ensure that the Products are manufactured and/or stored in compliance with the specifications for the Products and all applicable laws and quality control standards. During such inspections, each party shall permit the other party to contact and question the appropriate knowledgeable personnel responsible for manufacturing or storing the Products. Each party shall make available to the other party and its duly authorized representatives and agents all books, records and documents which in any way pertain to the manufacture, storage and distribution of the Products.

7.6 Regulatory Inspections. Each party shall notify the other party hereto promptly of any inspections by any Regulatory Authorities which pertain to a Product, or the premises where a Product is manufactured or stored, and shall promptly provide to the other party copies of all material correspondence, reports, notices, findings and other material pertinent to such inspections.

8. Confidentiality.

8.1 Confidentiality. Each party acknowledges that in the performance of this Agreement proprietary or confidential information belonging to the other party will be disclosed or become known to it. During the Term and for ten years thereafter, the receiving party shall keep confidential and not disclose to others or use for any purpose, other than as authorized by this Agreement, all "Confidential Information" which is provided to it by the disclosing party or its Affiliates or their respective employees or representatives. For purposes of this Agreement, the term "Confidential Information" includes all know-how, trade secrets, formulae, data, inventions, technology and other information, including financial information, related to the manufacture, sale or marketing of the Products. The restrictions of this Section shall not apply to any Confidential Information which (a) is already known to the receiving party at the time of disclosure; (b) is or becomes public knowledge through no fault of receiving party; (c) is received from a third party having the lawful right to disclose the information; or (d) subject to Section 8.2, is required by law to be disclosed. Notwithstanding the restrictions of this Section, the

receiving party may disclose, on a need to know basis, Confidential Information which (i) is reasonably required to be disclosed to physicians, pharmacists, and others involved in the medical profession in connection with the actual or prospective distribution of the Products; or (ii) is required to be disclosed to Regulatory Authorities in connection with any regulatory applications.

8.2 Required Disclosure. If the receiving party is required under applicable law to disclose Confidential Information by any court or governmental authority, the receiving party shall promptly notify disclosing party of such requirement and all particulars related to such requirement. The disclosing party shall have the right, at its expense, to object to such disclosure and to seek confidential treatment of any Confidential Information to be so disclosed on such terms as it shall determine, and receiving party shall fully cooperate with disclosing party in this regard.

8.3 Return of Confidential Information. Upon the termination of this Agreement for any reason, the receiving party shall return to the disclosing party all documentation or other tangible evidence or embodiment of Confidential Information belonging to disclosing party.

9. Recall.

9.1 Product Recall. If any Regulatory Authority shall seize any of the Products or shall request or require the recall or any withdrawal or field correction (collectively, "Recall") of or with respect to any Product or if Biozone deems it necessary to initiate a voluntary Recall of any Product for any reason, then the party receiving notice of such governmental action or initiating such Recall, as the case may be, shall immediately notify the other party of such seizure or Recall and the parties shall consult with each other regarding the timely compliance with all pertinent governmental regulations pertaining thereto. When the cause or reason for any such seizure or Recall is the result of a breach of any of the representations, warranties or agreements of Distributor under this Agreement, or the failure of Distributor or its agents to properly store, transport or care for any Product, Distributor shall reimburse Biozone for all reasonable costs and expenses incurred by Biozone in effecting such seizure or recall, including, without limitation, the cost of notifying customers and the costs associated with the shipment of recalled Product from customers. When the cause or reason for any such seizure or Recall is the result of a breach of any of the representations, warranties or agreements of Biozone under this Agreement or the failure of Biozone or its agents to properly manufacture, store, transport or care for any Product, Biozone shall reimburse Distributor for all reasonable costs and expenses incurred by Distributor in effecting such seizure or Recall, including, without limitation, the cost of notifying customers and the costs associated with the shipment of recalled Product from customers.

10. Indemnity.

10.1 Indemnity by Biozone. Biozone shall indemnify and hold Distributor and its Affiliates and their respective officers, directors and employees harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses) which arise or result from Biozone's breach of any of its representations and warranties set forth in Section 2.1, Biozone's breach of any of its obligations under this Agreement, or Biozone's or its

agents' registration, handling, manufacture, storage, or use of the Products; provided, however, Biozone shall not be obligated to indemnify and hold harmless Distributor to the extent of any liability, damage, loss, cost or expense for which Distributor is obligated to indemnify and hold harmless Biozone pursuant to Section 10.2 or which results from the negligence or other wrongdoing of Distributor.

10.2 Indemnity by Distributor. Distributor shall indemnify and hold Biozone and its Affiliates and their respective officers, directors and employees harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses) arising out of or resulting from any third party claims made or suits brought against such parties which arise or result from Distributor's breach of any of its representations and warranties set forth in Section 2.2 of this Agreement, Distributor's breach of any of its obligations under this Agreement, or Distributor's registration, marketing, handling, manufacture, storage, use or sale of the Products; provided, however, Distributor shall not be obligated to indemnify and hold harmless Biozone to the extent of any liability, damage, loss, cost or expense for which Biozone is obligated to indemnify and hold harmless Distributor pursuant to Section 10.1 or which results from the negligence or other wrongdoing of Biozone.

10.3 Indemnity Procedure. The indemnified party shall promptly notify the indemnifying party of any such claim or proceeding and shall permit the indemnifying party, at its expense, to control the defense of such claim or proceeding; provided, however, that the indemnified party may in its discretion participate at its own expense in such defense; and provided further, that the indemnifying party shall not settle any such claim or proceeding without the indemnified party's prior written consent, which consent shall not be unreasonably withheld.

11. Term and Termination.

11.1 Term of Agreement. The term of this Agreement shall commence as of the date set forth above, and, unless sooner terminated by mutual consent or in accordance with this Agreement, shall continue in effect until the date which is ten (10) years from the date of this Agreement, and thereafter, the Term shall be automatically extended for consecutive one-year renewal terms on the same terms and conditions set forth herein unless one party gives the other party written notice of non-renewal at least six months prior to the end of initial term or current one-year renewal term, as applicable.

11.2 Certain Terminations.

(a) If Biozone permanently discontinues the development, manufacture or supply of any Product, Biozone may terminate this Agreement with respect to such Product upon ninety (90) days written notice to Distributor.

(b) Distributor may, with or without cause, at any time during the term of this Agreement, terminate this Agreement upon not less than ninety (90) days prior written notice to Biozone.

11.3 Default. If either party at any time breaches any of the material provisions of this Agreement, the other party shall have the right to terminate this Agreement upon sixty (60) days written notice whereupon this Agreement shall terminate unless the breach complained of is corrected within such notice period.

11.4 Bankruptcy or Insolvency. If either party shall (a) become bankrupt or insolvent, (b) file for a petition therefor, (c) make an assignment for the benefit of creditors, or (d) have a receiver appointed for its assets, which appointment shall not be vacated within 60 days after the filing, then the other party shall be entitled to terminate this Agreement forthwith by written notice to such party.

11.5 Effect of Termination.

(a) The termination of this Agreement for any reason shall be without prejudice to and shall not affect the right of either party to recover from the other any and all damages to which such party may be entitled. Nothing herein contained shall release either party from the payment of any sum which may then be owed to the other party or from any liability or obligation incurred or accrued prior to the termination of this Agreement or which by their terms are expressly intended to survive the termination of this Agreement.

(b) Notwithstanding the termination of this Agreement, the parties shall remain obligated under Sections 6.4, 7.4, and Articles 5, 8, 9, 10, 11, and 12.

(c) Upon the termination of this Agreement otherwise than by Biozone pursuant to Sections 11.3 or 11.4, Biozone shall grant to Distributor, for a period of six (6) months, continued exclusive distribution rights to distribute the Product throughout the Territory on the same terms and conditions in effect under this Agreement immediately prior to its termination or expiration in order to enable Distributor to sell off its existing stock of the Product or to fulfill existing contractual commitments of Distributor.

(d) Subject to Section 11.5(c), upon the termination of this Agreement, (i) all rights of Distributor under this Agreement shall terminate, (ii) Distributor shall promptly return to Biozone all Biozone documents and data of any kind relating to the Products and still within the custody or control of Distributor, (iii) Distributor shall cease all activities relating to the Products, including the storage, handling, promotion, distribution and sale thereof, and (iv) Distributor shall pay to Biozone all payments due and owing hereunder prior to the effective date of termination.

12. Miscellaneous.

12.1 Notice.

(a) All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be hand delivered by messenger or courier service, or mailed by registered or certified mail (postage prepaid), return receipt requested, or delivered by overnight delivery service, addressed to:

If to Distributor: OPKO Pharmaceuticals, LLC

Steven Rubin, EVP Administration
4400 Biscayne Blvd.
Miami, Florida 33137

With a copy to:

OPKO Health, Inc.
Legal Department
4400 Biscayne Blvd.
Miami, Florida 33137

If to Biozone: Biozone Pharmaceuticals, Inc.
550 Sylvan Avenue, Suite 101
Englewood Cliffs, NJ 07632

With a copy to: Sichenzia Ross Friedman Ference LLP
61 Broadway
New York, NY 10006
Attn: Harvey Kesner, Esq.

Each such notice shall be deemed delivered (1) on the date delivered if by personal or overnight delivery, and (2) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

(b) By giving to the other parties at least 15 days written notice thereof, the parties and their respective successors and permitted assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses.

12.2 Further Assurances. Each party agrees to execute and deliver any and all such other and additional instruments and documents and do any and all such other acts and things as may be necessary or expedient to effectuate more fully this Agreement and to carry out the business contemplated by this Agreement.

12.3 Force Majeure. The inability of any party to commence or complete its obligations hereunder by the dates herein required resulting from delays caused by strikes, insurrection, acts of God, war, emergencies, shortages or unavailability of materials, or other similar causes beyond the party's reasonable control which shall have been timely communicated to the other party, shall extend the period for the performance of the obligations for the period equal to the period(s) of any such delay(s); provided that such party shall continue to perform to the extent feasible in view of such force majeure; and provided further, that if such force majeure shall continue for a period of six months, either party shall have the right to terminate this Agreement upon written notice to the other.

12.4 Assignment; Binding Effect. Except as permitted under Section 3.1 of this Agreement, neither party shall have the right to assign its rights or obligations hereunder (other than to an Affiliate) without the prior written of the other party hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

12.5 Waiver and Amendment. Any representation, warranty, covenant, term or condition of this Agreement which may legally be waived, may be waived, or the time of performance thereof extended, at any time by the party hereto entitled to the benefit thereof, and any term, condition or covenant (including, without limitation, the period during which any condition is to be satisfied or any obligation performed) may be amended by the parties hereto at any time. Any such waiver, extension or amendment shall be evidenced by an instrument in writing executed by an officer authorized to execute waivers, extensions or amendments. No waiver by any party, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such party's rights under such provisions at any other time or a waiver of such party's rights under any other provision of this Agreement. No failure by any party to take any action against any breach of this Agreement or default by another party shall constitute a waiver of the former party's right to enforce any provision of this Agreement or to take action against such breach or default or any subsequent breach or default by such other party.

12.6 Entire Agreement. This Agreement, including the Exhibits attached hereto, contains every obligation and understanding between the parties relating to the subject hereof and merges all prior discussions, negotiations and agreements, if any, between them, and none of the parties shall be bound by any conditions, definitions, understandings, warranties or representations other than as expressly provided or referred to herein.

12.7 Severability. In the event that any one or more of the provisions contained in this Agreement shall be declared invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect, and such invalid, void or unenforceable provision shall be interpreted in a manner which accomplishes, to the extent possible, the original purpose of such provision.

12.8 Section Headings. The section headings in this Agreement are for convenience of reference only and shall not be deemed to affect the interpretation of any provision of this Agreement.

12.9 No Third Party Rights. The provisions of this Agreement are for the exclusive benefit of the parties to this Agreement, and no other Person (including without limitation any creditor of any party to this Agreement) shall have any right or claim against any party to this Agreement by reason of those provisions or be entitled to enforce any of those provisions against any party to this Agreement.

12.10 Relationship of Parties. This Agreement shall not constitute or be construed as creating a partnership or joint venture between the parties, and neither party shall be liable for any debts or obligations of the other party. Neither party shall in any way be considered as being an agent or

representative of the other party in any dealings with any third party, and neither party may act for, or bind, the other party in any such dealings.

12.11 Construction. The parties acknowledge that each has been advised by counsel during the course of negotiation of this Agreement and, therefore, that this Agreement shall be interpreted without regard to any presumption or rule requiring construction against the party causing this Agreement to be drafted.

12.12 Governing Law. This Agreement has been entered into and shall be construed and enforced in accordance with the laws of the State of Florida without reference to the choice of law principles thereof.

12.13 Arbitration; Jurisdiction. All disputes, controversies and claims directly or indirectly arising out of or relating to this Agreement, or the validity, interpretation, construction, performance, breach, termination or enforceability of this Agreement (collectively, "Disputes"), shall be resolved in accordance with the procedures set forth in this Section. The parties shall initially attempt in good faith to resolve all Disputes amicably between themselves. If a Dispute remains unresolved, the Dispute shall be submitted to arbitration and shall be finally, exclusively and conclusively settled by binding arbitration under the Rules of American Arbitration Association ("AAA"), which Rules shall be deemed to be incorporated by reference into this Article. The place of arbitration shall be Miami, Florida, USA. The language of the arbitrators shall be English and all documents not in English submitted by any party shall be accompanied by a certified English translation thereof. Unless otherwise agreed by the Parties, the number of arbitrators shall be three. Each party shall appoint one arbitrator, and the third arbitrator shall be appointed by the AAA. The parties consent to the jurisdiction of the Federal District Court for the district in which the arbitration is held for the enforcement of these provisions and the entry of judgment on any award rendered hereunder. Execution upon the award of the arbitrators may be entered in any court having jurisdiction thereof. Each party shall bear its own costs and expenses (including its attorney's fees) associated with any arbitration initiated under this Section, and each party shall bear an equal share of the arbitrators' and administrative fees associated with any arbitration initiated under this Section.

12.14 Equitable Remedies. Each of the parties acknowledges and agrees that, in the event of a breach or threatened breach of this Agreement by any party or the failure of a party to perform in accordance with the specific terms hereof, the other party hereto will be irreparably damaged and that monetary damages would not provide an adequate remedy. Accordingly, it is agreed that, in addition to any and all other rights which may be available, at law or in equity, the non-breaching party shall be entitled to injunctive relief and/or specifically to enforce the terms and provisions hereof in any court of competent jurisdiction.

12.15 Remedies Cumulative. The rights and remedies given in this Agreement to a nondefaulting party shall be deemed cumulative, and the exercise of one of such remedies shall not operate to bar the exercise of any other rights and remedies reserved to a nondefaulting party under the provisions of this Agreement or given to a nondefaulting party at law or in equity.

12.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12.17 Waiver of Jury Trial. Each party hereto waives its right to trial of any issue by jury.

12.18 Limitation of Liability. NEITHER DISTRIBUTOR, ITS AFFILIATES, OR ANY OF THEIR RESPECTIVE EMPLOYEES, AGENTS, OFFICERS OR SUBCONTRACTORS SHALL HAVE LIABILITY FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR FOR ECONOMIC LOSS AS A RESULT OF ANY BREACH OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives effective as of the date first above written.

BIOZONE PHARMACEUTICALS, INC.

By: _____
Name: ELLIOT MAZA
Title: CHIEF EXECUTIVE OFFICER + CFO
Date:

OPKO PHARMACEUTICALS, LLC

By: _____
Name: Steven D. Rubin
Title: Executive Vice President
Date:

LIMITED LICENSE AGREEMENT

This Limited License Agreement (this "**Agreement**"), effective as of the 24th day of February, 2012 (the "**Effective Date**"), is by and between BioZone Laboratories, Inc., a California corporation ("**BZL Labs**"), Equachem, LLC ("**Equachem**"), and BioZone Pharmaceuticals, Inc. ("**BZL Pharma**" and together with BZL Labs and Equaquem, "**BZL**"), having its principal place of business at Pittsburg, California, U.S.A., and OPKO Pharmaceuticals, LLC, a Delaware limited liability company ("**OPKO**"), having its principal place of business at Miami, Florida, U.S.A. As used herein, each of OPKO and BZL are referred to individually as a **"Party"** and collectively as the "**Parties**".

RECITALS

WHEREAS, BZL owns certain patent rights, patented and unpatented chemical compounds, trade secrets, know-how and other unpatented technology (trademarks of BZL);

WHEREAS, OPKO is desirous of acquiring (i) an exclusive license under such patent rights and unpatented technology for the development, manufacture, use, sale, offer for sale, import and export of products utilizing the Licensed Technology (including Quosomes and EquaSomes) within the OPKO Field; and (ii) a non-exclusive license under such patent rights and unpatented technology for the development, manufacture, use, sale, offer for sale, import and export of products utilizing Licensed Technology (including QuSomes and EquaSomes) within the BZNE Field; and

WHEREAS, BZL is willing to grant OPKO such a license in accordance with the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the Parties, hereby agree as follows:

AGREEMENT

Article 1 – Definitions

1.1 Affiliate. The term "**Affiliate**" shall mean any corporation, company, partnership, joint venture and/or firm which controls, is controlled by, or is under common control with a Party. For purposes hereof, "control" shall mean (a) in the case of corporate entities, direct or indirect ownership of at least fifty percent (50%) of the stock or shares having the right to vote for the election of directors, and (b) in the case of non-corporate entities, direct or indirect ownership of at least fifty percent (50%) of the equity interest with the power to direct the management and policies of such non-corporate entities.

1.2 BZL Field. The term "**BZL Field**" shall mean any and all fields of use, other than the OPKO Field. In particular, BZL reserves for itself the right to grant additional licenses to third-parties outside the OPKO Field.

1.3 BZL Patents. The term "**BZL Patents**" shall mean all United States and foreign patents and patent applications owned, licensed or controlled by the BZL or its Affiliates at any time during the term of this Agreement, which has at least one claim that covers (i) any use,

manufacture, sale, offer for sale, or importation of a Covered Product, such as any patent or patent application directed to the composition of matter for a Covered Product, or (ii) the manufacture or creation of the Licensed Technology, including but not limited to (a) all patents and patent applications listed in Exhibit A and all corresponding or related inventor certificates, (b) any and all continuations, continuations-in-part, continuing prosecution applications, and divisionals based on any patent or patent application referenced herein, (c) any and all patents issuing from any applications referenced herein, (d) any reissues, renewals, reexaminations and extensions based on any patents referenced herein, and (e) all corresponding foreign counterparts and foreign patent applications and issued patents in any country throughout the world. BZL Patents shall include patents existing at the time of this agreement, as well as patents on new inventions developed during the term of this agreement.

1.4 Commercial Sale. The term "**Commercial Sale**" shall mean the first sale by OPKO to an unrelated third party of a Covered Product in a given country in the Territory for use or consumption by the general public, after the receipt of a marketing authorization for the Covered Product in such country, in an arm's length transaction, in exchange for cash or other consideration. Sales prior to receipt of marketing authorization necessary to commence regular commercial scale sales, such as so-called "treatment IND sales", "named patient sales", "compassionate use sales" and/or other sales for similar purposes, shall not be deemed a Commercial Sale.

1.5 Covered Product. The term "**Covered Product**" shall mean any pharmaceutical preparation or formulation sold by OPKO , where the manufacture, use, sale, offer for sale or import of such Covered Product is claimed in a BZL Patent or utilizes Licensed Technology.

1.6 Licensed Technology. The term "**Licensed Technology**" shall mean the BZL Patents, patent rights, patented or unpatented chemical compounds, trade secrets, know-how, and other unpatented technology owned and/or controlled by BZL and relating to its technology for drug delivery or formulation and for enhancing product stability, ingredient penetration, and ease of manufacturing process, including without limitation, QuSomes and EquaSomes.

1.7 Net Sales. The term "**Net Sales**" shall mean gross amounts invoiced by OPKO and its sublicensees for sales of the Covered Products to customers, less the following: (a) payments made or credits allowed to customers and actually credited to customers for promotional purposes, allowances, rebates, discounts, profit share payments and other usual and customary discounts, including, without limitation, volume and prompt payment discounts, to customers, which are actually received by customers, (b) the amount of chargebacks, and amounts repaid or credited by reason of rejections, damages or returns of goods, or because of retroactive price adjustments, (c) specific amounts not collectible after reasonable collection efforts, (d) taxes, duties, tariffs, surcharges and other governmental charges paid, absorbed or allowed in connection with the sale, import or export of Covered Product, (e) freight, postage, insurance charges and other transportation costs actually incurred by OPKO in connection with transporting the Covered Product, and (f) discounts or rebates or other payments required by law to be

made under Medicaid, Medicare or other governmental special medical assistance programs, all of the foregoing as determined in accordance with generally accepted accounting principles in the U.S. Only sales of Covered Product by OPKO to unrelated parties shall be deemed Net Sales hereunder. Sales of Covered Product between OPKO, its Affiliates or sublicensees shall be excluded from Net Sales. However, sales of Covered Product by Affiliates or sublicensees to unrelated third parties shall be included as Net Sales as if such sales were made directly by OPKO to such unrelated third parties. Net Sales shall not include the distribution from OPKO of Covered Product free of charge for use in clinical trials or research.

In the event that a Covered Product is sold in a finished combination package containing such Covered Product packaged together in combination with one or more other products, devices, equipment or components (a "**Combination Product**"), Net Sales for such Combination Product will be calculated by multiplying actual Net Sales of such Combination Product by the fraction A/(A+B) where A is the selling price of the Covered Product if sold separately in finished form and B is the selling price of any other products, equipment or components in the Combination Product if sold separately in finished form provided that the selling price of any Combination Product shall not be less than A+B. In the event that a product containing Covered Product or one or more of such products, equipment or components in the Combination Product are not sold separately, then the parties shall negotiate in good faith a formula for calculating Net Sales for such Combination Product that reflects the respective contributions of the product containing Covered Product and such other products, equipment or components to the overall value of such Combination Product. OPKO covenants that it will not intentionally manipulate any part of the fraction A/ (A+B) to avoid or reduce royalty payments or obligations that would otherwise be due for sales of Covered Product in combination form or otherwise.

1.8 OPKO Field. The term "**OPKO Field**" shall mean development, marketing, and sale of Covered Products for ophthalmological indications.

1.9 OPKO Improvement Patent. The term "**OPKO Improvement Patent**" shall mean any patent or patent application (i) owned or controlled by OPKO or any of its Affiliates, including any patent application filed by or on behalf of OPKO or any of its Affiliates, and (ii) which has at least one claim that covers any improvement of the Licensed Technology as it relates to the QuSomes in connection with the development of a Covered Product by OPKO. OPKO Improvement Patents shall only include patents developed in connection with development of a Covered Product hereunder. OPKO Improvement Patent shall not include any inventions or discoveries or claims or improvements directed to any technology outside of the Licensed Technology and shall not include any improvements to any formulation, composition of matter, compound or process that is not specifically directed to improvements of the QuSome technology per se.

1.10 OPKO Patent. The term "**OPKO Patent**" shall mean any patent or patent application other than an OPKO Improvement Patent (i) owned or controlled by OPKO or any of its Affiliates, including any patent application filed by or on behalf of OPKO or any of its Affiliates, and (ii) which has at least one claim that covers any use, manufacture, sale,

offer for sale, or importation of a Covered Product, such as any patent or patent application directed to the composition of matter for a Covered Product. OPKO Patents shall include patents existing at the time of this agreement, as well as patents on new inventions developed during the term of this agreement.

1.11 QuSomes. "**QuSomes**" shall mean spontaneously-forming liposomes for the delivery of therapeutic agents as described, for example, in United States patents 6,610,322; 6,958,160; 7,150,883; and 7,718,190 and which are owned or controlled by BZL.

1.12 Territory. The term "**Territory**" shall mean worldwide.

1.13 Valid Claim. The term "**Valid Claim**" shall mean an issued and unexpired claim in a patent within the BZL Patents, which claim has not been dedicated to the public, disclaimed, canceled, withdrawn, abandoned, revoked, or held invalid or unenforceable by a decision of a court or government agency of competent jurisdiction in an unappealed or unappealable decision.

Article 2 - License Grant

2.1 License for Covered Products. Subject to the terms and conditions of this Agreement, BZL hereby grants to OPKO an exclusive (except as described in Article 13), worldwide, non-transferable (except as permitted under Sections 2.3 and 10.1) right and license, under the Licensed Technology: (i) to develop, use, make and have made Covered Products within the OPKO Field and in the Territory; and (ii) to market, promote, sell, offer to sell, transfer, distribute, import and export Covered Products within the OPKO Field and in the Territory. Subject to the terms and conditions of this Agreement, and except as provided by Article 14, BZL hereby grants to OPKO a non-exclusive, worldwide, non-transferable (except as permitted under Sections 2.3 and 10.1) right and license, under the Licensed Technology: (i) to develop, use, make and have made Covered Products within the BZNE Field and in the Territory; and (ii) to market, promote, sell, offer to sell, transfer, distribute, import and export Covered Products within the BZL Field and in the Territory.

2.2 Exclusive License for Licensed Technology. To the extent BZL provides to OPKO the BZL Materials pursuant to Section 4.4, subject to the terms and conditions of this Agreement, BZL hereby grants to OPKO an exclusive, worldwide, non-transferable (except as permitted under Sections 2.3 and 10.1) right and license, under the BZL Patents and Licensed Technology, to use and screen the BZL Material to identify, select and commercialize one or more Covered Products within the OPKO Field and in the Territory.

2.3 Sublicensing Right. OPKO will have the right to sublicense any of the rights granted under Sections 2.1 and 2.2, provided that OPKO enters into a sublicense agreement with the sublicense in writing and the sublicense agreement (i) conforms in all respects to the applicable terms and conditions of this Agreement, including all restrictions and limitations provided herein, and (ii) specifies that such sublicense does not include any exclusive rights outside the OPKO Field. In respect to sublicenses granted by OPKO

under this Section 2.3, OPKO shall pay to BZL or cause each sublicensee to pay BZL royalties on Net Sales made by such sublicensee as if said Net Sales had been made by OPKO.

2.4 Reservation of Rights. BZL reserves all rights in the BZL Patents outside the OPKO Field and not expressly granted under Sections 2.1 and 2.2, provided that in any license, transfer or other assignment of rights under the BZL Patents or Licensed Technology to a third party, BZL shall (i) ensure that such license, transfer or assignment of rights does not include any rights in the OPKO Field; and (ii) BZL shall require a covenant by the transferee not to practice the BZL Patents or Licensed Technology in the OPKO Field. OPKO will not practice the BZL Patents outside the scope of the licenses granted pursuant to this Agreement, and BZL shall neither practice nor give any third party the right to practice the BZL Patents or Licensed Technology in the OPKO Field.

Article 3 – Royalties

3.1 Royalty. During the Royalty Term (as defined below), OPKO shall pay BZL royalties on annual Net Sales of each Covered Product. For Covered Products sold by OPKO or its Affiliates, the royalty rate shall be five percent (5%) of Net Sales. The royalty term shall be the period beginning upon the first Commercial Sale of a Covered Product and shall terminate on a country-by-country basis on the first date that such Covered Product ceases to be covered by a Valid Claim in a country (the "**Royalty Term**"). At the end of the Royalty Term the licenses granted by BZL to OPKO under this Agreement shall become fully paid-up, perpetual, irrevocable, royalty-free, exclusive licenses with respect to such Covered Product.

3.2 Calculation of Royalty. Such payments will be made within ninety (90) days following the close of each calendar quarter based on Net Sales for such quarter. Payments will be made in U.S. dollars (the exchange rate to be that listed in the Wall Street Journal on the day payment is rendered).Each royalty payment shall be accompanied by a complete statement showing the amount of Net Sales of Covered Products sold in the Territory during the respective calendar quarter. Each report shall specify the amount of Covered Products sold during the quarterly period together with the calculation of all royalties which shall have accrued during said quarterly period.

3.3 Offset. Should OPKO reasonably determine that in order to commercialize Covered Products it is necessary to obtain rights under one or more patents or patent applications owned or controlled by one or more third parties that cover or arguably cover the Covered Products or their production or use, then OPKO shall be entitled to negotiate and enter into agreements with such third parties and 50% of any amounts payable by OPKO, its Affiliates or sublicensees to such third parties with respect to the Covered Products under such agreements shall be credited against amounts payable to BZL under Section 3.1.

Article 4 – Marketing Authorizations; Trademarks; Technical Support and Manufacturing

4.1 Trademarks. OPKO at its sole expense shall be responsible for the selection, registration and maintenance of the brand names to be used by it with respect to the Covered Products in the Territory. All Trademarks will be owned and controlled by OPKO.

4.2 Governmental Approvals, and Marketing of Covered Products. OPKO shall be responsible for research and development necessary for obtaining and maintaining all necessary marketing Authorizations in each country in the Territory in which it determines to commercialize Covered Products. Such marketing authorizations will be held in the name of the OPKO and all expenses associated with the filing of such marketing Authorizations in the Territory will be the sole responsibility of OPKO. Any cost or expense incurred by the BZL in connection with the research and development of QuSomes or Covered Products prior to or following the Effective Date of this Agreement shall remain the sole and exclusive responsibility of the BZL.

4.3 Technical Support. Upon request of OPKO, BZL shall at its own expense provide OPKO with access to the Licensed Technology, including copies of all information in its possession relating to the Covered Products and the active ingredients therein, test and clinical data, trial results, manufacturing and other information, in order to assist OPKO in making submissions for marketing Authorizations in the Territory. From time to time, OPKO may request additional technical assistance from BZL regarding product development, formulation, and testing activities. BZL shall use commercially reasonable efforts to provide such assistance, and OPKO shall pay BZL for such additional activities at reasonable, industry standard fees, to be mutually agreed to by the Parties.

4.4 Material Transfer Agreement. Upon reasonable request by OPKO, BZL shall provide OPKO with aliquots of patented or unpatented chemical compounds ("**BZL Materials**") for use in product development activities. Parties will enter into an industry standard material transfer agreement for the transfer of such BZL Materials from BZL to OPKO. OPKO will promptly notify BZL in writing which targets were screened using the BZL Materials.

4.5 Manufacturing. OPKO and BZL agree that BZL will manufacture Covered Product for OPKO according to specifications provided by OPKO. OPKO will pay for such manufacturing at BZL's fully loaded costs plus ten percent (10%). In the event that BZL is unable to supply Covered Products to OPKO sufficient to meet OPKO's needs or in the event that BZL fails to meet its supply obligations to OPKO in a timely manner in OPKO's sole but reasonable discretion, BZL agrees that OPKO shall be permitted directly or through others to manufacture Covered Products. In such event, BZL shall provide reasonable assistance to OPKO and shall provide OPKO or its designee with all process and manufacturing information related to the Covered Product. OPKO shall have the right to reference any Drug Master File maintained by BZL relating to Licensed Technology or Covered Products and any other BZL regulatory documents or filings submitted in connection with Licensed Technology or Covered Products.

Article 5 Option for OPKO Improvement Patents; Prosecution.

5.1 Option for Grant Back to BZL. OPKO hereby grants BZL an option to negotiate for a non-exclusive, worldwide, non-transferable, royalty-bearing right and license under the OPKO Improvement Patents (solely to the extent it relates to the QuSome technology) (i) to use, make and have made products in the BZL Field and in the Territory; and (ii) to sell, offer to sell, transfer, distribute and import products in the BZL Field and in the Territory. OPKO specifically limits all option rights in the OPKO Improvement Patents to QuSome delivery technology, and BZL will not practice the OPKO Improvement Patents in any manner without a license negotiated pursuant to this option .

5.2 Notice of BZL Patent. Prior to filing any BZL Patent or promptly after acquiring ownership or exclusive license rights in any BZL Patent, BZL will notify OPKO in writing and provide a copy of the applicable draft application, pending application, or issued patent.

5.3 Prosecution of BZL Patent. BZL shall file, prosecute and maintain the BZL Patents. BZL shall be responsible for all fees and costs relating thereto, except as provided herein. BZL will notify OPKO periodically of the status of any pending cases included in the BZL Patents, and upon reasonable request by OPKO will provide OPKO with copies of any office actions, notices of allowance, and other material documents filed with or received from any patent office concerning the BZL Patents. OPKO will have the opportunity to comment on any response to office actions for BZL Patents or amendments to claims in BZL Patents prior to their filing and BZL will consider all comments from OPKO in good faith, including filing any divisional, continuation, or continuation-in-part application to include claims that are directed to OPKO Field. OPKO shall be solely responsible for any patent expenses or costs related to the OPKO Field and which are incurred pursuant to a request of OPKO. Any differences between the Parties with respect to any BZL Patent prosecution matters will be discussed and the Parties will use good faith efforts to resolve such differences to their mutual satisfaction. If BZL decides not to continue the prosecution of any pending case, not to maintain any issued patent included in the BZL Patents, or not to extend a BZL patent to a particular country, BZL will promptly notify OPKO in writing at least thirty (30) days before the pending case is abandoned or the issued patent is lapsed. If OPKO desires to take over the prosecution of the pending case or the maintenance of the issued patent, OPKO will notify BZL of such desire and will have the right to prosecute such pending case or to maintenance such issued patent, though such patent will be a BZL Patent for the purposes of this Agreement.

5.4 Prosecution of OPKO Patents. OPKO will be responsible for and will control the filing, prosecution, and maintenance of the OPKO Improvement Patents and OPKO Patents relating to Covered Products, including all fees and costs relating thereto. OPKO will notify BZL periodically of the status of any pending cases included in the OPKO Improvement Patents, and will provide BZL with copies of any office actions, notices of allowance, and other material documents filed with or received from any patent office concerning the OPKO Improvement Patents. Any differences between the Parties with

respect to any OPKO Patent prosecution matters will be discussed and the Parties will use good faith efforts to resolve such differences to their mutual satisfaction.

Article 6 Representations and Warranties

6.1 Warranty of Ownership. BZL hereby represents and warrants to OPKO that, except as described in Article 13 and Article 14:

6.1.1 BZL is the sole and exclusive owner of all right, title and interest in and to the Licensed Technology, and the Licensed Technology is free and clear of any liens, pledges, claim, security interests, rights of first refusal, community property interest or other restriction or limitation, and any other encumbrances (collectively, "**Encumbrances**");

6.1.2 BZL has the full right and power to grant the exclusive licenses set forth in this Agreement and there are no outstanding agreements, assignments or Encumbrances which would prevent BZL from granting the licenses granted to OPKO in this Agreement or from performing BZL's obligations under this Agreement; and

6.1.3 BZL is not a party to any agreement or contract that is inconsistent with the exclusive licenses granted under this Agreement.

6.2 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 6.1, THE PATENTS LICENSED HEREUNDER ARE PROVIDED "AS IS" AND NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OR CONDITIONS OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PATENTS LICENSED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OR ENFORCEABILITY OF THE PATENTS LICENSED HEREUNDER, OR NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

6.3 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EXPENSES, LOST PROFITS, LOST SAVINGS, INTERRUPTIONS OF BUSINESS OR OTHER DAMAGES OF ANY KIND OR CHARACTER WHATSOEVER ARISING OUT OF OR RELATED TO THIS AGREEMENT OR RESULTING FROM THE MANUFACTURE, HANDLING, MARKETING, SALE, DISTRIBUTION OR USE OF COVERED PRODUCT REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, EVEN IF A PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Article 7 – Extension and Enforcement of Patent Rights

7.1 Notice of Patent Infringement by Third Parties. In the event that either Party becomes aware of any infringement of any patent included in the BZL Patents, OPKO Patents or OPKO Improvement Patents by a third party, such Party shall notify the other Party

thereof in writing and shall provide the other Party with all evidence of such infringement and the basis of such Party's belief that such infringement is and/or might have occurred or is occurring.

7.2 OPKO's Right to Suit. OPKO shall have the sole right, but not the obligation, to commence in OPKO's name suits, actions, and proceedings for patent infringement of the BZL Patents or the OPKO Patents or OPKO Improvement Patents by any third party, if the infringement occurs during the term of this Agreement and within the OPKO Field. Such right shall include without limitation the right to control the initiation and filing of such actions, suits and proceedings, the preparation of all papers to be filed in connection therewith and conducting the actions, suits and proceeding against such third parties. All recoveries, damages, settlement amounts and awards in such suit, action or proceeding shall be awarded to OPKO. OPKO shall bear all costs associated with any such suits, actions and proceedings. Upon OPKO's reasonable request, BZL agrees to assist and cooperate with OPKO in all such actions, suits and proceedings instituted hereunder, including without limitation being named or joined as a party thereto if BZL is a necessary and indispensable party. OPKO shall pay for all expenses that BZL reasonably incurs in association with such cooperation and assistance. Except as expressly provided in this Section 7.2, BZL reserves all rights to enforce the patents licensed to OPKO.

Article 8 Term and Termination

8.1 Term. Unless terminated earlier in accordance with this Agreement, the term of this Agreement and the term of the licenses granted hereunder shall begin on the effective date of this Agreement and continue until the expiration of the last-to-expire patent within the BZL Patents.

8.2 Termination Upon Default. BZL shall have the right to terminate the license granted under this Agreement to OPKO for cause upon written notice to OPKO if OPKO materially breaches any provision of this Agreement, and does not cure such breach within thirty (30) days following written notice thereof from BZL.

8.3 Termination by OPKO. OPKO shall have the right to terminate any license granted to it, by providing ninety (90) days written notice to BZL.

8.4 Effect Upon Termination. On the effective date of termination of the license provided to OPKO, OPKO will cease all further use, manufacture, sale, or importation of the Covered Products and all use of the Licensed Technology, except as provided in this Section. OPKO may complete and sell any inventory of the Covered Products within the OPKO Field that exist as of the termination date for a period of six (6) months after the termination date.

8.5 Survival. Articles 3, 5, 6, 7, 8, 9, 11, and 12 will survive any termination or expiration of this Agreement.

Article 9 - Indemnification

9.1 Indemnification by OPKO. OPKO will defend, indemnify and hold BZL, BZL's Affiliates, and their directors, officers, employees, and agents harmless from and against any and all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees, expert witness fees, and court costs) directly or indirectly arising from or relating to any activities of OPKO or its sublicensees pursuant to the rights granted hereunder, including the manufacture (but solely to the extent OPKO has assumed manufacturing obligations), use, marketing, or sale of any Covered Product, except in such case and to the extent such claims or liabilities are attributable directly or indirectly to the acts or omissions of BZL.

9.2 Indemnification by BZL. BZL will defend, indemnify and hold OPKO, OPKO's Affiliates, and their directors, officers, employees, and agents harmless from and against any and all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees, expert witness fees, and court costs) directly or indirectly arising from or relating to any activities of BZL or its sublicensees pursuant to the rights granted hereunder, including (a) a breach of any of its representations and warranties set forth in this Agreement; (b) the manufacture or handling of Covered Product by BZL, and the (c) negligent or intentional acts of BZL and its Affiliates, except in such case and to the extent such claims or liabilities are attributable directly or indirectly to the acts or omissions of OPKO.

Article 10 - Assignment; Successors

10.1 Assignment. Neither Party may assign or transfer any rights under this Agreement or delegate any of its obligations or duties under this Agreement without the other Party's prior written consent. Notwithstanding the foregoing, this Agreement may be assigned by either Party to an Affiliate or to a third party in connection with the transfer of all, or substantially all, of such Party's business to which this Agreement relates, including without limitation by way of merger, asset sale or a change in control. Any attempted assignment or transfer of this Agreement or in violation of the foregoing will be null and void.

10.2 Binding Upon Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of successors in interest and permitted assigns of BZL and OPKO.

Article 11 - Confidentiality

11.1 Confidential Information. As used herein, "**Confidential Information**" means any confidential or proprietary information disclosed by either Party ("**Disclosing Party**") to the other Party ("**Receiving Party**") pursuant to this Agreement, regardless whether such information is marked "Confidential". Confidential Information will include, but not be limited to, trade secrets, know-how, inventions, unpublished patent applications, techniques, processes, product plans, composition of matter, and financial information.

11.2 Confidentiality. The Receiving Party shall keep in confidence and trust all of the Disclosing Party's Confidential Information received by the Receiving Party. The

Receiving Party shall not use the Confidential Information of the Disclosing Party other than as expressly permitted under the terms of this Agreement or by a separate written agreement. The Receiving Party shall take all reasonable steps to prevent unauthorized disclosure or use of the Disclosing Party's Confidential Information and to prevent it from falling into the public domain or into the possession of unauthorized persons. The Receiving Party shall not disclose Confidential Information of the Disclosing Party to any person or entity other than its officers, employees, consultants and advisors who need access to such Confidential Information in order to effect the intent of this Agreement and who have entered into written confidentiality agreements with the Receiving Party which protects the Confidential Information of the Disclosing Party. The Receiving Party shall immediately give notice to the Disclosing Party of any unauthorized use or disclosure of Disclosing Party's Confidential Information. The Receiving Party agrees to assist the Disclosing Party to remedy such unauthorized use or disclosure of its Confidential Information.

11.3 Exclusions. Notwithstanding anything to the contrary herein, the restrictions set forth in this Section shall not apply to information that the Receiving Party can document: (i) was independently developed by the Receiving Party without any use of or reference to the Disclosing Party's Confidential Information; (ii) becomes known to the Receiving Party, without restriction, from a third party who had a right to disclose it without confidentiality obligations; (iii) was in the public domain at the time it was disclosed or becomes in the public domain without breach by the Receiving Party of this Section; or (iv) was rightfully known to the Receiving Party, without restriction, at the time of disclosure. A disclosure of the other Party's Confidential Information that is required in response to the valid and binding order of a court or other governmental body shall not be deemed a breach of this Section; provided that the Receiving Party shall (x) immediately notify the Disclosing Party in writing in order that the Disclosing Party may obtain a protective order requiring the Disclosing Party's Confidential Information be used only for which the order was issued; and (y) use reasonable efforts to have such information be treated as confidential and under seal, unless such disclosure is necessary to establish the rights or enforce obligations under this Agreement.

11.4 Return of Confidential Information. The Confidential Information of each Party will remain the sole property of that Party. The disclosure of any Confidential Information by a Party will not constitute a grant of any right or license in or to such Confidential Information or obligate the Disclosing Party to grant any such rights or licenses to the Receiving Party. Except as provided in this Agreement, all documents or materials that contain or reflect Confidential Information will be returned to the Disclosing Party upon request or termination of this Agreement; provided, however, that one (1) archival copy of such documents or materials may be retained by the Receiving Party solely to determine its obligations under this Agreement.

11.5 Terms of this Agreement. Neither Party will disclose any terms of this Agreement to any third party without the prior written consent of the other Party, except (i) as required by law; (ii) to its attorneys, accountants, and other professional advisors under a duty of confidentiality; (iii) to a third party under a duty of confidentiality in connection with any

proposed financing or a proposed merger or a proposed sale of all or part of such Party's business relating to this Agreement.

Article 12 General Provisions

12.1 Independent Contractors. BZL and OPKO shall have no other relationship other than as independent contracting parties. Neither Party shall have any power to bind or obligate the other Party in any manner.

12.2 Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Parties as to the subject matter hereof and supersedes all prior discussions, agreements, representations related to such subject matter. There shall be no amendments or modifications to this Agreement, except by a written document which is signed by both Parties.

12.3 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida, without giving effect to its principles of conflicts of law.

12.4 Captions. The headings for each article and section in this Agreement are for convenience and reference only and are not intended to limit or expand the meaning of the language contained in the particular article or section.

12.5 Severability. If any provision of this Agreement is ultimately held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

12.6 Notices. Any notices in writing shall be deemed duly given and made if sent by courier or by certified or registered mail, postage prepaid, to the addressees below or by facsimile to the facsimile number set forth below. Either Party may change its address or its designated management representative by written notice to the other Party. The date of giving such notices and payments shall be the date of mailing.

To BZL:

BioZone Laboratories, Inc.
580 Garcia Avenue
Pittsburg, CA 94565

Attn: Chief Executive Officer

Fax No.: 201-608-5103

To OPKO:

OPKO Pharmaceuticals, LLC
4400 Biscayne Blvd.
Miami, FL 33137
Attn: Deputy General Counsel
Fax No: 305-575-4140

12.7 Remedies. If any legal action is brought to enforce this Agreement, the prevailing Party will be entitled to receive its attorneys' fees, court costs, and other collection expenses, in addition to any other relief it may receive.

12.8 Counterparts and Facsimile. This Agreement may be executed in counterparts and when each party has signed and delivered one such counterpart, each counterpart shall be deemed an original and, when taken together with other signed counterparts, shall constitute one integrated contract, which shall be binding upon and effective as to all parties. Facsimile signatures and PDF copies of the parties shall have the same effect as original signatures.

Article 13 Existing Contract Between BZL and BetaZone

13.1 The Parties acknowledge that there is an existing agreement between BZL and BetaZone (the "**BetaZone License**"), in which BZL previously conferred a license to BetaZone for certain Covered Products in the Territory. The parties agree that the license granted under the present agreement is subject to and limited by all rights conveyed by BZL under the BetaZone License.

13.2 Exhibit B is a comprehensive list of Covered Products which BetaZone has developed under the BetaZone License. OPKO agrees that BetaZone will have the right to continue to manufacture, have manufactured, use, sell, offer for sale such Covered Products.

13.3 The Parties acknowledge that BZL and BetaZone have modified the BetaZone Agreement, thereby restricting BetaZone from developing or selling any additional Covered Products, other than those listed on Exhibit B.

Article 14 Existing Contracts for Licensed Technology

14.1 The parties acknowledge that BZL has previously entered into various agreements pursuant to which it has granted exclusive licenses to Licensed Technology for certain Covered Products in the BZL Field (the "**Technology Licenses**"). Exhibit C sets for a comprehensive list of such Technology Licenses. The parties agree that the non-exclusive license granted to OPKO under the present agreement in the BZL Field is subject to and limited by the rights previously conveyed by BZL under such Technology Licenses.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their duly authorized representatives as of the date first above written.

BIOZONE LABORATORIES, INC.
(LICENSOR)

By: _____
Brian Keller
Executive Vice President, BZL

Date: 2/24/2012

OPKO PHARMACEUTICALS, LLC
(LICENSEE)

By: _____
Steven D. Rubin
Executive Vice President

Date: 2/24/2012

EQUACHEM, LLC

By: _____
ELLIOT MAZA
SOLE MEMBER

Date: 2/24/2012

BIOZONE PHARMACEUTICALS, INC.

By: _____
ELLIOT MAZA
CHIEF EXECUTIVE OFFICER + CFO

Date: 2/24/2012

EXHIBIT A

LIST OF BZL PATENTS

Notes:

- Issued patents are listed by both application number and patent number. Cases still pending are listed by application number.
- Column 4 in Tables 1 and 2 lists the country or regional patent office for each patent or application.
- Column 5 in Tables 1 and 2 indicate if the claimed technology is related to QuSomes (Q), Pure-PEG (P) or other areas (O). Some patents and applications fall into more than one category. In some cases, the categorization is ambiguous.

Table 1: BIOZ patents and applications

	Application	Patent info	Country	Technology
BIOZ **0101** **BioZone Laboratories, Inc.** **Brian Keller**				
BIOZ-001 "Self Forming, Thermodynamically Stable Liposomes and Their Applications"	09/745,292 Dec 20, 2000	6,610,322 Aug 26, 2003	US	Q
BIOZ-001 EP "Self Forming, Thermodynamically Stable Liposomes and Their Applications"	App 01992326 WO0249617	EP 1343475 29 April 09	IR, GB, FR, DE, CH	Q
BIOZ-002 "Self Forming, Thermodynamically Stable Liposomes and Their Applications" CON of BIOZ-001	10/262,284 Sep 30, 2002	6,958,160 Oct 25, 2005	US	Q

BIOZ-004 "Self Forming, Thermodynamically Stable Liposomes and Their Applications" CON of BIOZ-001, BIOZ-002	11/178,001 Jul 8, 2005	7,150,883 Dec 19, 2006	US	Q
BIOZ-005P "Nanotechnology for spilled oil encapsulation, remediation, and recovery"	60/840,789 Aug 28, 2006		US	Q
BIOZ-006 "Self Forming, Thermodynamically Stable Liposomes and Their Applications" CON of BIOZ-001, BIOZ-002, BIOZ-004	11/588,068 Filed 10/24/2006	7,718,190 May 18, 2010	US	Q
BIOZ-009 "Self Forming, Thermodynamically Stable Liposomes and Their Applications"	12/661,987 filed Mar 27, 2010		US	Q

Table 2: EQUA patents and applications

(1) **X-conazoles plus Qusomes**				
EQUA-001 (regular application) "Enhanced Delivery of Antifungal Agents"	12/006,820 Filed Jan. 4, 2008		US	Q
EQUA-001 PCT "Enhanced Delivery of Antifungal Agents"	PCT/US2009/000003 Filed Jan 2, 2009		PCT	Q
EQUA-001 JP	2010-541549		JP	Q
EQUA-001 EP	09701160.5 effective date: Jan 2, 2009		EPO	Q

EQUA-003 (P) "Enhanced Delivery of Antifungal Agents"	61/128,011 Filed May 16, 2008		US	Q
EQUA-012 (R)	12/454,387 filed May 15, 2009		US	Q
(2) Linkers			US	Q, O
EQUA-002P "PEG-lipid conjugates for liposomes and drug delivery"	61/131,674 Filed June 11, 2008			
EQUA-004P "PEG-lipid conjugates for liposomes and drug delivery"	61/135,515 Filed July 21, 2008		US	Q, O
EQUA-015R "PEG-lipid conjugates for liposomes and drug delivery"	12/456,046 filed June 10, 2009		US	Q, O
(3) New Chemical Entities (equaconazoles)				
EQUA-005P "Novel Triazole Antifungal Agents"	61/191,339 Filed Sept 8, 2008		US	O
EQUA-006 (P) "Novel Triazole Antifungal Agents"	61/199,821 Filed Nov. 20, 2008		US	O
EQUA-007R "Triazole Antifungal Agents"	12/584,486 filed Sept 5, 2009		US	O
EQUA-007 PCT "Triazole Antifungal Agents"	PCT/US2009/005012 filed Sept. 5, 2009			
EQUA-007 CA			CA	O
EQUA-007 CN (China)	Natl. App. # 200980144689.2		CN	O
EQUA-007 EP	EP 09811850.8 Kemp ref: N.113302		EP	O

	JHS/nw Pub (patent) no 2343980			
EQUA-007 IN	2453/DELNP/2001		IN	O
EQUA-007 JP	2011-526053		JP	O
EQUA-007 MX			MX	O
(4) Solubility Enhancers (non-QuSomes)				
EQUA-008 "PEG-lipid conjugates for increasing the solubility of drug compounds"	Filed Jan 23, 2009 61/205,840		US	Q
EQUA-020R "PEG-lipid conjugates for increasing the solubility of drug compounds"	12/657,611 filed Jan 22, 2010		US	Q
EQUA-020 PCT "PEG-lipid conjugates for increasing the solubility of drug compounds"	PCT/US2010/000165 filed Jan 22, 2010			
EQUA-020 BR			BR	Q
EQUA-020 CO			CO	Q
EQUA-020 EP	10733728.9		EP	Q
EQUA-020-JP			JP	Q
(5) Drug-lipid conjugates (amide-linked drugs)				
EQUA-009	61/210,380 Filed Mar 18, 2009		US	O
EQUA-010P	61/217,404 filed May 29, 2009		US	O
EQUA-021R	12/661,465 filed Mar 17, 2010		US	O

(6) Polymer-lipid protein conjugates				
EQUA-011	61/212,825 Filed April 16, 2009		US	O
EQUA-023R	12/799,006 filed April 15, 2010		US	O
(7) Pure PEG-Lipid Conjugates				
EQUA-013	61/217,627 Filed June 2, 2009		US	P, Q
EQUA-017P	61/284,065 filed December 12, 2009		US	P, Q
EQUA-024R	12/802,197 filed June 1, 2010		US	P, Q
EQUA-024 PCT	PCT/US2010/001590 filed June 1, 2010			
EQUA-024 AP (ARIPO-Africa) 18 states			AP	P, Q
EQUA-024 AU (Australia)	App No 2010257181		AU	P, Q
EQUA-024 BR			BR	P, Q
EQUA-024 CA (Canada)			CA	P, Q
EQUA-024 CL (Chile)			CL	P, Q
EQUA-024 CN (China)	201080030371.4		CN	P, Q
EQUA-024 CO (Colombia)			CO	P, Q
EQUA-024 EG			EG	P, Q
EQUA-024 EA (Eurasia)			EA	P, Q
EQUA-024 EP (34 states)	EP #10783699.1		EP	P, Q
EQUA-024 IN (India)	10321/DELNP/2011		IN	P, Q
EQUA-024 IS (Israel)			IS	P, Q
EQUA-024 JP Goichi Takahishi Kita-Aoyama Intl Patent Bureau P011455			JP	P, Q
EQUA-024 MY	PI 2011005803		MY	P, Q

EQUA-024 MX			MX	P, Q
EQUA-024 ZA (South Africa)	2011/09366		ZA	**P, Q**
EQUA-024 KR (South Korea)	10-2011-7031713		KR	P, Q
(8) Cyclosporin formulation				
EQUA-016P	61/273,656 Filed August 5, 2009		US	P, Q
EQUA-025R	12/802,200 filed June 1, 2010		US	P, Q
(9) Rapamycin				
EQUA-018P	61/276,953 Filed Sept 19, 2009		US	Q
EQUA-027R "Method of treatment with Rapamycin"	12/924,038 Filed Sept 18, 2010		US	Q
EQUA-027 PCT "Pharmaceutical compositions of Rapamycin"	PCT/US2010/002547 Filed Sept 18, 2010		PCT	Q
(10) Pure PEG-AA-lipid conjugates				
EQUA-022P "Amino Acid Linked PEG-Lipid Conjugates"	61/343,396 filed April 28, 2010		US	P
EQUA-026R	13/066,959 Filed April 28, 2011		US	P
EQUA-026 PCT	PCT/US2011/000745 Filed April 28, 2011		PCT	P

Table 3: Other

Number	Notes	Title	Inventor	Filing date	Issue date
6,495,596	Inflacin; Jeff Smith	Compounds and methods for inhibition of phospholipase A2 and cyclooxygenase-2	Keller; Brian	June 7, 2001	December 17, 2002
6,998,421	Inflacin; Jeff Smith	Compounds and methods for inhibition of phospholipase A.sub.2 and cyclooxygenase - 2	Keller; Brian	August 26, 2002	February 14, 2006

EXHIBIT B

Schedule of Existing Ophthalmic Products Licensed to BetaZone

Polyvinyl Alcohol 1.4% ophthalmic solution
Cromoclicate Sodium 4% ophthalmic solution
Dexamethasone Phosphate 0.1% + Neomycin 0.35% ophthalmic solution
Dorsolamide 2% Timolol 0.5% ophthalmic solution
Gentamicin 0.3% ophthalmic solution
Artificial Tears ophthalmic solution
Moxifloxacine 0.5% ophthalmic solution
Nafazoline HCl 0.1 % ophthalmic solution
Olopatadine 0.1% ophthalmic solution
Prednisolone Acetate 1% ophthalmic solution
Sodium Sulfacetamide 10% ophthalmic solution
Tetrahydrozoline HCl 0.05% ophthalmic solution
Timolol 0.5% ophthalmic solution
Latanoprost 0.005% ophthalmic solution
Latanoprost 0.005% + Timolol 0.5% ophthalmic solution
Meloxicam 0.03% ophthalmic solution
Ketorolac 0.5% ophthalmic solution
Dexametasone 1 mg + Polimixine 6.000IU + Neomycin 3.500IU ophthalmic solution
Moxifloxacin 5mg + Dexametasone 1 mg ophthalmic solution

EXHIBIT C

SCHEDULE 1

Qusome Products Subject To License With BetaZone Laboratories, LLC

Territory: Mexico and the countries included in Central America and South America, Asia and Eastern Europe

Sildenafil oral spray
Mupirocin 2% topical Qusome cram
Mometasone 0,1% + Clotrimazole 1% topical Qusome cream
Mometasone 0,1% + Mupirocin 2% topical Qusome cream
Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1% topical Qusome cream
Acyclovir 5% topical Qusome cream
Centella Asiatica 1% topical Qusome cream
Erythromycin 4% topical Qusome gel
Benzoyl Peroxide 2,5 % Qusome cream
Benzoyl Peroxide 5 % Qusome cream
Benzoyl Peroxide 10 % Qusome cream
Adapalene 0.1% topical Qusome gel
Clindamycin 1% Qusome lotion
Clindamycin 1% Qusome gel
Clindamycin 1% + Adapalene 0,1% topical Qusome cream
Diclofenac 1% Qusome gel
Diclofenac 3% Qusome gel
Diclofenac 1% + Methyl Salicylate 6% topical Qusome gel
Meloxicam 1% topical Qusome gel
Ibuprofen 1% + Thiocolchicoside 0,25% + Methyl Salicylate 6% Qusome gel
Thiocolchicoside 0,25% + Methyl Salicylate 6% Qusome gel
Glucosamine 3% + Chondroitine 5% topical Qusome cream
Mometasone 0,1% topical Qusome cream
Mometasone 0,1% topical Qusome lotion
Clotrimazole 1% topical Qusome lotion
Clotrimazole 1% topical Qusome cream
Isoconazole Nitrate 1% Qusome cream
Eflornitina topical Qusome cream
Minoxidil 2% topical Qusome spray

Minoxidil 5% topical Qusome spray

Terbinafine 1% topical Qusome cream

Terbinafine 1% topical Qusome spray

Ibuprofen 10% topical Qusome cream

Sumatriptan oral lipospray

Tadalafil oral lipospray

Zolpidem oral lipospray

Salicylic acid + Taurine + Infacin Qusome cream

Phosphatidylcholine + Sodium deoxycholate topical Qusome cream

Aminophylline + Caffeine + Pentoxyphylline + Organic Silicon topical Qusome cream

Lactic acid + Malva sylvestris + Calendula officinalis + Aloe vera + Rice extract vaginal Qusome soap

Lactic acid + Malva sylvestris + Calendula officinalis + Aloe vera 3% Rice extract 3% Soy isoflavones vaginal Qusome soap

Myconazole nitrate + Centella asiatica + Triticum vulgaris + Alpha-bisabolol + Avena rehalba vaginal Qusome cream

Lactic acid + Dexpanthenol + Centella asiatica + Avena rehalba + Omega 6 vaginal Qusome cream

Lactic acid + Dexpanthenol + Centella asiatica + Avena rehalba + Omega 6 + Soy isoflavones vaginal Qusome cream

Tazarotene Qusome cream

Transfer factors Qusome cream

Fusidic acid topical Qusome cream

Fusidic acid + Mometasone topical Qusome cream

Fusidic acid + Mometasone + Clotrimazole Qusome cream

Fusidic acid + Betamethasone topical Qusome cream

Fusidic acid + Betamethasone + Clotrimazole Qusome cream

Bupivacaine topical Qusome cream

Tetracaine topical Qusome cream

Nitroglycerin topical Qusome gel

Urea topical Qusome cream

Panthenol Qusome lotion

Fludroxicortida + Fenticonazol topical Qusome cream

Fludroxicortida + Isoconazol topical Qusome cream

Fenticonazol topical Qusome cream

Miconazol topical Qusome cream

Centella + Cafeína topical Qusome lotion

Clindamicine + Policarbofile topical Qusome cream
Ciclopirox Olamina topical Qusome cream
Betametasona + Hialuronidase topical Qusome cream
Clobetasol topical Qusome cream
Procaine / Anesthetic Product topical Qusome gel
Pramoxine / Allergy Product topical Qusome cream

SCHEDULE 2

Qusome Products Permitted For Sale By BetaZone Outside The Territory

Product	Dosage Form	Territory
Tazarotene and Acyclovir	Topical cream	Worldwide
Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1%	Topical Qusome cream	United States
Tadalafil and others	Hard liquid Capsules	
Sildenafil, Tadalafil, Sumatriptan, Zolpidem	LipoSprays	Europe, Turkey, South Africa, India
Adapalen and Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1%	Creams	
Phosphatidylcholine + Sodium deoxycholate topical Qusome cream	Mesotherapy Creams	
Aminophylline + Caffeine + Pentoxyphylline + Organic Silicon topical Qusome cream		

SCHEDULE 3

Qusome Opthalmic Products Permitted For Sale By BetaZone

Territory: Worldwide

Polyvinyl Alcohol 1.4% ophthalmic solution
Cromoclicate Sodium 4% ophthalmic solution
Dexamethasone Phosphate 0.1% + Neomycin 0.35% ophthalmic solution
Dorsolamide 2% Timolol 0.5% ophthalmic solution
Gentamicin 0.3% ophthalmic solution
Artificial Tears ophthalmic solution
Moxifloxacine 0.5% ophthalmic solution
Nafazoline HCI 0.1 % ophthalmic solution
Olopatadine 0.1% ophthalmic solution
Prednisolone Acetate 1% ophthalmic solution
Sodium Sulfacetamide 10% ophthalmic solution
Tetrahydrozoline HCl 0.05% ophthalmic solution
Timolol 0.5% ophthalmic solution
Latanoprost 0.005% ophthalmic solution
Latanoprost 0.005% + Timolol 0.5% ophthalmic solution
Meloxicam 0.03% ophthalmic solution
Ketorolac 0.5% ophthalmic solution
Dexametasone 1 mg + Polimixine 6.000IU + Neomvcin 3.500IU ophthalmic solution
Moxifloxacin 5mg + Dexametasone l mg ophthalmic solution

SCHEDULE 4

Qusome Products Licensed To Ferndale Laboratories, Inc

Territory: Worldwide, excluding Asia except for Philippines, Korea, Singapore, Malaysia and Thailand. Ferndale has right of first refusal on countries not included in the Territory.

QuSome LMX Gel:	Lidocaine 4%
QuSome LMX Cream	Lidocaine 4%

SCHEDULE 5

Qusome Products Licensed To Alcis Health, Inc

Territory: Worldwide

Note: Licensee is in default and BioZone has sent notice of termination

Exclusive right to use inflacin in combination with QuSomes in the following product categories:

1. All topical analgesic pain relief applications
2. All body soak preparations

SCHEDULE 6

Qusome Products Licensed To Dow Pharmaceutical Sciences, Inc

Territory: Worldwide

Desonide and all forms thereof

Kinetin

Zeatin

One new product at Dow's election, which has not otherwise been licensed to a third party by BioZone

SCHEDULE 7

Qusome Products Licensed To Biolab Sanus Farmaceutica LTDA

Territory: Brazil

QuSome technology for any topical or lipo spray product for sale in Brazil

SCHEDULE 8

Qusome Products Licensed To Laboratorios La Sante

Territory: Countries included in Central America and South America, excluding Argentina, Brazil, Chile and Uruguay

Certain products licensed to Betazone Laboratories, LLC

Dermo Cosmetics – Mesotherapy formulations

- Anti stretch mark cream
- Anti age cream
- Hyperpigmentation Treatment

Galeno

- Mupirocin 2% topical Ointment
- Mometasone 0,1% + Clotrimazole 1% topical Ointment
- Mometasone 0,1% + Mupirocin 2% topical Ointment
- Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1% topical Ointment
- Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1% topical Solution spray

SCHEDULE 9

Qusome Products Licensed To Shaklee Corporation

Territory: Worldwide

Enfutox instant Firming Serum

SUPPLY AGREEMENT

This SUPPLY AGREEMENT (this "Agreement"), dated as of May 8, 2009 (the "Effective Date"), is by and between BIOZONE LABORATORIES, INC., a California corporation ('Supplier"), and [redacted], LLC, an [redacted] limited liability company ("[redacted]").

1. GENERAL TERMS OF PURCHASE AND SALE

1.1. Packages Manufactured, Assembled and Purchased. With respect to each of the products described on Schedule A hereto (the "Products"), Supplier shall provide the Product manufacturing, assembly, packaging, labeling, and packing services, and provide the Product components, as described on Schedule A hereto, and [redacted] shall purchase the Products from Supplier pursuant to purchase orders submitted by [redacted] to Supplier from time to time in accordance with Section 3.4. The Products shall be manufactured, assembled, packaged, labeled and packed for shipping in strict compliance with the procedures, standards, requirements and other specifications set forth on Schedule B hereto (the "'Specifications"). Schedule B will be amended to reflect any Specifications agreed upon in writing by [redacted] and Supplier after the execution of this Agreement. The Products will be manufactured, assembled, packaged, labeled, and packed at the facilities designated in Schedule B. Supplier may not use any other facility for such work without [redacted] written consent. All facilities must comply with Section 5.4.

1.2. Pricing Fee and Payment Terms.

(a) Initial Term Fees. [redacted] shall pay to Supplier the fees described on Schedule C hereto (the "Fees"). Such Fees constitute Supplier's entire compensation for its performance under this Agreement and, except as otherwise specifically provided herein, [redacted] shall not be obligated to pay Supplier any other charge, costs (including regular inbound shipping costs), taxes or expenses. Subject to Supplier's obligations under Section 3.5, [redacted] shall be obligated to pay all expedited inbound shipping charges that [redacted] initiates and shall arrange and pay all outbound shipping charges. The Fees are firm for the Initial Term (as defined in Section 2.1) and may be adjusted during the Initial Term only as provided on· Schedule C hereto.

(b) First Renewal Term Fees. Representatives of [redacted] and Supplier will meet on or before the thirtieth (30th) month anniversary of the Effective Date to review and commence negotiations regarding the Product Fees for the first Renewal Term (as defined in Section 2.1 below); provided, that the Fees for the completed Products (i.e., Products that are manufactured, assembled, packaged, labeled, and packed for shipment) for the first Renewal Term shall not exceed the Fees in effect at the end of the Initial Term. [redacted] and Supplier will agree upon the Fees for the first Renewal Term no later than three (3) months prior to the expiration of the Initial Term.

(c) Additional Renewal Term Fees. Representatives of [redacted] and Supplier will meet at least seven (7) months prior to the expiration of first Renewal Term and each subsequent Renewal Term thereafter to review and commence negotiations regarding the Product Fees for the next Renewal Term: provided that the fees for the completed Products (i.e., Products manufactured, assembled, packaged, labeled. and packed tor shipment) for given Renewal Term (other than the first Renewal Term) shall not be increased by more than three percent (3%) from the Fees tor completed Products in effect at the end or the immediately previous Renewal Term. [redacted] and Supplier will agree upon the Fees for a given Renewal Term no later than three (3) months prior to the expiration of the Initial Term

(d) Invoices; Payment. Supplier shall issue invoices to [redacted] within two (2) Business Days after the Products are shipped to [redacted]. [redacted] shall pay Supplier within (7) days from the date of receipt or each invoice that is properly supported by complete and correct bills of lading. All payments shall be made in U.S. dollars. As used herein, "'Business Day" means any day other than a Saturday or Sunday or any other day on which banks in Arizona are permitted or required by applicable law to be closed.

(e) Cost Reduction Initiatives. Supplier shall use all commercially reasonable efforts to establish and implement cost reduction initiatives. Supplier shall disclose to and discuss with [redacted] any cost reduction derived from the successful implementation of such initiatives and the parties shall negotiate an agreed upon allocation of such cost savings.

1.3. Exclusive Supply Arrangement/Non-Compete. During the Term {as defined in Section 2.1 below) and for a period of one (1) year thereafter, Supplier agrees that neither it nor its Affiliates (as defined in Section 6.1 will, anywhere in the United States or Canada, (a) manufacture, assemble, package, label, and/or pack for shipment for any third party any Competing Product, (b) sell any Competing Product, (c) manufacture and/or supply any equipment that will be utilized by any third party to produce any Competing Product, or (d) participate in the ownership, management or control of any business that manufactures, assembles, packages, labels, packs for shipment or sells any Competing Product.

As used herein, **"Competing Product"** means any product in the cough/cold market segment of the United States with an oral or nasal preparation containing zinc and /or intended to lessen the severity and/or reduce the duration of the common cold.

2. TERM; TERMINATION

2.1. Term. The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect for three (3) years from the Effective Date (the **"Initial Term"),** unless otherwise terminated earlier pursuant to Section 2.2. This Agreement shall renew automatically for renewal terms of one (1) year each (each a **"Renewal Term"),** unless either party submits a notice of termination no later than one hundred eighty (180) days prior to the expiration of the then current term (the Initial Term, together with all such Renewal Terms, the **"Term"),** in which event this Agreement shall terminate at the expiration of the Initial Term or the Renewal Term then in effect.

2.2. Termination. This Agreement may be terminated in accordance with any of the following provisions:

(a) Default. If a party fails to perform or comply in any material respect with any of its obligations under this Agreement (except pursuant to a force majeure event set forth in Section 9.2 or a breach of Section 6.5), and such failure is not remedied within thirty (30) days after receipt of written notice of such failure, then the other party may terminate this Agreement effective upon expiration of such thirty (30) day cure period.

(b) Default Due to Force Majeure. If a party fails to perform or comply in any material respect with any of its obligations under this Agreement for a period of at least ninety (90) consecutive or cumulative days due to a force majeure event set forth in Section 9.2, then the other party may terminate this Agreement immediately upon written notice to the party suffering the force majeure event.

(c) Insolvency/Bankruptcy. If a party shall: (i) be unable to pay or admits in writing its inability to pay its debts as they mature; (ii) make a general assignment for the benefit of creditors; (iii) apply for or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets; (iv) file a petition or be the subject of an involuntary petition in bankruptcy or for reorganization or for an arrangement pursuant to a bankruptcy act or insolvency which petition is not dismissed within ninety (90) days from such filing; or (v) be adjudicated as bankrupt or insolvent, then the other party may terminate this Agreement upon written notice to the first party.

(d) Breach of Confidentiality. If a party breaches its obligations under Section 6.5, then the other party may terminate this Agreement immediately upon written notice to the breaching party describing the breach.

(e) Suspension/Termination of Products. If [redacted] determines in its sole discretion that it will no longer market all of the Products for a period of at least one (I) year, then it may terminate this Agreement upon ninety (90) days prior notice to Supplier.

2.3. Notification. Supplier shall immediately notify [redacted] in writing if (a) there is anything that prohibits or restricts Supplier from doing business with or providing or licensing Technology (as defined in Section 6.1 to [redacted] or (b) Supplier grants any competitor manufacturing a Competing Product, preferential rights to any of Supplier's Technology. In addition to any rights set forth in Section 2.2, [redacted] shall have the right to terminate this Agreement upon sixty (60) days written notice at any time after receipt of such written notice from Supplier.

2.4. Purchase of Inventories Upon Termination. Upon expiration of this Agreement, or termination by Supplier pursuant to Section 2.2(a), 2.2(b), 2.2(c), 2.2(d), or 2.3 [redacted] (a) shall purchase Supplier's uncontaminated, usable packaging, work in process and finished goods inventories that (i) are unique to the Products, (ii) cannot otherwise be used by Supplier within six (6) months of termination, and (iii) are covered by firm [redacted] purchase orders or are long lead time items that [redacted] agreed in writing to purchase and (b) shall have the obligation to purchase Supplier's uncontaminated, usable raw materials, at Supplier's cost (including inbound shipping costs); provided, that, if [redacted] terminates this Agreement pursuant to Section 2.2(a), 2.2(b), 2.2(c), 2.2(d), or 2.3, then [redacted] shall have the right, but not the obligation, to purchase such inventories. [redacted] shall not be liable for any claim based upon any expenditure, investment or conm1itment made by or on behalf of Supplier or in connection with the establishment, development or maintenance of any business or goodwill of Supplier.

2.5. Rights Upon Termination. Any termination of this Agreement shall be without prejudice to all other rights and remedies available to the parties under this Agreement or at law or in equity. If the Agreement is terminated by a party pursuant to Section 2.2(a) or (b), the defaulting party shall be responsible for all reasonable out of pocket expenses and losses incurred by such non-defaulting party resulting from the termination.

3. **PRACTICES AND PROCEDURES**

3.1. Supplier Responsibilities. As set forth in Schedule A, [redacted] or Supplier shall purchase and provide all raw materials, components, packaging, labeling and shipping materials, labor, utilities and equipment necessary to manufacture, assemble, package, and label the Products and pack the Products for shipping, all in strict compliance with the Specifications. Use of materials shall be on a first in, first out basis, unless otherwise agreed to in writing by [redacted]. Supplier shall prepare and deliver in a timely fashion all reports and information reasonably requested by [redacted], including, without limitation, product quality, and daily production and shipping reports. Upon the date hereof and each anniversary hereafter, Supplier shall provide [redacted] with a list of all assets that are located at any of Supplier's facilities but are owned by [redacted].

3.2. Supplier Capacity. Supplier represents and warrants that it has sufficient capacity to supply the volumes of the Products set forth on Schedule D. In the event of the occurrence of a force majeure event, which might otherwise permit Supplier to allocate production and delivery of different products among Supplier's various customers, Supplier shall continue to manufacture, assemble, package, label, pack for shipment, and deliver to [redacted] on a timely basis one hundred percent (100%) of the Products ordered by [redacted] pursuant to this Agreement. With the exception of any disruption in manufacturing caused by a Force Majeure Event, and subject to the maximum Product production volumes set forth in Schedule D, if, in any calendar month during the Term, Supplier fails to deliver to [redacted] at least ninety-eight percent (98%) of the volume of Products ordered by [redacted] pursuant to its purchase order for such month (the **'"Minimum Production Volume"),** then, for each Product for which Supplier failed to deliver the Minimum Production Volume, [redacted] shall receive a credit on its next purchase order (or purchase orders if the credit amount is larger than the price of the next single order) in an amount equal to (i) the number of Product units below the Minimum Production Volume that Supplier failed to deliver, multiplied by (ii) the per unit Product Fee then in effect for such Product; provided. that such credit will be applied to the total Product Fees contained in such purchase order and is not required to be used to offset Product Fees for the Product for which Supplier failed to meet the Minimum Production Volume; provided, further, that if this Agreement is terminated or expires before all of [redacted] credits are used, then [redacted] shall receive, within thirty (30) days of such termination or expiration date, a cash payment from Supplier for the entire value of any unused credits.

3.3. Inventories. Supplier shall be responsible for ordering, purchasing and maintaining all raw material and component inventories, and for managing order quantities, lead times, and delivery dates. All unused materials shall be stored in Supplier's warehouse. Supplier shall be responsible for supplying an inventory report of all raw materials and components (either at Supplier's facility or subject to issued purchase orders with Product raw material/component suppliers) within three (3) Business Days after the end of each calendar month. Supplier shall notify [redacted] immediately of any significant loss of materials and Supplier shall be responsible for all losses, shrinkage and scrap of materials associated with packaging and assembling the products, except where losses, shrinkage and scrap of materials are directly related to insufficient quality of materials delivered by the [redacted] specified supplier of such components listed on Schedule A. Supplier shall perform an annual physical inventory relating to the Products owned by [redacted] at Supplier's own expense and [redacted] shall bear the expense of any other physical inventories requested by [redacted].

3.4. Scheduling: Twelve-Month Forecast. On or before April 1st of each year during the Term, [redacted] shall provide to Supplier a non-binding, twelve (12) month production forecast as set forth on Schedule E hereto. Each party shall use commercially reasonable efforts to respond to scheduling problems of either party as they may arise. Supplier shall retain sole responsibility for scheduling day-to-day production consistent with the aforementioned guidelines. On a monthly basis, [redacted] will also deliver a binding [redacted] purchase as set forth on Schedule E. [redacted] shall not have any obligations with respect to the non-binding production forecast as such forecast is provided solely for informational and planning purposes.

3.5. Shipment. Time of delivery of the Products by Supplier is of the essence. All sales of the Products under this Agreement shall be FCA (Incoterms 2000) Supplier's facility located at 580 Garcia Avenue, Pittsburg, California 94565. Title to and risk of loss of such Products shall be transferred to [redacted] by Supplier upon delivery by Supplier to [redacted] designated carrier. If Supplier is more than seven (7) calendar days late in delivering, in whole or in part, any shipments of the Products to [redacted] due to the actions and/or omissions of Supplier, Supplier shall make all such late shipments to [redacted] as [redacted] directs, including, without limitation, via air freight, and Supplier shall pay all additional shipping costs and shipping expenses in connection with such late shipments. [redacted] shall ensure that the shipment of Products by its designated carriers complies with all applicable Federal, State and local laws, rules, regulations and ordinances (collectively, **"Laws"),** including, without limitation, the Toxic Substance Control Act.

3.6. Changes. [redacted] shall have the right to request changes from time to time to the Products, the Specifications or any other specifications or procedures. If Supplier believes that such changes would result in an increase or decrease in Supplier's manufacturing, assembling, packaging, labeling and/or packing costs, Supplier shall promptly notify [redacted] of the amount of such increase or decrease in writing before Supplier agrees to make the change. [redacted] shall pay only those costs of such changes that [redacted] agrees to in writing and all agreed upon changes shall be reflected in amendments to the appropriate Schedules hereto.

3.7. Special or Test Production. [redacted] shall have the right to request from time to time that Supplier manufacture the Products pursuant to an Experimental Order ("**EO**") furnished by [redacted]. Prior to the issuance of an EO, Supplier will provide [redacted] with a written estimate of the feasibility, cost, and production forecast for such EO production. Supplier shall manufacture the Products in strict compliance with any EO. Supplier shall not manufacture any Products that do not strictly conform to the Specifications without a written EO signed by [redacted]. The written EO signed by [redacted] shall include Supplier's terms for cost and production forecast. An EO production shall be conducted prior to the first purchase order required to be submitted to Supplier pursuant to Section 3.4. If [redacted] advises Supplier that the EO is confidential, Supplier shall restrict access to the EO and information concerning the EO to only those employees of Supplier who have a need to know and shall not permit any other third parties to view the EO, products made during the EO or other information concerning the EO without [redacted] prior written consent.

3.8. Destruction or Return of Materials. [redacted] shall have the right to require Supplier, at [redacted] option, to destroy or return obsolete, test or other materials, provided that [redacted] has paid for the materials to be destroyed or returned. [redacted] shall reimburse Supplier for any reasonable costs incurred in destroying or returning such materials. Supplier shall not be required to store at its facility any unused material or packaging component that has been in its possession for two (2) years, but has been inactive. Supplier shall notify [redacted] if any such unused materials or packaging components exist and [redacted] will respond promptly with instructions to return or destroy at [redacted] expense. Notwithstanding the foregoing sentence, [redacted] shall not be obligated to pay for any nonconforming products or materials that it requests Supplier to destroy nor shall [redacted] be required to reimburse Supplier for the costs incurred in destroying or returning such nonconforming materials. Upon [redacted] request, Supplier shall physically witness the destruction of such materials and shall provide written certification to [redacted] that such materials have been completely destroyed. At [redacted] option, [redacted] also may have a representative present to witness such destruction.

3.9. [redacted] Representative. Without compromising or disclosing any confidential trade secret (as that term is defined by the Uniform Trade Secrets Act) or proprietary information belonging to other customers of Supplier, [redacted] shall have the right to have a mutually agreed number of its representatives on-site at Supplier's facilities to monitor Supplier's performance under this Agreement, observe the manufacturing, assembling, packaging, labeling and packing processes, and coordinate shipments. The dates of such monitoring shall be mutually agreed upon by both [redacted] and Supplier within seven (7) calendar days prior to any such visit, and Supplier shall cooperate by supplying such office space, administrative assistance, and utilities (excluding long distance telephone services) to such [redacted] representatives. [redacted] shall be entitled to four (4) such monitoring visits for each twelve (12) month period during the Term.

4. INSPECTION AND AUDIT

4.1. Inspection. Without compromising Supplier's customers' confidential information, and on a mutually agreed upon date within one (1) week from written notice to Supplier, [redacted] shall have the right, during Supplier's normal business hours, to inspect the Supplier's facilities where the Products are being manufactured, assembled, packaged, labeled and packed and where materials used to manufacture, assemble, package, label and pack the Products are handled or stored, and to observe the manufacturing, assembling, packaging, labeling, storage, inspection, testing, packing, and shipping of the Products.

4.2. Audit. Supplier shall keep complete and accurate accounts, records, books, and data with respect to Supplier's performance under this Agreement (the **"Records"**). [redacted] and its representatives shall have the right, at all reasonable times to inspect, copy, and audit the Records relating to Supplier's performance under this Agreement and such other documents and records as may be reasonably necessary to verify Supplier's performance of its obligations under this Agreement. Supplier shall retain all Records during the Tem1 of this Agreement and for at least four (4) years thereafter, and make the same available to [redacted] and its representatives within five (5) Business Days after receipt of a written request for such Records from [redacted].

5. QUALITY CONTROL & ASSURANCE; WARRANTIES & REPRESENTATIONS

5.1. Quality Control. Supplier shall conduct all quality control sampling and testing required by the Specifications. All such sampling and testing shall be conducted by qualified personnel. Supplier shall bear the cost of all equipment necessary to perform such sampling and testing as is required by [redacted] as of the date hereof. Written summaries of quality test results shall be available to [redacted], at no cost, upon [redacted] request. Supplier shall retain records relating to its quality control testing for at least four (4) years after such testing is completed.

5.2. Supplier's Warranties. Supplier warrants that (a) at the time of delivery of materials and packaging to [redacted], it will have good and marketable title to all materials and packaging sold to [redacted], and (b) all Products sold to [redacted] will strictly conform to the Specifications and [redacted] quality control standards, will be manufactured in accordance and comply with all applicable Laws and industry standards, will be manufactured using current Good Manufacturing Practices **("cGMP"),** will be free from all defects in material and workmanship, and will be free and clear of all liens and encumbrances (together with all other warranties of Supplier set forth in this Agreement, the **"Supplier Warranties"**). THE SUPPLIER WARRANTIES ARE THE ONLY WARRANTIES OF SUPPLIER WITH RESPECT TO THIS AGREEMENT AND ARE IN LIEU OF ANY OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUATORY, INCLUDING BUT NOT LIMITED TO THOSE FOR MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY ARISING OUT OF ANY SPECIFICATION. [redacted] HEREBY WAIVES ALL OTHER WARRANTIES OR GUARANTEES OF SUPPLIER WHETHER EXPRESS OR IMPLIED.

5.3. Certificates of Analysis and Manufacturing Compliance.

(a) Supplier shall test or cause to be tested each lot of Product purchased pursuant to this Agreement as per the Specifications. For each lot of Product tested, each test shall set forth the items tested, specifications, and test results in a certificate of analysis, which Supplier shall send or cause to be sent to [redacted]. [redacted] is entitled to rely on such certificates for all purposes of this Agreement.

(b) Supplier shall provide or cause to be provided a certificate of manufacturing compliance or manufacturing lot record that will certify that the Products were manufactured in accordance with the Specifications and applicable cGMPs.

5.4. Facility Compliance. Supplier's facilities at which all of its work hereunder is to be performed (including all equipment and procedures used in such facilities) are, and at all times during the term of this Agreement will be, and all such work to be undertaken by Supplier hereunder will be, compliant with all applicable provisions of the Federal Food, Drug and Cosmetic Act and all other applicable Laws and government regulations. Supplier will promptly disclose to [redacted] any regulatory breaches upon notification by the Food and Drug Administration ("**FDA**") or any other governmental authority.

5.5. Distribution Record. Supplier shall maintain distribution records that contain all of the appropriate information as specified in the cGMP regulations.

5.6. Regulatory Compliance. Supplier is responsible for cGMP compliance with all Laws as they apply to Supplier's facility. As long as the Products meet the Specifications, Supplier shall have no responsibility for compliance with Laws as they relate specifically to [redacted] use of ingredients, labeling or marketing. Supplier assumes responsibility for all contact with the FDA and other regulatory bodies as relates to the manufacture, assembly, packaging, labeling, and packing for shipment of the Products, even after the termination of this Agreement; provided, that Supplier shall (a) furnish [redacted] with copies of all reports and other correspondence received from any such regulatory bodies which relate to the Products, the facilities used to manufacture the Products, or the quality systems of the Supplier, and (b) provide [redacted] with draft copies of any related response to any regulatory body at least three (3) Business Days (as defined below) prior to submission of such response.

5.7. Regulatory Inspections.

(a) Supplier agrees to host inspections from any federal, state or provincial regulatory authority responsible for the supervision of Supplier's operations, even after the termination of this Agreement.

(b) Supplier shall immediately inform [redacted] of any regulatory inspections which may involve the Products or related processes, shall make its best effort to prepare for such inspections and shall permit representative(s) from [redacted] to be present (including debriefing sessions with the inspection agency) if required by [redacted]. Supplier shall (i) furnish [redacted] with copies of all reports and analyses relating to such inspections and (ii) provide to [redacted] duplicate samples of the Products given to government agencies and duplicates of any photographs taken during the inspections (unless such pictures contain confidential or trade secret information). Supplier shall inform [redacted] of the findings of such an inspection and immediately provide a copy of the correspondence with the authorities, provided that the Products are concerned.

(c) In the above cases a copy of any regulatory report, FDA Form 483, or letter shall be provided to [redacted] within three (3) business days of receipt if it relates to the Products, the facilities used to manufacture the Products, or the quality systems of the Supplier.

(d) Supplier agrees to provide draft copies of any response to a regulatory report concerning the Products at least three (3) business days prior to submission of the response to any regulatory body.

5.8. Nonconforming Products. The total costs (including, without limitation, raw materials, packaging supplies, packing charges, proper disposal costs, product returns and recall costs) relating to the Products that do not comply with the Specifications, the Supplier Warranties or any other provision of this Agreement shall be the responsibility of Supplier. For purposes of clarification, if a Product is subject to a recall, the "total costs" of such recall would include, without limitation, all costs related to all Product units that are recalled (regardless of whether such units were conforming or non-conforming). If [redacted] believes that any Products do not comply with the Specifications, Supplier Warranties or any provisions of this Agreement, [redacted] shall notify Supplier of such nonconformance and, upon Supplier's request, provide written details and deliver a sample of such nonconforming Products to Supplier. Supplier shall promptly notify [redacted] (and in any event within seven (7) calendar days) whether Supplier agrees that such Products are not in compliance. Supplier shall have the right to rework or dispose of nonconforming Products only with the written consent of [redacted], which consent shall not be unreasonably withheld. Supplier shall replace any such nonconforming Products with conforming Products at Supplier's expense within thirty (30) days after receipt of [redacted] notice of nonconformity. Supplier shall be required to secure, deploy, and pay for all of the labor, materials and other resources (including, but not limited to, legal and regulatory advisors) necessary to address any Products that do not comply with the Specifications, the Supplier Warranties or any other provision of this Agreement, and [redacted] shall not be required to provide or make available to Supplier any labor, materials or other resources for any such purposes. If [redacted] and Supplier are unable to agree as to whether certain Products comply with the Specifications or the Supplier Warranties, the parties shall cooperate to have the Products in dispute analyzed by an independent testing laboratory of recognized repute selected by [redacted] and approved by Supplier, which approval shall not be unreasonably withheld or delayed. The results of such laboratory testing shall be final and controlling. The fees and expenses of such laboratory testing shall be borne entirely by the party against whom such laboratory's findings are made.

5.9. Representations.

(a) Each party represents and warrants to the other party that it has the full right and authority to enter into and perform this Agreement, that its performances hereunder will not cont1ict with or breach any other agreement to which it is a party, and that it is free of any obligations that would prevent or tend to impair the full performance of its obligations hereunder.

(b) Each party represents and warrants to the other party that any and all services performed by it hereunder shall be of a professional quality consistent with generally accepted industry standards for the performance of such types of services and will comply with all Laws.

(c) Except for the intellectual property of [redacted] referred to in Article VI hereof, Supplier owns all right, title and interest in and to, or otherwise has lawful rights to use, the intellectual property used by Supplier in the manufacturing, assembly, packaging, labeling, and packing of the Products and Supplier has not received notice of any present or threatened claim, action or proceeding alleging that any part of its intellectual property infringes any third party's intellectual property rights, and [redacted] and its Affiliates may freely market and sell the Products without infringing any third party's intellectual property rights and without any royalty, fee or similar payment of any kind being or becoming due or payable by [redacted] or its Affiliates to any third party.

(d) Supplier represents and warrants to [redacted] (i) that the Products or any components or parts thereof purchased for the Products will not infringe upon the intellectual property of any third party, and (ii) that Supplier has obtained all necessary licenses, permits and permissions to use any third party intellectual property.

(e) [redacted] represents and warrants to that, to its actual knowledge as of the Effective Date, the Specifications for the Products will not infringe upon the patent, copyright or trademark rights of any third party. [redacted] further represents and warrants that it maintains all necessary governmental licenses, permits and approvals related to the sale and distribution of the Products.

6. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

6.1. Definitions.

(a) **"Affiliate"** shall mean, with respect to any person, any other person who directly or indirectly controls or is controlled by, or is under common control with, such person; and **"control"** means, with respect to any person, the direct or indirect ability to direct or cause the direction of the management and policies ofsuch person, whether through the ownership of voting securities, by contract or otherwise.

(b) **"[redacted] Confidential Information"** means any and all infom1ation or Technology that (i) concerns or relates to any aspect of the Products or the business of [redacted] and/or [redacted], Inc. (**"**[redacted]"); (ii) is owned or used by [redacted] and/or [redacted]; or (iii) is, for any reason, identified or otherwise treated as confidential by [redacted] and/or [redacted], in each instance, whether or not reduced to writing or other tangible medium of expression, and whether or not patented, patentable, capable of trade secret protection or protected as an unpublished or published work under the United States Copyright Act of 1976 as amended, except such information or Technology that Supplier can clearly show (A) was publicly known prior to the date of this Agreement; (B) subsequent to the date of this Agreement has become publicly known through no fault of Supplier; (C) was known to and documented by Supplier prior to the date of this Agreement and with respect to which Supplier was not and is not under any obligation of confidentiality; or (D) was disclosed to Supplier without restriction on disclosure or use by a third party who was not under any obligations of confidentiality (contractual or otherwise).

(c) **"Supplier Confidential Information"** means any and all manufacturing processes, technologies, procedures or any information regarding any of Supplier's other manufacturing customers that relates to the manufacture of any products by Supplier, except such information or Technology which [redacted] and/or [redacted] can clearly show (A) was publicly known prior to the date of this Agreement; (B) subsequent to the date of this Agreement has become publicly known through no fault of [redacted] and/or [redacted]: (C) was known to and documented by [redacted] and/or [redacted] prior to the date or this Agreement and with respect to which [redacted] and [redacted] were not and are not under any obligation of confidentiality; or (D) was disclosed to [redacted] and/or [redacted] without restriction on disclosure or use by a third party who was not under any obligations of confidentiality (contractual or otherwise).

(d) **"Patents"** shall mean all United States and foreign patents and applications therefore (including continuations, divisionals, provisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon) owned by [redacted] or its Affiliates and relating to or concerning or on which any issued or pending claim reads on the Products, use of the Products, and/or manufacture of the Products.

(e) **"Technology"** means ideas, concepts, know-how, techniques, methods, models, processes, designs, data, software, apparatus, devices, molds, tooling, packaging or packaging materials, techniques, formulations, How charts, block diagrams, reports, systems, sketches, compositions of matter, discoveries, developments, improvements, and inventions (whether or not patentable), patents, patent applications, works of authorship (whether or not copyrightable), information, algorithms, trade secrets, procedures, notes, summaries, results and conclusions.

6.2. Intellectual Property.

(a) [redacted] (and its Affiliates) and Supplier agree that, as between them, [redacted] and its Affiliates are the sole and exclusive owner of all rights, intellectual and otherwise, to (i) the Patents, (ii) all Technology relating to, concerning or incorporated in the Products, including, without limitation, (A) the formula for the Products, (B) processing techniques and operating procedures for manufacturing, assembling, packaging, labeling, and packing for shipment the Products (regardless of whether existing on the Effective Date or later developed by [redacted], Supplier and/or any of their respective Affiliates), (C) any Technology jointly developed by [redacted] and Supplier and/or any of Supplier's Affiliates exclusively in connection with Supplier's performance hereunder (and specifically excluding the Supplier IP (as defined below)), (D) any Technology developed by Supplier and/or any of Supplier's Affiliates exclusively in connection with Supplier's performance hereunder, and (iii) the trademarks, trade names and trade dress used in connection with the packaging, marketing and sale of the Products. Supplier agrees that, as a result of performing under this Agreement, Supplier does not acquire any right, title or interest in any property, intellectual or otherwise, owned or controlled by [redacted] or its Affiliates.

(b) [redacted] and Supplier agree that, as between them, Supplier is the sole and exclusive owner of all rights, intellectual and otherwise, to (i) Supplier's proprietary processing techniques and proprietary operating procedures for filling and packaging the Products, developed independently by Supplier, without the use of [redacted] Technology, and (ii) all of Suppliers intellectual property, trade secrets processes and applications in existence prior to the Effective Date as set forth in Schedule G (the items set forth in clauses (i) and (ii) are collectively the **"Supplier IP**"). [redacted] agrees that, as a result of performing under this Agreement, [redacted] does not acquire any right, title or interest in any property, intellectual or otherwise, owned or controlled by Supplier.

(c) If the Agreement is terminated by [redacted] pursuant to Section 2.2(a), 2.2(b), 2.2(c), or 2.2(d), [redacted] is hereby automatically granted by Supplier an irrevocable, transferable, royalty-free, worldwide license to use and exploit the Supplier IP and all Supplier Technology required to manufacture the Products.

(d) During the Term of this Agreement, [redacted] shall sell the Products purchased from Supplier pursuant to this Agreement under its own trademarks and trade dress. Supplier acknowledges that such trademarks, trade dress, and any other designations of the Product labels and packages are the sole and exclusive property of [redacted] and its Affiliates, and that Supplier's labeling of the Product under [redacted] trademarks and trade dress shall not be construed as granting any right in such trademarks or trade dress to Supplier.

(e) Each party covenants and agrees that it will not, nor will it cause or permit any of its Affiliates to, take or omit to take any action that is in any manner inconsistent with, or tends to diminish or impair the other party's or the other party's Affiliate's rights as set forth in this Section 6.2 . Supplier agrees to assist in every proper and legal way to obtain, maintain and protect [redacted] rights in such property in the United States and all foreign countries. Supplier hereby assigns, and agrees to assign, to [redacted] all right, title and interest in the United States and all foreign countries in and to [redacted] rights as set forth in this Section 6.2, which may otherwise initially vest with Supplier, including any and all patents, patent applications, copyright registrations, trade secrets, rights under international treaties or any other protection available in any country.

6.3. Warranties Regarding Technology. Supplier hereby warrants that it has the right, as of the date of this Agreement, and hereafter will not impair such right, to make all transfers to [redacted] as set forth in this Agreement.

6.4. Third Party Technology. A paid-up, perpetual license shall be obtained by Supplier in respect of any third party proprietary Technology relating to, concerning or incorporated in the Products. Supplier warrants that such a license is readily available on reasonable terms and can be obtained for [redacted] and any parties that [redacted] might, in the future, license to make, have made, use or sell the Products.

6.5. Confidentiality

(a) During the Term of this Agreement, and for the longer of either (i) ten (10) years after termination of this Agreement or (ii) for so long as the [redacted] Confidential Information shall not be publicly known, Supplier shall not use any [redacted] Confidential Information, except to perform its obligations under this Agreement, or disclose any [redacted] Confidential Information to any third party, except, as authorized in writing by [redacted] or as required by applicable Laws. Upon termination of this Agreement or upon written request by [redacted], Supplier shall deliver to [redacted] all [redacted] Confidential Information as well as all documents, media, items and Technology comprising, embodying or relating to [redacted] Confidential Information, as well as any other documents or things belonging to [redacted] that may be in Supplier's possession.

(b) During the Term of this Agreement, and for the longer of either (i) ten (10) years after termination of this Agreement or (ii) for so long as the Supplier Confidential Information shall not be publicly known, [redacted] shall not use any Supplier Confidential Information, except to perform its obligations under this Agreement, or disclose any Supplier Confidential Information to any third party, except as authorized in writing by Supplier or as required by applicable Laws. Upon termination of this Agreement or upon written request of Supplier, [redacted] shall deliver to Supplier all Supplier Confidential Information, as well as all documents, media, items and Technology comprising, embodying or relating to the Supplier Confidential Information, as well as any other documents or things belonging to Supplier that may be in [redacted] possession.

(c) The provisions of this Section 6.5 shall supersede any other confidentiality agreements between the parties with respect to the subject matter hereof and such confidentiality agreements are hereby terminated as between [redacted] and Supplier. [redacted] and Supplier hereby confirm that all proprietary information previously disclosed by one to the other prior to the date of this Agreement shall be deemed [redacted] Confidential Information or Supplier Confidential Information, as applicable, as long as [redacted] or Supplier, respectively, have complied with the provisions of this Agreement to protect such [redacted] Confidential Information or Supplier Confidential Information.

(d) Supplier not to Replicate Product. Supplier shall not, under any circumstances, copy, replicate, imitate or reverse engineer any of [redacted] products, including, but not limited to, the Product(s).

(e) Injunctive Relief. Each party acknowledges and realizes that the other party's Confidential Information is special, unique and extraordinary and is vital to the other party. Accordingly, the parties acknowledge that the breach of this Section 6.5 by one of the parties will result in irreparable to the other party and that, therefore, in addition to any and all other remedies the other party may have pursuant to this Agreement, at law or in equity, it shall be entitled to institute and prosecute proceedings at law or in equity in any court of competent jurisdiction, to obtain an injunction restraining the first party from violating or continuing to violate this Section 6.5. Each party agrees that the disclosing party's remedy at law would be inadequate and, therefore, agrees and consents that temporary and/or permanent injunctive relief may be sought in any proceeding which may be brought to enforce this Section 6.5 without the necessity or proof of actual damage.

(f) Agreement Confidential. The parties agree that the existence and contents of this Agreement (including any Schedules and attachments) is Confidential Information and shall not be disclosed to any third party without the prior written consent of the other party, except that in furtherance of this Agreement, and only to the extent reasonably necessary for this purpose, its existence or contents may be disclosed to the following who shall also be made subject to the restrictions on disclosure stated herein; (i) any Affiliate of the parties, (ii) governmental regulatory agencies, including, but not limited to, environmental protection authorities, (iii) contract laboratories, and (iv) suppliers of raw materials or components. This obligation of confidentiality shall not apply to disclosures required by law.

7. INDEMNIFICATION

7.1. Supplier's Indemnification. Supplier shall indemnify, defend and hold harmless [redacted] and its Affiliates, shareholders, subsidiaries, directors, officers, employees, agents and representatives (each a **"[redacted] Indemnitee"**), from any and all liabilities, claims, losses, damages, judgments or awards, costs or expenses, including reasonable attorneys' fees, of whatsoever nature and by whomsoever asserted, whether asserted by a third party or by a party to this Agreement, directly or indirectly, arising out of, resulting from or in any way connected with (a) any breach by Supplier of the terms of this Agreement; (b) non-compliance with the Specifications or the Supplier Warranties; (c) any non-compliance with any Laws applicable to Supplier's obligations under this Agreement; (d) any governmental, regulatory or other proceedings to the extent any such proceedings result from Supplier's failure to comply with the Specifications or the Supplier Warranties; (c) any recall or return of the Products initiated by Supplier or [redacted], whether voluntarily or by order of any court or other duly empowered governmental or regulatory office, to the extent that Supplier's failure to comply with the Specifications or the Supplier Warranties is responsible for such recall; or (t) any claim that the manufacture, use or sale of any of the Products infringes upon or violates any patent, trademark, copyright, trade secret or other proprietary rights of any third party so long as such claim is not based upon proprietary rights owned by [redacted].

7.2. [redacted] Indemnification. [redacted] shall indemnify and hold harmless Supplier and its Affiliates, shareholders, subsidiaries, directors, officers, employees, agents and representatives (each a **"Supplier Indemnitee**") from any and all liabilities, claims, losses, damages, judgments or awards, costs or expenses, including reasonable attorneys' fees, of whatsoever nature and by whomsoever asserted, whether asserted by a third party or by a party to this Agreement, directly or indirectly, arising out of, resulting from or in any way connected with any breach by [redacted] of the term of this Agreement.

7.3. Indemnification Procedures. Supplier or [redacted], as applicable (in such capacity, the **"Indemnitor"**) shall promptly assume full and complete responsibility for the investigation, defense, compromise and settlement of any claim, suit or action arising out of or relating to the indemnified matters following written notice thereof from the [redacted] Indemnitee or Supplier Indemnitee, as applicable (the **"Indemnitee"**), which notice shall be given by the Indemnitee within ten (10) days of the Indemnitee's knowledge of such claim, suit or action. Failure to provide such timely notice shall not eliminate the Indemnitor's indemnification obligations to the Indemnitee unless, and only to the extent to which, such failure has substantially prejudiced the Indemnitor. Notwithstanding the foregoing, the Indemnitee shall have the right, in its sole discretion and at Indemnitee's expense, to participate in or to defend or prosecute, through its own counsel, any claim suit or action for which it is entitled to indemnification by the Indemnitor; provided, however, that if the Indemnitee is advised in writing by its legal counsel that there is a conflict between the positions of the Indemnitor and the Indemnitee in conducting the defense of such action or that there are legal defenses available to the Indemnitee different from or in addition to those available to the Indemnitor, then counsel for the Indemnitee, at the Indemnitor's expense, shall be entitled to conduct the defense to the extent necessary to protect the interests of the Indemnitee. The Indemnitor shall not enter into any compromise or settlement without the Indemnitee's prior written consent, which consent shall not be unreasonably withheld, unless the settlement is limited to money paid by the Indemnitor, with no acknowledgment of wrongdoing by the Indemnitee and no other restriction on or liability to the Indemnitee. The absence of a complete and general release of all claims against Indemnitee shall be reasonable grounds for Indemnitee to refuse to provide written consent to a compromise or settlement. If the Indemnitor does not assume and diligently pursue the defense of such claim, suit or action, the Indemnitor shall reimburse the Indemnitee for the reasonable fees and expenses of any counsel retained by the Indemnitee to undertake or assist in such defense, and shall be bound by the results obtained by the Indemnitee.

7.4. Additional [redacted] Rights. In addition to the provisions of Sections 7.1, in the event the use or sale of any of the Products or any components or parts thereof is enjoined by a court of competent jurisdiction due to any claim of infringement or violation of any patent, trademark, copyright, trade secret, or other proprietary rights of any third party, Supplier, to the extent such claim is not based upon proprietary rights owned by [redacted], shall promptly, at [redacted] option: (a) obtain for [redacted], at no expense to [redacted], the right to continue using the Products or components or parts thereof; (b) replace the infringing items at no expense to [redacted], with a non-infringing item of equal performance and quality; or (c) modify, at no expense to [redacted], the infringing items so that they become noninfringing.

7.5 Limit on Types of Damages. Except as expressly provided herein, in no event will either party be responsible to the other party or any of its Affiliates or representatives (whether as an indemnifying party pursuant to this Section 7 or pursuant to any other provision in this Agreement), for any incidental, consequential, or punitive damages, even if the other party has been advised of the possibility of such damages.

8. INSURANCE.

8.1 Supplier Insurance. Supplier shall keep in force throughout the Term of this Agreement and for thirty-six (36) months following the termination of this Agreement commercial general liability insurance written on a occurrence form basis, including bodily injury, property damage, products liability and contractual liability coverage as respects this Agreement, with coverage of at least US$5,000,000 per occurrence and aggregate. Attached hereto as Schedule F is a copy of a certificate of insurance that Supplier has provided to [redacted] from a financially responsible insurance company, satisfactory to [redacted], certifying such coverage and naming [redacted] as an additional insured, and requiring at least thirty (30) days prior written notice to [redacted] of any cancellation or material change thereof. Supplier shall also maintain worker's compensation and other insurance in force in accordance with applicable Laws on all employees engaged by Supplier in any way on the work which is the subject of this Agreement. If Supplier fails to furnish such certificates, or, if at any time during the Term of this Agreement, [redacted] is notified of the cancellation or lapse of Supplier's insurance as described above, and Supplier fails to rectify the same within ten (10) calendar days after notice from [redacted] in addition to all other remedies available to [redacted] hereunder, [redacted], at its option, may obtain such insurance and Supplier shall promptly reimburse [redacted] for the costs of the same. Failure of [redacted] to demand such certificate or other evidence of full compliance with these insurance requirements shall not be construed as a waiver of Supplier's obligation to maintain such insurance. Any deductible and/or self-insured retention, as applicable, are the sole responsibility of Supplier.

8.2 [redacted] Insurance. [redacted] shall keep in force throughout the Term of this Agreement and for thirty six (36) months following the termination of this Agreement commercial general liability insurance written on an occurrence form basis, including bodily injury, property damage, products liability and contractual liability coverage as respects this Agreement, with coverage of at least US$[redacted] per occurrence and aggregate. Attached as Schedule F is a copy of a certificate of insurance that [redacted] has provided to Supplier from a financially responsible insurance company satisfactory to Supplier, certifying such coverage and naming Supplier as an additional insured, and requiring at least thirty (30) days prior written notice to Supplier of any cancellation or material change thereof. If [redacted] fails to furnish such certificates, or, if at any time during the Term of this Agreement, Supplier is notified of the cancellation or lapse of [redacted] insurance as described above, and [redacted] ails to rectify the same within ten (10) calendar days after notice from Supplier, in addition to all other remedies available to Supplier hereunder, Supplier, at its option, may obtain such insurance and [redacted] shall promptly reimburse Supplier for the cost of the same. Failure of Supplier to demand such certificate or other evidence of full compliance with these insurance requirements shall not be construed as a waiver of [redacted] obligation to maintain such insurance. Any deductible and/or self-insured retention, as applicable, are the sole responsibility of [redacted].

9. MISCELLANEOUS PROVISIONS

9.1. Independent Contractor. Supplier is an independent contractor and not an agent, employee, partner, joint venture partner, subsidiary or an affiliated entity of [redacted]. No party shall incur any debts or make any commitments on behalf of the other, except to and only to the extent, if at all, specifically provided in this Agreement.

9.2. Force Majeure. Except as otherwise provided herein, neither party shall be liable to the other for any Loss or failure to perform resulting from any act of God, fire, flood, explosion or other natural disaster, actions or impositions by Federal, state or local authorities, strike, labor dispute, vandalism, riot, commotion, act of public enemies, blockage or embargo or any other cause beyond the reasonable control of such pa1iy. Upon the occurrence of any such event that results in, or will result in, a delay or failure to perform, the party whose performance is delayed or prevented shall be relieved from fulfilling its obligations under this Agreement during the period of such force majeure event and shall immediately provide written notice to the other party of such occurrence and the anticipated effect of such occurrence. The party whose performance is affected shall use its best efforts to minimize disruptions in its performance and shall resume full performance of its obligations under this Agreement as soon as possible.

9.3. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing (including facsimile or similar transmission) and mailed (by certified mail, return receipt requested, postage prepaid), sent or delivered (including by way of overnight courier service) addressed as follows:

If to [redacted] LLC:

[redacted]

If to Supplier:

BioZone Laboratories, Inc.
580 Garcia Avenue
Pittsburg, California 94565
Attention: Dan Fisher
Fax: (925) 473-2216

or to such other address as the parties may give notice to the others by like means. All such notices and communications, if mailed, shall be effective upon the earlier of (a) actual receipt by the addressee, or (b) the date shown on the return receipt of such mailing. All such notices and communications, if not mailed, shall be effective upon the earlier of (a) actual receipt by the addressee, (b) with respect to facsimile and similar electronic transmission, the earlier of (i) the time that electronic confirmation of a successful transmission is received or (ii) the date of transmission, if a confirming copy of the transmission also is sent by overnight courier service on the date of transmission, or (c) with respect to delivery by overnight courier service, one (1) day after deposit with such courier service if delivery on such day by such courier is confirmed with the courier or the recipient. The parties further agree that delivery of a notice or other communication required or permitted to be given hereunder in writing may be given via email addressed to: (a) with respect to [redacted], www. [redacted], and (b) with respect to Supplier, dfisher@biozonelabs.com. Such email notices and communications shall be effective on the date of transmission if a confirming copy of the transmission also is sent via overnight courier service on the date of transmission.

9.4. Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors in interest and permitted assigns. Neither party shall assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party; provided, however, that (a) Supplier may assign this Agreement and all, but not less than all, of its rights and obligations hereunder to any Affiliate, any successor by merger, or any purchaser of substantially all of the assets or stock of Supplier, if (and only it) such Affiliate, successor or purchaser satisfies [redacted] then current manufacturing requirements and capabilities for the Products as determined by [redacted] in its reasonable discretion; and (b) [redacted] may, without having to obtain Supplier's consent, assign this Agreement and its rights and obligations hereunder to any Affiliate, any successor by merger, or any purchaser of substantially all of the assets or stock of [redacted] and/or [redacted], Inc., and may collaterally assign its rights hereunder to any lender.

9.5. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

9.6. Survival. Sections 2.4, 2.5, 3.8, 4, 5, 6, 7, 8, and 9 shall survive any termination or expiration of this Agreement.

9.7. Entire Agreement and Conflict. This Agreement (including the Schedules hereto), the Specifications and any other documents incorporated by reference, constitute the entire Agreement and supersede any previous agreement, whether written or oral, between the parties relating to the subject matter of this Agreement. In the event of any conflict, the terms and conditions of this Agreement shall prevail over the terms and conditions of any purchase order or other shipping, delivery, receiving, billing or other document used directly or indirectly by either party in performing this Agreement.

9.8. Amendment and Waiver. This Agreement may not be amended or modified in any respect, except by writing made and executed in the same manner as this Agreement. No provisions of this Agreement shall be waived by any act, omission or knowledge of the parties except by an instrument in writing expressly waiving such provisions and executed by the party against whom such waiver is claimed. No waiver of any default under or breach of this Agreement shall operate as a waiver of any other or subsequent default or breach.

9.9 Construction. This Agreement has been submitted to the scrutiny of, and has been negotiated by all parties hereto and their counsel, and shall be given a fair and reasonable interpretation in accordance with the terms hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

9.10. Headings. The headings of this Agreement are for convenience only and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

9.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telefacsimile or PDF technology delivered via e-mail shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any Party delivering an executed counterpart of this Agreement by telefacsimile or PDF technology delivered via e-mail also shall deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

9.12. Language of Agreement and Notices. This Agreement is in the English language only, which shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding on the parties. All notices and communications required or permitted to be given or made under this Agreement shall be in the English language.

9.13. Governing Law; Arbitration. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona U.S.A., without regard to conflict of law principles. All disputes, claims and other matters in controversy arising directly or indirectly out of or related to this Agreement, or the breach hereof, whether contractual or non-contractual, shall be determined by arbitration and shall be settled by a majority vote of three arbitrators, one of whom shall be appointed by [redacted], one of whom shall be appointed by Supplier and the third of whom shall be appointed by the first two arbitrators. Persons eligible to be selected as arbitrators shall be limited to attorneys who have been in practice at least ten (10) years specializing in corporate matters, who have had both training and experience as arbitrators and who have had no prior relationship or business dealings with either [redacted] or Supplier or their respective directors and officers. If either [redacted] or Supplier fails to appoint an arbitrator within ten (10) days of a request in writing by the other party to do so or if the first two arbitrators cannot agree on the appointment of the third arbitrator, then the third arbitrator shall be appointed by the American Arbitration Association (the "AAA"), provided that such arbitrator also must meet the foregoing eligibility requirements. The arbitration shall be conducted in the English language in the City of [redacted], [redacted] in accordance with the commercial manners of the AAA then in effect, subject to any modifications agreed to in writing by the parties. The U.S. Federal Arbitration Act (the "FAA") shall apply to the construction and interpretation of this Agreement to arbitrate. The arbitrators shall base their award on applicable law and judicial precedent and, unless both parties agree otherwise, shall include in such award the findings of fact and conclusions of law upon which the award is based and may include equitable relief Judgment on the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The arbitrators shall award recovery of reasonable attorneys' fees and costs to the prevailing party. The arbitrators' resolution of the dispute shall be final and binding, except that any party can appeal to the federal courts of the United States of America (located in the City of [redacted]) or, if such federal courts do not have jurisdiction, to the courts of the State of [redacted] (located in the City of [redacted]), to vacate and remand, or modify or correct the arbitration award for any of the grounds specified in the FAA or if the arbitrators committed prejudicial error in the application of substantive law to the established facts. The procedures specified in this Section 9.13 shall be the sole and exclusive procedures for resolution of disputes; provided, however, that nothing contained herein shall preclude any party from filing a judicial proceeding seeking equitable or injunctive relief.

9.14. Consent to Jurisdiction. With respect to each matter, which is not subject to the mandatory arbitration provisions of Section 9.13 , each of the parties hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal courts of the United States of America (located in the City of [redacted]) or, if such federal courts do not have jurisdiction to the courts of the State of [redacted] (located in the City of [redacted]) for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby by the courts of the United States of America or the State of [redacted], in each case, located in the City of [redacted], and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. Any judgment or other decision of any such court shall be enforceable, without further proceedings, against the named party anywhere in the world where such party is located, does business or has assets.

9.15. Carbon Taxes. Supplier shall be solely responsible for (a) any tax liabilities levied by any governmental body that relate in any way to carbon emissions, regardless of whether such carbon emission tax liabilities are levied against Supplier or [redacted]- and (b) purchasing, at Supplier's cost, any carbon emissions credits that would in the future be required for Supplier to perform its obligations under this Agreement.

[Signature Page Follows]

SIGNATURE PAGE TO SUPPLY AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly authorized and executed as of the date first above written.

[redacted]:

By: _____

Name:

Title:

SUPPLIER:

By: _____

Name:

Title:

SCHEDULE A
PRODUCTS AND SERVICES

PRODUCTS

SERVICES

Supplier will perform the following services with respect to the Products :

SCHEDULE A
PRODUCTS AND SERVICES
(Continued)

PRODUCT COMPONENTS

Supplier will supply the following materials for the Products:

[redacted] will require Supplier to use the following vendors:

SCHEDULE A
PRODUCTS AND SERVICES
(Continued)

[redacted] will supply the following materials for the Products:

[redacted] will have the right, in its sole discretion, to assume responsibility for some or all of such materials upon written notice to Supplier.

SCHEDULE B
SPECIFICATIONS

PRODUCT SPECIFICATIONS

[See attached specifications]

APPROVED SUPPLIER FACILITY

580 Garcia Avenue, Pittsburg, California 94565

SCHEDULE C
PRICING

PRODUCT FEES

Initial Term

The completed Products (i.e. Products manufactured. assembled, packaged, labeled, and packed for shipment) shall be priced as follows·

PRODUCT FEE ADJUSTMENTS

Raw Material Related Adjustments

Supplier will be responsible for price negotiations with designated suppliers of all Product raw materials. During the last month of each Contract Year during the Initial Term, the parties shall, upon the written request of either party, negotiate in good faith to determine whether an increase or decrease in the Product Fees is appropriate for the following Contract Year. The parties agree that any cost increases or decreases in the raw materials purchased and used by Supplier will increase or decrease the Product Fees on a dollar for dollar basis {with a proportional increase or decrease per Product unit); provided, that (a) the Product Fees shall not be increased unless the total actual cost to the Supplier to manufacture, assemble, package, label, and pack for shipment the Products has increased during the past Contract Year, and (b) the maximum Product Fee increase shall not exceed 2% of the Product Fee in effect immediately prior to such increase. Both parties must agree in writing to any Product Fee adjustment, and any Product Fee adjustments will take effect only for any purchase orders submitted by [redacted] after such adjustments are agreed to in writing. The parties agree that there will be no raw material related Product fee adjustment during the first Contract Year.

As used herein, **"Contract Year"** means the 12 month period commencing on the Effective Date, and each successive 12 month period thereafter; and "**raw materials"** means those inactive or active chemical ingredients contained in a [redacted]-approved formula used to manufacture the [redacted] Products, and does not include any components related to the labeling or packaging for such Products (including, without limitation, cartons, labels, bottles, sprayers, inserts, shipping cases, security bands, etc.).

Component Related Adjustments

[redacted] will be responsible for price negotiations with designated suppliers of all Product components. Any cost increases or decreases in such Product components will increase or decrease the Product Fee on a dollar for dollar basis (with a proportional increase or decrease per Product unit). All Product Fee adjustments will take effect for any purchase orders submitted by [redacted] alter such adjustments are agreed to in writing between [redacted] and such Product component suppliers. The parties agree that there will be only one (1) Product component-related Fee adjustment per Contract Year.

As used herein, **"components**" means those labeling or packaging materials used for the [redacted] Products {including. without limitation, cartons, labels, bottles, sprayers, inserts, shipping cases, security bands, etc.), but not including any raw materials (as defined above).

SCHEDULE D
SUPPLIER CAPACITY

SUPPLIER CAPACITY

Completed Products (manufactured, assembled, packaged, labeled and packed for shipment)

Supplier warrants the production capacity set forth above for any mix of Products. Such mix will be determined by [redacted] in its sole discretion.

Assumptions

- 8 hours per day, 1 shift per day (5 days per week) production
- 90% efficiency
- Supplier can expand capacity by adding a second or third shift, or add a second production line with proper notification and planning.

SCHEDULE E
PRODUCTION FORECAST/ PURCHASE ORDER

PRODUCTION FORECAST

[redacted] agrees to issue the non-rolling, non-binding production forecasts set forth below:

PURCHASE ORDERS

On or before the 1st day of each calendar month, [redacted] will issue a firm purchase order for Products to be delivered by Supplier (i) ninety (90) days from the date of such purchase order (or such later date as is set forth therein), or (ii) a date that is less than ninety (90) days from the date of such purchase order; provided, that Supplier must agree to such earlier date. With respect to a given purchase order, the total quantity of Products ordered therein and the delivery date is firm.

For example, Products ordered by [redacted] pursuant to a purchase order submitted to Supplier on March 1, 2009 would be delivered by Supplier on May 29, 2009 (unless [redacted] designated a later date, or [redacted] and Supplier mutually agreed to a date prior to May 29th

SCHEDULE F
CERTIFICATE OF INSURANCE

[See attached certificates]

SCHEDULE G

Supplier Intellectual Property

PRODUCTS

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

BETWEEN

_____
AS SELLER

AND

BIOZONE PHARMACEUTICALS, INC.
AS BUYER

EQUALAN LLC

June __, 2011

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

This LLC Membership Interest Purchase Agreement ("**Agreement**") is entered into on June ___, 2011, between _____, an individual with an address at _____ ("**Seller**") and Biozone Pharmaceuticals, Inc., a Nevada corporation, with an address at 4400 Biscayne Boulevard, Miami, Florida 33137 ("**Buyer**").

A. Seller owns certain membership units in Equalan LLC (**the "LLC Interests"**).

B. Seller desires to sell the LLC Interests to Buyer, and Buyer desires to purchase the LLC Interests from Seller.

C. Equalan LLC is referenced herein as the **"Company"**.

D. The Company is managed by its managing member, _____.

Intending to be legally bound, the parties agree as follows:

1. PURCHASE OF LLC INTERESTS.

1.1 ***Sale of the LLC Interests***. On and subject to the terms and conditions of this Agreement, at Closing, Seller shall sell, assign, transfer and deliver the LLC Interests to Buyer, free and clear of all Encumbrances. The assignment of the LLC Interests shall be in the form set forth in Exhibit A (the **"LLC Interest Assignment"**). The purchase of the LLC Interests by Buyer is referred to herein as the "**Acquisition**".

1.2 ***Purchase Price***. The purchase price to be paid by Buyer for the LLC Interests shall be _____ shares (the "**Shares**") of the restricted common stock, par value $0.001 per share, of Buyer (the "**Purchase Price**").

The Purchase Price shall be paid by Buyer to Seller as follows:

(a) 20% of the Shares shall be delivered to the Escrow Agent, (as defined in that certain Escrow Agreement substantially in the form of Exhibit A annexed hereto), subject to the Make-Whole and Indemnification Adjustments, as defined therein, and the Opko Option (as defined below) (the "**Escrowed Shares**");

(b) The balance to be delivered by irrevocable transfer agent instructions delivered to the Buyer's transfer agent at closing. The Purchase Price shall be paid to the Seller or designee within 5 business days following closing; and

(c) The Shares shall be subject to a lockup agreement with Buyer as set forth on Exhibit B annexed hereto

2. CLOSING.

2.1 ***Closing***. Upon the terms and subject to the conditions hereinbefore and hereinafter set forth, the consummation of this Agreement and the Acquisition contemplated herein (the **"Closing"**) shall take place on the date hereof, or on such other date as is agreed to by the parties (the **"Closing Date"**) but not later than June 15, 2011, unless agreed by the parties (**"Effective Time"**).

2.2 ***Actions of Seller at Closing***. At or prior to Closing, Seller shall deliver to Buyer the following:

(a) Assignment. The LLC Interest Assignment signed by Seller;

(b) Opko Option from Keller and Fisher. Dan Fisher and Brian Keller grant an irrevocable option to Opko Health, Inc., (**"Opko"**) with respect to Buyer's shares that each will receive in connection with Keller and Fisher's receipt of shares pursuant to agreements with Buyer as follows (the **"Opko Option"**), substantially in the form of Exhibit C annexed hereto, as to which Seller and Company hereby consent:

Fisher Option:	5,320,000 shares
Exercise Price	$1.00 per share if exercised within 2 months of Closing Date; Blended Price equal to the weighted average price per share determined as follows: $1.00 per share as to 4,256,000 shares and 60 day VWAP as to 1,064,000 shares on date of exercise, if exercised within 18 months following the Payment Extension date.
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months)
Keller Option:	3,325,000 shares
Exercise Price	$1.00 per share
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months).

(c) Debt conversion. All indebtedness of Company, BetaZone, LLC, Equachem LLC and Biozone Laboratories, Inc. to Seller shall be forgiven at closing, provided $250,000 of such indebtedness owing to Dan Fisher, on an audited basis, shall be repaid by the Buyer to Dan Fisher at closing and the balance converted into Company common stock on the basis of 1 share for each $1.00 of debt converted, which shall be adjusted upon the completion of the Company audit .

(d) Other. Seller shall have executed the Escrow Agreement, the Opko Option, the Lockup Agreement, the Intellectual Property Assignment Agreement (substantially in the Form of Exhibit D, the Make Good Escrow Agreement and such other instruments and documents as Buyer or the Company may reasonably request to effect the transactions contemplated hereby.

2.3 ***Actions of Buyer at Closing***. At Closing, Buyer shall deliver to Seller the following:

(a) Payment. The Purchase Price due pursuant to Section 1.2; and

(b) Other. Such other instruments and documents as Seller or the Company may reasonably request to effect the transactions contemplated hereby.

2.4 ***Taking of Necessary Action; Further Action***. Buyer and Seller will take all reasonable and lawful action as may be necessary or appropriate in order to effectuate the Acquisition in accordance with this Agreement as promptly as possible.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller and Company, jointly and severally, hereby represent and warrant to Buyer as follows:

3.1 ***Powers; Consents; Absence of Conflicts with Other Agreements***. Other then as disclosed on Schedule 3.1(b), the execution, delivery, and performance by Seller of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Seller is a party, and the consummation by Seller of the transactions contemplated by this Agreement and the Transaction Documents, as applicable:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Seller with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Seller is a party or by which Seller is bound;

(c) will not violate any Law to which Seller may be subject; and

(d) will not violate any Governmental Order to which Seller may be subject.

3.2 ***Due Authorization; Binding Agreement***. Seller has the right, power, legal capacity and authority to enter into and perform this Agreement. This Agreement and all Transaction Documents are and will constitute the valid and legally binding obligations of Seller and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

3.3 ***Litigation or Proceedings***. There are no Actions pending or, to Seller's Knowledge, threatened against Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

3.4 ***Ownership of LLC Interests***. Seller has the sole and unrestricted right to sell and/or transfer the LLC Interests. Upon transfer of the LLC Interests from Seller to Buyer, Buyer will have good and marketable title to the LLC Interests, free and clear of any and all liens or claims.

3.5 ***No Broker's or Finder's Fees.*** Seller has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

3.6 ***Receipt and Review of Company Financial Information.*** Seller acknowledges that he has received and had an opportunity to review the unaudited financial statements of the Company for the two years ended December 31, 2009 and 2010 and such financial statements have been prepared in accordance with the books and records of the Company, are consistent with all tax returns filed for the Company, and are true and correct in all material respects.

3.7 ***Advice of Counsel.*** Seller acknowledges that he has been encouraged to seek legal counsel and been given the opportunity to seek such counsel with respect to this Agreement.

3.8 ***Capitalization.***

(a) The authorized and issued membership and limited liability company interests of the Company consist solely of those amounts set forth in the Disclosure Schedule annexed hereto and no membership or limited liability interests of the Company are issued or outstanding that are not set forth on the Disclosure Schedule, and no such interests will be issued or outstanding as of the Closing Date that are not set forth on Disclosure Schedule, except for such interests issued pursuant to the exercise of outstanding Company Options listed on Disclosure Schedule. The Disclosure Schedule sets forth all holders of unvested membership or limited liability interests, and for each such owner thereof: (i) the number of unvested membership or limited liability interests, (ii) the terms of the Company's or any other party's rights to repurchase or acquire such membership or limited liability interests, (iii) the schedule on which such rights lapse and (iv) whether such repurchase rights lapse in full or in part as a result of any of the transactions contemplated by this Agreement or any other agreement or upon any other event or condition. True and complete copies of the membership or limited liability interests issued and the limited liability company agreement of the Company have been provided to Buyer. The Company holds no treasury membership or limited liability interests. All issued and outstanding membership or limited liability interests of the Company have been duly authorized and validly issued, are fully paid and nonassessable, were not issued in violation of and are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by the Company in compliance with all requirements of Applicable Law and all requirements set forth in applicable Contracts. There is no Liability for dividends or distributions accrued and unpaid by the Company.

(b) There are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or Contracts outstanding to purchase or otherwise acquire any shares membership or limited liability interests or any securities or debt convertible into or exchangeable for Company membership or limited liability interests or obligating the Company or to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or Contract. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of the Company.

3.9 ***Information on the Buyer.***

Seller has been furnished with or has had access to such information and materials concerning the Buyer as have been requested by Seller. In addition, Seller may have received in writing from the Buyer such other information concerning its operations, financial condition, prospects and other matters as Seller has requested in writing (such other information is collectively the "Other Written Information") and considered all factors Seller deems material in deciding on the advisability of acquiring the Shares.

Seller acknowledges it has access to the SEC filings of Buyer and has reviewed the same, including all Risk Factors contained therein.

Seller has adequate means of providing for current needs and contingencies, has no need for liquidity in the investment, and is able to bear the economic risk of an investment in the Shares offered by the Buyer of the size contemplated herein. The Seller represents that the Seller is able to bear the economic risk of the investment and at the present time could afford a complete loss of such investment. The Seller has had a full opportunity to inspect the books and records of the Buyer and to make any and all inquiries of Buyer's officers and directors regarding the Buyer and its business as the Seller has deemed appropriate.

3.10 ***Information on Seller***. The Seller, either alone or with the Seller's professional advisers who are unaffiliated with, has no equity interest in and is not compensated by the Buyer or any affiliate or selling agent of the Buyer, directly or indirectly, has sufficient knowledge and experience in financial and business matters that the Seller is capable of evaluating the merits and risks of an investment in the Shares offered by the Buyer and of making an informed investment decision with respect thereto and has the capacity to protect the Seller's own interests in connection with the Seller's proposed investment in the Shares.

3.11 ***Acquisition of Shares***. Seller will acquire its Shares as principal for its own account for investment only and not with a view toward, or for resale in connection with, the public sale or any distribution thereof.

3.12 ***Compliance with Securities Act***. Seller understands and agrees that its Shares have not been registered under the Securities Act of 1933, as amended (the "Act") or any applicable state securities laws, by reason of their issuance in a transaction that does not require registration under the Securities Exchange Act of 1933, as amended (the "Exchange Act") (based in part on the accuracy of the representations and warranties of Seller contained herein), and that such Shares must be held indefinitely unless a subsequent disposition is registered under the Act or any applicable state securities laws or is exempt from such registration. Seller acknowledges the Buyer is a "shell" corporation as defined under Rule 12b-2 under the Exchange Act and accordingly Rule 144 under the Act may not be available, if at all, for a minimum of one year following termination of Buyer ceasing to be consider to have terminated its shell status.

3.13 ***Legend***. The certificate evidencing the Shares shall bear the following or similar legend:

"THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE COMPANY, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

And such additional legends as shall be applicable for purposes of the Escrowed Shares and the Opko Option and any lockup agreements.

3,14 ***Communication of Offer.*** The offer to acquire the Shares was directly communicated to Seller by Buyer. At no time was Seller presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

3.15 ***Restricted Securities***. Seller is an "accredited investor" under Regulation D promulgated under the Act ("Regulation D"). Notwithstanding anything to the contrary contained in this Agreement, Seller may transfer the Shares to its Affiliates (as defined below) provided that each such Affiliate is an "accredited investor" under Regulation D and such Affiliate agrees to be bound by the terms and conditions of this Agreement. For the purposes of this Agreement, an "Affiliate" of any Person or entity means any other Person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such Person or entity. Affiliate includes each parent or subsidiary of a party hereto. For purposes of this definition, "control" means the power to direct the management and policies of such Person or firm, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

3.16 ***No Governmental Review***. Seller understands that no United States federal or state agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Shares or the suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

3.17 ***Financial Statements***.

Within sixty (60) days from the Closing Date, Seller and Company shall deliver to Buyer copies of: (i) audited consolidated balance sheets of the Company as at December 31, 2010 and 2009 and the related audited consolidated statements of income and of cash flows of the Company for the years then ended, and (ii) unaudited quarterly balance sheets and consolidated statements of income and of cash flow of the Company for the most recently completed fiscal quarter and prior year fiscal quarter (including the related notes and schedules thereto, the "Financial Statements"). All of the financial and other information heretofore provided by Seller and Company to Buyer have been prepared in accordance with the books and records of the Company and are true and correct in all material respects. Each of the Financial Statements when delivered will be complete and correct in all material respects, will be prepared in accordance with GAAP (subject to normal year-end adjustments in the case of the unaudited statements) and in conformity with the practices consistently applied by the Company without modification of the accounting principles used in the preparation thereof and or will present fairly the financial position, results of operations and cash flows of the Seller as at the dates and for the periods indicated. The Financial Statements obligation required hereby may be satisfied by delivery of consolidating financial information with a consolidated Financial Statement for the Company, Equachem, LLC, BetaZone, LLC and Biozone Laboratories, Inc. Until Financial Statements shall have been delivered to Buyer in form and substance in compliance with the rules and regulations of the Securities and Exchange Commission for inclusion in a Current Report on Form 8-K, for purposes hereof the "Escrowed Shares" referred to in Paragraph 1.2 (a) shall mean 100% of the Shares.

3.18 ***Compliance with Applicable Laws***. The Seller (and the Company) is in compliance with all applicable laws, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a material adverse affect on the Company.

4. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the Closing, Buyer represents and warrants to Seller the following:

4.1 ***Powers; Consents; Absence of Conflicts with Other Agreements, Etc.*** The execution, delivery, and performance by Buyer of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Buyer with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Buyer is a party or by which Buyer is bound;

(c) will not violate any Law to which Buyer may be subject; and

(d) will not violate any Governmental Order to which Buyer may be subject.

4.3 ***Binding Agreement.*** This Agreement and all agreements to which Buyer will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

4.4 ***Proceedings.*** There are no claims, actions, proceedings or investigations pending or, to the Knowledge of Buyer, threatened, challenging the validity or propriety of the transactions contemplated by this Agreement.

4.5 ***No Broker's or Finder's Fees.*** Buyer has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

5. RELEASE; CONFIDENTIALITY

5.1 ***Release by Seller.*** In consideration of the agreements, terms and conditions contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Seller hereby releases and discharges, Buyer, the Company and each of their heirs, executors, members, managing members, administrators, successors, officers, employees, directors, attorneys, agents, Affiliates and assigns (collectively, the "Seller Releasees"), from any action, cause of action, suit, debt, dues, sums of money, account, reckoning, bond, bill, specialty, covenant, contract, controversy, agreement, promise, variance, trespass, damage, judgment, extent, execution, claim, and demand whatsoever, in law, admiralty or equity, which against the Seller Releasees, the Seller, the Seller's heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for any matter from the beginning of the world to the day of the date of this Agreement.

5.2 ***Confidentiality.*** Seller agrees and acknowledges that all information concerning (i) the Company and Buyer, their business and prospects, (ii) the financial performance of the Company and Buyer, (iii) the Company's and Buyer's officers, directors, employees, managing members and members and (iv) the terms and conditions of this Agreement (collectively, the "Information") are confidential and shall not be disclosed to any party, except as required by law.

5.3 ***Securities Laws.*** Seller agrees that the Information will not be used for any purpose other than in connection with my evaluating a possible investment in the Buyer, and that Seller will not disclose in any manner whatsoever such Information, the fact that Seller has received such Information or that discussions or negotiations are taking place concerning the financing of the Buyer. Seller acknowledges that Seller is aware that the United States securities laws prohibit any person who has received material, non-public information concerning a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

6. MISCELLANEOUS

6.1 ***Definitions.*** In this Agreement, the following terms have the following meanings:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agents**" means, with respect to any Person, any and all directors, managers, officers, employees, consultants, financial advisors, bankers, attorneys, accountants and other agents of such Person.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York City are authorized or required by Law to be closed for business.

"**Buyer's Knowledge**" or "**Knowledge of Buyer**" or any similar phrase means all facts and circumstances known by Buyer, without a duty of inquiry.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Seller's Knowledge**" or "**Knowledge of Seller**" or any similar phrase means all facts and circumstances known by Seller, without a duty of inquiry.

"**Transaction Documents**" means this Agreement and each other agreement entered into pursuant to this Agreement.

6.2 ***Additional Assurances.*** From time to time after Closing, either party shall execute and deliver such other instruments and take such other actions as is reasonably requested to give effect to the transactions contemplated by this Agreement.

6.3 ***Cost of Transaction.*** Whether or not the transactions contemplated hereby are consummated, each party shall bear its own expenses in connection with this Agreement.

6.4 ***Choice of Law; Venue.*** This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. BUYER AND SELLER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN, INCLUDING CLAIMS BASED ON CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER COMMON LAW OR STATUTORY BASES. Each party hereby submits to the exclusive jurisdiction of the state and federal courts located in the County of New York, State of New York. If the jury waiver set forth in this Section is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement or any of the transactions contemplated herein will be finally settled by binding arbitration in New York, New York in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with said rules. The arbitrator shall apply New York law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph. The expenses of the arbitration, including the arbitrator's fees and expert witness fees, incurred by the parties to the arbitration, may be awarded to the prevailing party, in the discretion of the arbitrator, or may be apportioned between the parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one party is to pay for all (or a share) of such expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator.

6.5 ***Waiver of Jury Trial.*** EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT BE TRIED BY JURY. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO DEMAND TRIAL BY JURY.

6.6 ***Enforcement of Agreement.*** Irreparable damage would occur if any of the provisions of this Agreement was not performed in accordance with its terms or was breached. The parties are entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms, in addition to any other remedy to which they are entitled at law or in equity.

6.7 ***Survival.*** The representations, warranties and covenants of the parties shall survive Closing and shall not be affected or deemed waived by reason of any investigation made by or on behalf of any party (including by any of its representatives) or by reason of the fact that any party or any of its

representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

6.8 ***Benefit/Assignment.*** This Agreement inures to the benefit of and is binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may directly or indirectly, including by assignment, operation of law or change of control, transfer or assign this Agreement without the prior written consent of the other parties; provide that, following Closing, Buyer may do so without the consent of any other party.

6.9 ***No Third Party Beneficiaries.*** This Agreement is intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and does not confer third-party beneficiary rights upon any Person.

6.10 ***Waiver of Breach.*** The waiver by any party of a breach or violation of any provision of this Agreement is not a waiver of any subsequent breach of the same or any other provision hereof.

6.11 ***Interpretation.*** For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. This Agreement is to be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

6.12 ***Severability.*** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

6.13 ***Gender and Number.*** Whenever the context of this Agreement requires, the gender of all words herein includes the masculine, feminine, and neuter, and the number of all words herein includes the singular and plural.

6.14 ***Divisions and Headings.*** The division of this Agreement into articles, sections and subsections and the use of captions and headings are for convenience and have no legal effect in construing the provisions of this Agreement.

6.15 ***Entire Agreement.*** This Agreement, including all exhibits and schedules hereto, and the Transaction Documents, supersedes all previous contracts, and constitutes the entire agreement among the parties regarding its subject matter. No party is entitled to benefits other than those specified herein. No oral statements or prior written material not specifically incorporated herein is of any force or effect.

6.16 ***Amendment.*** This Agreement may be amended, modified or supplemented only by an agreement in writing signed by each party hereto.

6.18 ***Counterparts.*** This Agreement may be executed in counterparts, each of which will be an original, and all of which together will be one and the same agreement. A signed copy of this

Agreement delivered by facsimile, e-mail or other means of electronic transmission will have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

The parties have executed this Agreement in multiple originals as of the date first above written.

SELLER:

_____

_____

BUYER:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
EQUALAN LLC
by its managing member, _____

By:_____
Name:
Title:

ASSIGNMENT OF MEMBERSHIP INTEREST

THIS ASSIGNMENT OF MEMBERSHIP INTEREST (this "Assignment") dated as of April __, 2011 is made by and between _____ ("Assignor") and Biozone Pharmaceuticals, Inc. ("Assignee").

RECITALS

A. Assignor is the holder of a _____ membership interest (the "Membership Interest") in Equalan LLC, a _____ limited liability company ("Equalan"); and

B. Assignor desires to transfer and assign to Assignee the Membership Interest pursuant to the terms of that certain LLC Membership Interest Purchase Agreement dated the date hereof between Assignor and Assignee (the "Purchase Agreement"); and

C. Assignee desires to accept the assignment of the Membership Interest and to accept and assume the terms and conditions of the Operating Agreement of Equalan, as amended or restated (the "Operating Agreement") with respect to the Membership Interest.

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

1. Assignment. Subject to the terms and conditions this Assignment and the Purchase Agreement, Assignor hereby transfers and assigns to Assignee the Membership Interest.

2. Admission as Substituted Member. As of the date hereof, and subject to the terms and conditions of this Assignment, Assignee shall become a substituted member in Equalan with respect to the Membership Interest in compliance with the terms of the Operating Agreement.

3. Assumption. Assignee agrees to accept, adopt and be bound by the terms, provisions and conditions of the Operating Agreement.

4. Representations by Assignor. Assignor does hereby represent and warrant to Assignee that: (i) Assignor is the legal and beneficial owner and holder of the Membership Interest and (ii) the Membership Interest is not subject to any lien or assessment by any of Assignor's creditors or by any other person or entity.

5. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of each of the parties hereto and their respective heirs, legal representatives, successors and assigns.

6. General Provisions.

(a) Entire Agreement. This Assignment supersedes any prior or contemporaneous understandings or agreements between the parties respecting the subject matter hereof and constitutes the entire understanding and agreement between the parties with respect to the assignment of the Membership Interest.

(b) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of New York.

(c) Further Assurances. The parties hereto covenant and agree that they will execute such further instruments and documents as may be necessary or convenient to effectuate and carry out the transaction contemplated by this Assignment.

(d) Counterpart Execution. This Assignment may be executed in any number of counterparts, all of which together shall for all purposes constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties hereto have not signed the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment effective as of the day and year first above written.

ASSIGNOR:

_____

_____

ASSIGNEE:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
EQUALAN LLC
by its managing member, _____

By:_____
Name:
Title:

DISCLOSURE SCHEDULE TO MEMBER PURCHASE AGREEMENT

1. BioZone Labs and Equalan LLC are indebted to the Bank of Marin under a senior secured loan agreement (the "Senior Loan") that provides, among other things, that each of BioZone Labs and Equalan LLC shall obtain the consent of Bank of Marin prior to incurring any additional indebtedness other than certain specified permitted debt.

2. Capitalization:

   Membership Interests:

Name:	Interest:	Percentage:
Daniel Fisher	LLC	31.67%
Brian Keller	LLC	31.67%
Christian Oertle	LLC	5.0%
Nian Wu	LLC	31.67%[1]

   Options: None.

   Warrants: None.

   Convertible Debt or Other Instruments: None.

Schedule 3.1(b)

Bank of Marin: Outstanding loans as of May 31, 2011

Borrower	Loan Number	Amount Outstanding
Biozone Laboratories, Inc.	006130000348-00001	$1,378,155
Biozone Laboratories, Inc.	006130000355-00001	$ 600,292
Equalan Pharma, LLC	006130000397-00001	$ 130,300
Equalan Pharma, LLC	006130000389-00001	$ 64,175

EXHIBIT B

LOCKUP

LOCK-UP AGREEMENT

_____, 2011

Ladies and Gentlemen:

The undersigned is, or is anticipated to be, a beneficial owner of shares of capital stock, or securities convertible into or exercisable or exchangeable for the capital stock (each, a "Company Security") of Biozone Pharmaceuticals, Inc., a Nevada corporation (the "Company"). The undersigned understands that the Company is acquiring certain businesses (the "Target Companies") in consideration for an aggregate purchase price of 21,000,000 shares (the "Shares") of the Company's common stock (the "Purchase") from the undersigned.and other owners of the Target Companies. The undersigned understands that the Company will proceed with the Purchase in reliance on this Letter Agreement to be signed by each of the owners of the Target Companies.

1. In recognition of the benefit that the Purchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees, for the benefit of the Company, that, during the period beginning on the date hereof (the "Distribution Date") and ending eighteen (18) months thereafter (the "Lockup Period"), the undersigned will not, directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Company Securities, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Company Security, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Company Security (each of the foregoing, a "Prohibited Sale").

2. Notwithstanding the foregoing, the undersigned (and any transferee of the undersigned) may transfer any shares of a Company Security (i) as a bona fide gift or gifts, provided that prior to such transfer the donee or donees thereof agree in writing to be bound by the restrictions set forth herein, (ii) to any trust, partnership, corporation or other entity formed for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that prior to such transfer a duly authorized officer, representative or trustee of such transferee agrees in writing to be bound by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) to non-profit organizations qualified as charitable organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (iv) if

such transfer occurs by operation of law, such as rules of descent and distribution, statutes governing the effects of a merger or a qualified domestic order, provided that prior to such transfer the transferee executes an agreement stating that the transferee is receiving and holding any Company Security subject to the provisions of this agreement. For purposes hereof, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, commencing on the twelve (12) months anniversary of the date of this letter Agreement, the undersigned may sell up to ten (10%) percent of the shares issued to the undersigned in connection with the Target Companies in each calendar month, on a non-cumulative basis.

3. This Letter Agreement shall be governed by and construed in accordance with the laws of the New York.

4. This Letter Agreement will become a binding agreement among the undersigned as of the date hereof. In the event that no closing of the Asset Purchase occurs, this Letter Agreement shall be null and void. This Letter Agreement (and the agreements reflected herein) may be terminated by the mutual agreement of the Company and the undersigned, and if not sooner terminated, will terminate upon the expiration date of the Lockup Period. This Letter Agreement may be duly executed by facsimile and in any number of counterparts, each of which shall be deemed an original, and all of which together shall be deemed to constitute one and the same instrument. Signature pages from separate identical counterparts may be combined with the same effect as if the parties signing such signature page had signed the same counterpart. This Letter Agreement may be modified or waived only by a separate writing signed by each of the parties hereto expressly so modifying or waiving such agreement.

Very truly yours,

_____

Address: _____
Number of shares of Common Stock owned: _____
Certificate Numbers: _____

Accepted and Agreed to:

Biozone Pharmaceuticals, Inc.

By:_____
Name:
Title:

EXHIBIT C

OPTION AGREEMENT

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Brian Keller,** an individual with an address at 5058 Nortonville Way, Antioch, CA 94531 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 3,325,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price").

Section 2.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 3. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the Extension Period.

Section 4. **Affiliate Restrictions.** Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 5. **Delivery of Option Shares.** Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 6. **Legend.** Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 7. **Lock-up.** Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the total number of Optionor Shares and the number of Option Shares subject to this option).

Section 8. **Adjustments Upon Changes in Capitalization.** The existence of this Option will not

affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 9. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 10. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 11. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 12. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United

States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 13. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 14. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"	**"OPTIONEE:"**
Brian Keller	**Opko Health, Inc.**
_____	_____
Address and Facsimile No. for Notices:	Address and Facsimile No. for Notices:
Email: Facsimile No: _____	Email: Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Daniel Fisher,** an individual with an address at 23 Marlee Road, Pleasant Hill, CA 94523 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 5,320,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price"). In addition, Optionee shall have the further irrevocable right and option prior to expiration of the Extension Period, upon payment of the Extension Payment, to purchase the Option Shares at an Exercise Price per share (the "Blended Exercise Price") determined as follows:

(i) 4,256,000 Option Shares at $1.00 per share: and

(ii) 1,064,000 Option Shares at the volume weighted average price (VWAP) of the Company's common stock as reported on Bloomberg for a period of sixty (60) consecutive trading immediately prior to exercise.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 2. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price or Blended Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the

Extension Period.

Section 3. Affiliate Restrictions. Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 4. Delivery of Option Shares. Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price or the Blended Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 5. Legend. Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 6. Lock-up. Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the

total number of Optionor Shares and the number of Option Shares subject to this option).

Section 7. Adjustments Upon Changes in Capitalization. The existence of this Option will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 8. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 9. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 10. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 11. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by

facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 12. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 13. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"	**"OPTIONEE:"**
Daniel Fisher	**Opko Health, Inc.**
_____	_____
Address and Facsimile No. for Notices:	Address and Facsimile No. for Notices:
Email: Facsimile No: _____	Email: Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

EXHIBIT D

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

CONFIDENTIALITY AND INVENTION

ACKNOWLEDGEMENT

To: Biozone Pharmaceuticals, Inc.

In consideration of the award of certain benefits by the above named company ("Company") that have been or will be made to me, including, without limitation, any awards of options to acquire common stock of the Company, or by any subsidiary or affiliate of the Company, and the compensation paid for my services including any additional benefits or rights relating thereto as provided in a written agreement, policy or other understanding and as a condition of the foregoing, I do hereby agree as follows:

1. **Acknowledgment**. I will either generate or be entrusted with information, ideas and materials which are Company property, involve trade secrets or in some other fashion relate to confidential matters of the Company, including, without limitation, with respect to the intellectual property rights and trade secrets belonging to and associated with Biozone Laboratories, Inc., EquaChem LLC, Equalan Pharma LLC and BetaZone Laboratories LLC (the "Biozone Lab Group"). As a condition of the offer the Company has requested this Agreement. I understand that the Company has acquired the Biozone Lab Group, which have, along with any predecessors, been engaged in this business for over 5 years and are reliant upon technology and methods, which have been devised and protected, which now constitute trade secrets of the Company. For purposes of this agreement, all discussions of the Company's business, trade secrets and proprietary rights shall include those of the Biozone Lab Group. The Company's business involves, among other things, the manufacturing of pharmaceutical products. I acknowledge the Company's business is international in scope and not limited to any particular geographic location, such as the location of my assignment, or other of its offices, plants, or sales facilities. Accordingly, I have been asked to sign this agreement and to agree to certain restrictions governing my activities both during and following my engagement by the Company. Furthermore and notwithstanding the foregoing, I further acknowledge that all intellectual property associated with the business or operations of the Biozone Lab Group is owned and/or registered in the name of Biozone Laboratories, Inc., EqualChem LLC, Equalan Pharma LLC and/or BetaZone Laboratories LLC, as the case may be, and not owned and/or registered in my name or in the name of any entity with which I am associated.

2. **Confidential Information**. During the Benefit Period and at any time thereafter, regardless of the reason for termination of the Benefit Period:

(a) I agree not to use or disclose, directly or indirectly, any Confidential Information in any Unauthorized manner or for any Unauthorized purpose;

(b) I agree that I shall not disclose, reveal or otherwise release, directly or indirectly, any Confidential Information to any third party and to take any and all lawful measures to prevent the Unauthorized use and disclosure of Confidential Information and to prevent Unauthorized persons or entities from obtaining or using Confidential Information. I

further agree to refrain from taking any actions which would constitute or facilitate the Unauthorized use or disclosure of Confidential Information.

As part of the foregoing obligations, I further agree not to disclose any Confidential Information to, or assign any employee, vendor, subcontractor, or agent to provide services to the Company, unless said employee, contractor, vendor or agent is subject to an agreement with the Company, pursuant to which it or they agree to protect Confidential Information provided in the course of such relationship to the same extent that I am bound, unless services are to be provided or performed on customary commercial terms established in the course of the dealings with that person or entity, and to which my supervisor approves. I further agree to the terms of any restrictions on disclosure of third-party information of which I become aware as a result of my duties at the Company which is subject to restrictions on disclosure in favor of such third-party.

I agree that upon termination of my engagement by the Company and at any other time when requested, that I will deliver and return all drawings, blueprints, designs, models, papers and copies which contain any Confidential Information. I further agree that all similar materials in connection with all proposed or actual business of the Company or any of its affiliated companies shall be the property of the Company or such affiliate.

3. **Proprietary Rights**. I agree that during the Benefit Period all information, reports, studies, charts, code, plans, diagrams, presentations and any other tangible or intangible, information, Invention Disclosures, deliverables, discoveries, specifications, designs, methods, devices, writings, compilations of information and all materials that are protectable as intellectual property in the United States, whether under the laws of patents, copyrights, and/or trade secrets, including, without limitation, associated with the business and operations of the Biozone Lab Group ("Inventions") (i) developed or produced by me in conjunction with my efforts for the Company on or prior to the date hereof, (ii) based upon knowledge or information learned or gained from the Company on or prior to the date hereof, (iii) resulting from the use of the Company's facilities, personnel, contacts or materials on or prior to the date hereof or (iv) related in any manner to my engagement by the Company on or prior to the date hereof, shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author.

I agree that all Inventions that are reduced to practice, or otherwise made by me, either alone or in concert with others within one (1) year immediately following the Benefit Period, which Inventions are (i) within the scope of my services for the Company, (ii) related to knowledge or information learned or gained from or through the Company or (iii) developed during said engagement, shall be presumed to have been conceived in the course of said engagement and shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author. The foregoing, however, may be overcome by producing tangible evidence showing clearly that any such Inventions were conceived more than one (1) year after the expiration or termination of my engagement. I hereby agree to communicate and disclose promptly, in writing, to the Company all inventions made during the one (1) year period immediately following the Benefit Period. Moreover, I further

agree to safeguard the confidentiality and proprietary nature of any and all such Inventions in the same manner as that prescribed herein for the treatment of Confidential Information.

I hereby agree that all Inventions are hereby assigned to Company and that I will execute all documents necessary to assign and transfer to Company, or its nominees, successors, or assigns, free of encumbrances, all rights, title, and interest in and to any and all Inventions. All such assignments shall include, among other things, existing or prospective patent rights and copyrights in the United States and all foreign countries.

In the event that any Inventions constitutes a work based upon one or more preexisting works, I agree that I shall provide, in writing, in a separate Appendix, which will be attached hereto and made a part hereof: (i) the nature of such preexisting work; (ii) its owner; (iii) any restrictions or royalty terms applicable to the Company's or my use of such preexisting work or the Company's exploitation of the Inventions; and (iv) the source of my authority to employ the preexisting work in the Inventions. Unless otherwise specifically agreed in such Appendix, before initiating the preparation of any Invention that is a derivative work of a preexisting work, I shall cause Company, its successors and assigns, to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute internally and externally, sell copies of, and prepare derivative works thereof, and (ii) authorize or sublicense others from time to time to do any or all of the foregoing. I represent and warrant that the Inventions are not based on any preexisting works other than any preexisting works referenced, in writing, in a separate Appendix to this Agreement which will be attached hereto and made a part hereof.

I hereby agree not to bring any action against the Company or any of its agents, including but not limited to independent legal advisors and counsel, for misappropriation of trade secrets or infringement of any intellectual property rights including but not limited to patents, trademarks and copyrights, and malpractice, negligence or any cause of action related in any way to the creation, maintenance, enforcement and commercialization of any intellectual property rights, including patents and patent applications.

4. **Representations**. I represent and warrant that my engagement by the Company does not conflict with and will not be constrained by any prior business relationship, agreement or understanding and that I do not possess confidential information arising out of any prior relationship which, in my best judgment, would be utilized in connection with my employment by Company in contravention of any policy or agreement relating to such confidential information and that I will use best efforts not to disclose such information to the Company or any customer or employee.

I acknowledge that the Confidential Information is commercially and competitively valuable to the Company and that it is vital to the success of the Company's business at all locations at which the Company is deemed to be doing or does business; has been developed at great cost and expense to the Company; that the Unauthorized use or disclosure of Confidential Information would cause irreparable harm to the Company; that the Company has taken and is taking all reasonable measures to protect its legitimate interests in its Confidential Information, including but not limited to affirmative actions to safeguard the confidentiality of such Confidential Information; that by this Agreement and adoption of policies and procedures

(including those of which I may not be aware) the Company is taking reasonable steps to protect its legitimate interests in its Confidential Information; and that the restrictions on the activities in which I may engage set forth herein, and the locations and periods of time for which such restrictions apply, are reasonably necessary in order to protect the Company's legitimate interest in its Confidential Information.

I acknowledge that the Company and its operations are subject to governmental regulation much like many other companies and recognize that there are still relatively few laws or regulations specifically addressed to the Internet. I further acknowledge that I am aware that existing laws and regulations are applicable to the Internet and, as such, to the business and affairs of the Company and the manner in which I perform my duties for the Company. I acknowledge that I am responsible as in any personal or professional endeavor to comply with any and all laws and that knowing or willful violation of the law is grounds for termination, with cause, by the Company. Without limiting the foregoing, I acknowledge that such laws applicable to my activities include user privacy, defamation, pricing, advertising, taxation, gambling, sweepstakes, promotions, content regulation, quality of products and services, and intellectual property ownership and infringement. I agree that in the event that I become aware of any violation of law that I will pursue appropriate response, which would include notification of my immediate superior, or any member of the Board of Directors of the Company, or counsel to the Company.

I acknowledge that I am aware that the Company posts its privacy policy and practices concerning the use and disclosure of any user data on its Web sites. I agree to review and familiarize myself with such privacy policy and practices and to not knowing violate or assist any third party in violation of such privacy policy and practices. I acknowledge that any knowing violation of the posted privacy policy and practices is grounds for termination, with cause, by the Company.

I acknowledge that I am aware that the CAN-SPAM Act of 2003 and certain state laws are intended to regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet. I agree to take reasonable precautions to familiarize myself with the identity, business, and practices of customers with which I have direct contact and to not knowingly participate in any activities that would violate the CAN-SPAM Act of 2003 or other similar laws with which I am aware. I acknowledge that any knowing violation of the CAN-SPAM Act of 2003 or Company policy relating to spam is grounds for termination, with cause, by the Company.

5. **Restriction**. I agree that during the Benefit Period and continuing for a period of three (3) years after the termination of the Benefit Period I agree that I shall not, directly or indirectly:

(a) solicit, raid, entice or induce any present or former client, customer, licensor, licensee or vendor of the Company (each, a "Customer") to become a client or customer of any other person or entity for the same or equivalent products or services as the those performed or provided by the Company or authorize, encourage or assist the taking of such actions by any other person or entity;

(b) solicit, raid, entice or induce any employee, agent, consultant, advisor, independent contractor or person otherwise engaged by the Company at any time during the term of my engagement ("Personnel") to become employed or otherwise engaged by any other person or entity for the purpose of rendering services the same as, or similar to, those services as from time-to-time had been provided by such Personnel to or on behalf of the Company or authorize, encourage or assist the taking of such actions by any other person or entity; or

(c) contact or communicate with any Customer or Personnel for any business purpose restricted hereby without the presence or prior consent of the Company.

I agree that during the Benefit Period and continuing for a period of one (1) year thereafter that I shall not, directly or indirectly:

(a) compete in any manner whether for compensation or otherwise, with the Company, or assist any other person or entity to compete with the Company;

(b) compete by developing, marketing, manufacturing or assisting others to develop, market or manufacture any product or service which is competitive with the products or services of the Company then existing or planned for the future which I learn of or develop while engaged by the Company;

(c) accept employment from or have any other relationship (including, without limitation, to own, manage, operate, control, be employed by or participate) with any entity which is competitive with the products or services of the Company then existing or which were known by me to be planned for the future.

The foregoing restrictions shall apply to all geographical areas where I performed services for the Company during the Benefit Period and to all other places where the Company does business and/or did business and/or planned to do business, including the manufacture, license, sale or consumption of the Company's developed products or those in development, which could be the entire United States, Europe or worldwide since the Company produces products for drugs intended for human consumption throughout the world.

I hereby represent and acknowledge that: the restrictions stated above on the activities in which I may engage upon termination of my engagement with the Company are reasonable and that, despite such restrictions, I will be able to earn my livelihood and engage in my profession following said termination; the locations designated above are reasonable because they are limited to the locations in which the Company presently does business, legitimately plans to do business or did business during the term of my engagement; the periods of time designated above are reasonable because it extends only for twelve (12) months following the termination of the Benefit Period.

6. **Certain Definitions**.

"Benefit Period" shall mean the term of my engagement (as employee, consultant, advisor or similar capacity) including during any additional period for which I have been paid or

am entitled to receive any severance payments or other benefits from the Company or during which I may hold unexpired options or stock granted by the Company or any founder shares or options transferred under the Company's Founders Plan.

"Confidential Information" shall mean research and development plans and results, experiment design, methods and techniques, formulations, processes, materials, compounds, designs, and methods, costs, pricing, production, and manufacturing matters and related information and materials, all customer vendor, licensee, licensor, information including the identity thereof, techniques, practices, the terms of any orders or acknowledgments thereof, as well as any and all information, know-how and data, technical or non-technical, which relates to the Company's technology or business, including technical, financial and managerial information, whether written or oral, produced by the Company or on its behalf, either directly or indirectly including, without limitation, those associated with the business and operations of the Biozone Lab Group. "Confidential Information" shall include information made available to me as a result of collaborative of other arrangements with third-parties pursuant to which the Corporation has agreed to maintain the secrecy of such information which shall for all purposes be considered Confidential Information protected by this Agreement. "Confidential Information" shall also include as it relates to the Company or any of its affiliates, business practices or trade secrets obtained, developed or disclosed in the performance of my services, any other matter the confidentiality of which the Company takes reasonable measures to protect, any information which pertains to subjects including, but not limited to, research and development, plant and product security, contingency plans, practices relating to protection of trade secrets and confidential information, equipment, expenditure plans, training, compensation and human resources information, legal matters involving litigation or disputes relating to the Company, contract compliance, waste and spoilage information, submission of government information, regulatory matters, names of individual contacts at customers, vendors or other service providers, preferences, businesses or habits, business methods, distributions and scheduling time, plant and equipment capacities and capabilities, future plans, databases, computer programs, operating procedures, knowledge of the organization, any information contained in any policy or procedures manual of the Company and any matter designated as proprietary, confidential or trade secrets in such a policy or procedures manual from time to time, and similar information in any form whatsoever.

"Invention Disclosure" shall mean a written summary of an invention which fully describes the invention and sets forth all substantive technical features in sufficient detail to enable one of ordinary skill in the art to understand the invention including, without limitation, those associated with the business and operations of the Biozone Lab Group.

"Unauthorized" shall mean (i) in contravention of the Company's policies or procedures; (ii) otherwise inconsistent with the Company's measures to protect its interests in the Confidential Information; (iii) in contravention of any lawful instruction or directive, wither written or oral, of a Company employee empowered to issue such instruction or directive; (iv) in contravention of any duty existing under law or contract; or (v) to the detriment of the Company or any of its affiliates.

7. **Investing Restrictions**. I hereby acknowledge that I am aware that the United States securities laws prohibit any person who has material, non-public information from purchasing or selling securities (and options, warrants and rights relating thereto) on the basis of such information and from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. I also acknowledge that from time to time I may become privy to material non-public information from the Company or third parties in relations with the Company. I agree to be bound by the first sentence of this paragraph at all times that I am in possession of material non-public information and to seek the advice of counsel prior to effecting any transactions in the Company's or such third-party's securities.

8. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the state of Florida without regard to principles of conflicts of laws. Jurisdiction shall be appropriate only in federal or state court in the state of Florida, county of _____, unless otherwise agreed by the parties. The employee hereby waives the right to a trial by jury in any proceeding brought for the enforcement of any term of this agreement. If any provision or clause of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not be affected thereby and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any court construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the geographic area or matter covered thereby, such court shall reduce the duration, area or matter of such provision and this Agreement shall continue to be enforceable in its modified or reduced form.

I acknowledge that the obligations under this Agreement, are of a special and unique character for which monetary damages for breach would be inadequate and therefore the Company shall be entitled to injunctive and other equitable relief in the event of a breach or threatened breach in addition to any and all rights and remedies available at law or otherwise.

I agree that in performance of my duties to the Company, I shall not make or offer to make any payments to, or confer, or offer to confer any benefit upon any employee, agent or fiduciary of any third party, or any governmental agent or employee with the intent to influence the conduct of such employee, agent, fiduciary or employee in relation to the business of such third party or otherwise to act in contravention of the Company's policy relating thereto from time to time in effect.

I acknowledge that I have read and understand this Agreement and that I have signed and entered into it on my own free will in consideration for the benefits offered by the Company in connection with my engagement, promotion, additional benefits or other reasons related hereto.

BIOZONE PHARMACEUTICALS, INC.	EMPLOYEE
By:_____	_____
Name: Roberto Prego-Novo	Name:
Title: President	Dated As of: _____, 2011
Dated As of: _____, 2011	

STOCK PURCHASE AGREEMENT

BETWEEN

_____
AS SELLER

AND

BIOZONE PHARMACEUTICALS, INC.
AS BUYER

BIOZONE LABORATORIES, INC.

June __, 2011

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement ("**Agreement**") is entered into on June __, 2011, between _____, an individual with an address at _____ _____ ("**Seller**") and Biozone Pharmaceuticals, Inc., a Nevada corporation, with an address at 4400 Biscayne Boulevard, Miami, Florida 33137 ("**Buyer**").

A. Seller owns certain shares of common stock, par value $0.___ per share, of Biozone Laboratories, Inc. (**the "Seller Shares"**).

B. Seller desires to sell the Seller Shares to Buyer, and Buyer desires to purchase the Seller Shares from Seller.

C. Biozone Laboratories, Inc. is referenced herein as the **"Company"**.

D. The Company is managed by its directors, _____ and _____.

Intending to be legally bound, the parties agree as follows:

1. PURCHASE OF SELLER SHARES.

1.1 ***Sale of the Seller Shares***. On and subject to the terms and conditions of this Agreement, at Closing, Seller shall sell, assign, transfer and deliver the Seller Shares to Buyer, free and clear of all Encumbrances. The assignment of the Seller Shares shall be in the form set forth in Exhibit A (the **"Share Sale"**). The purchase of the Seller Shares by Buyer is referred to herein as the "**Acquisition**".

1.2 ***Purchase Price***. The purchase price to be paid by Buyer for the Seller Shares shall be _____ shares (the "**Shares**") of the restricted common stock, par value $0.001 per share, of Buyer (the "**Purchase Price**").

The Purchase Price shall be paid by Buyer to Seller as follows:

(a) 20% of the Shares shall be delivered to the Escrow Agent, (as defined in that certain Escrow Agreement substantially in the form of Exhibit A annexed hereto), subject to the Make-Whole and Indemnification Adjustments, as defined therein, and the Opko Option (as defined below) (the "**Escrowed Shares**");

(b) The balance to be delivered by irrevocable transfer agent instructions delivered to the Buyer's transfer agent at closing. The Purchase Price shall be paid to the Seller or designee within 5 business days following closing;

(c) The Shares shall be subject to a lockup agreement with Buyer as set forth on Exhibit B annexed hereto and

(d) $100,000 from the sale of shares of Cardium Therapeutics held by Company, from the proceeds thereof, if and when sold (which determination shall be in the sole discretion of Buyer), paid 47.5% to Seller, 47.5% to Dan Fisher and 5% to Christian Oertle,

2. CLOSING.

2.1 ***Closing***. Upon the terms and subject to the conditions hereinbefore and hereinafter set forth, the consummation of this Agreement and the Acquisition contemplated herein (the "**Closing**") shall take place on the date hereof, or on such other date as is agreed to by the parties (the "**Closing Date**") but not later than June 15, 2011, unless agreed by the parties ("**Effective Time**").

2.2 ***Actions of Seller at Closing***. At or prior to Closing, Seller shall deliver to Buyer the following:

(a) Assignment. Duly executed stock powers (with medallion guarantee) for the Share Sale signed by Seller;

(b) Opko Option from Keller and Fisher. Dan Fisher and Brian Keller grant an irrevocable option to Opko Health, Inc., ("**Opko**") with respect to Buyer's shares that each will receive in connection with Keller and Fisher's receipt of shares pursuant to agreements with Buyer as follows (the "**Opko Option**"), substantially in the form of Exhibit C annexed hereto, as to which Seller and Company hereby consent:

Fisher Option:	5,320,000 shares
Exercise Price	$1.00 per share if exercised within 2 months of Closing Date; Blended Price equal to the weighted average price per share determined as follows: $1.00 per share as to 4,256,000 shares and 60 day VWAP as to 1,064,000 shares on date of exercise, if exercised within 18 months following the Payment Extension date.
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months)
Keller Option:	3,325,000 shares
Exercise Price	$1.00 per share
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months).

(c) Debt conversion. All indebtedness of Company, BetaZone, LLC, Equalan LLC and Equachem, LLC to Seller shall be forgiven at closing, provided $250,000 of such indebtedness owing to Dan Fisher, on an audited basis, shall be repaid by the Buyer to Dan Fisher at closing and the balance converted into Company common stock on the basis of 1 share for each $1.00 of debt converted, which shall be adjusted upon the completion of the Company audit.

(d) Other. Seller shall have executed the Escrow Agreement, the Opko Option, the Lockup Agreement, the Intellectual Property Assignment Agreement (substantially in the Form of Exhibit D), the Make Good Escrow Agreement and such other instruments and documents as Buyer or the Company may reasonably request to effect the transactions contemplated hereby.

(e) Option Shares. Seller shall cause all holders of Option Shares (as defined below) who exercise options prior to the Closing Date to enter into stock purchase agreements with Buyer or release Buyer, Company and Seller from any and all liability in consideration for new option agreements to be issued by Buyer, and as a result 100% of the issued and outstanding shares of Company shall be irrevocably transferred and assigned to Buyer on the Closing Date.

2.3 ***Actions of Buyer at Closing***. At Closing, Buyer shall deliver to Seller the following:

(a) Payment. The Purchase Price due pursuant to Section 1.2; and

(b) Other. Such other instruments and documents as Seller or the Company may reasonably request to effect the transactions contemplated hereby.

2.4 ***Taking of Necessary Action; Further Action***. Buyer and Seller will take all reasonable and lawful action as may be necessary or appropriate in order to effectuate the Acquisition in accordance with this Agreement as promptly as possible.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller and Company, jointly and severally, hereby represent and warrant to Buyer as follows:

3.1 ***Powers; Consents; Absence of Conflicts with Other Agreements***. Other then as disclosed on Schedule 3.1(b), the execution, delivery, and performance by Seller of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Seller is a party, and the consummation by Seller of the transactions contemplated by this Agreement and the Transaction Documents, as applicable:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Seller with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Seller is a party or by which Seller is bound;

(c) will not violate any Law to which Seller may be subject; and

(d) will not violate any Governmental Order to which Seller may be subject.

3.2 ***Due Authorization; Binding Agreement.*** Seller has the right, power, legal capacity and authority to enter into and perform this Agreement. This Agreement and all Transaction Documents are and will constitute the valid and legally binding obligations of Seller and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof, except as limited by applicable

bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

3.3 ***Litigation or Proceedings***. There are no Actions pending or, to Seller's Knowledge, threatened against Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

3.4 ***Ownership of Seller Shares***. Seller has the sole and unrestricted right to sell and/or transfer the Seller Shares. Upon transfer of the Seller Shares from Seller to Buyer, Buyer will have good and marketable title to the Seller Shares, free and clear of any and all liens or claims.

3.5 ***No Broker's or Finder's Fees***. Seller has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

3.6 ***Receipt and Review of Company Financial Information.*** Seller acknowledges that he has received and had an opportunity to review the unaudited financial statements of the Company for the two years ended December 31, 2009 and 2010 and such financial statements have been prepared in accordance with the books and records of the Company, are consistent with all tax returns filed for the Company, and are true and correct in all material respects.

3.7 ***Advice of Counsel.*** Seller acknowledges that he has been encouraged to seek legal counsel and been given the opportunity to seek such counsel with respect to this Agreement.

3.8 ***Capitalization.***

(a) The authorized and issued capital stock of the company consist solely of those amounts set forth in the Disclosure Schedule annexed hereto and no additional shares of capital stock of the Company are issued or outstanding that are not set forth on the Disclosure Schedule, and no such shares of capital stock will be issued or outstanding as of the Closing Date that are not set forth on Disclosure Schedule, except for such interests issued pursuant to the exercise of outstanding Company Options listed on Disclosure Schedule (who shall be obligated to enter into similar agreements for the sale of any shares of capital stock issued and outstanding on the Closing Date to Buyer (the "**Option Shares**") The Disclosure Schedule sets forth all holders of unvested options, rights or interests, and for each such owner thereof: (i) the number of unvested options, rights or interests, (ii) the terms of the Company's or any other party's rights to repurchase or acquire such options, rights or interests, (iii) the schedule on which such rights lapse and (iv) whether such repurchase rights lapse in full or in part as a result of any of the transactions contemplated by this Agreement or any other agreement or upon any other event or condition. True and complete copies of the Seller Shares and all other securities issued and the Articles or Certificate of Incorporation and by-laws of the Company have been provided to Buyer. The Company holds no treasury stock. All issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable, were not issued in violation of and are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by the Company in compliance with all requirements of Applicable Law and all requirements set forth in applicable Contracts. There is no Liability for dividends or distributions accrued and unpaid by the Company.

(b) There are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or Contracts outstanding to purchase or otherwise acquire any shares or capital stock or any securities or debt convertible into or exchangeable for

capital stock of the Company or obligating the Company or to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or Contract. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of the Company.

3.9 ***Information on the Buyer.***

Seller has been furnished with or has had access to such information and materials concerning the Buyer as have been requested by Seller. In addition, Seller may have received in writing from the Buyer such other information concerning its operations, financial condition, prospects and other matters as Seller has requested in writing (such other information is collectively the "Other Written Information") and considered all factors Seller deems material in deciding on the advisability of acquiring the Shares. Seller acknowledges it has access to the SEC filings of Buyer and has reviewed the same, including all Risk Factors contained therein.

Seller has adequate means of providing for current needs and contingencies, has no need for liquidity in the investment, and is able to bear the economic risk of an investment in the Shares offered by the Buyer of the size contemplated herein. The Seller represents that the Seller is able to bear the economic risk of the investment and at the present time could afford a complete loss of such investment. The Seller has had a full opportunity to inspect the books and records of the Buyer and to make any and all inquiries of Buyer's officers and directors regarding the Buyer and its business as the Seller has deemed appropriate.

3.10 ***Information on Seller***. The Seller, either alone or with the Seller's professional advisers who are unaffiliated with, has no equity interest in and is not compensated by the Buyer or any affiliate or selling agent of the Buyer, directly or indirectly, has sufficient knowledge and experience in financial and business matters that the Seller is capable of evaluating the merits and risks of an investment in the Shares offered by the Buyer and of making an informed investment decision with respect thereto and has the capacity to protect the Seller's own interests in connection with the Seller's proposed investment in the Shares.

3.11 ***Acquisition of Shares***. Seller will acquire its Shares as principal for its own account for investment only and not with a view toward, or for resale in connection with, the public sale or any distribution thereof.

3.12 ***Compliance with Securities Act***. Seller understands and agrees that its Shares have not been registered under the Securities Act of 1933, as amended (the "Act") or any applicable state securities laws, by reason of their issuance in a transaction that does not require registration under the Securities Exchange Act of 1933, as amended (the "Exchange Act") (based in part on the accuracy of the representations and warranties of Seller contained herein), and that such Shares must be held indefinitely unless a subsequent disposition is registered under the Act or any applicable state securities laws or is exempt from such registration. Seller acknowledges the Buyer is a "shell" corporation as defined under Rule 12b-2 under the Exchange Act and accordingly Rule 144 under the Act may not be available, if at all, for a minimum of one year following termination of Buyer ceasing to be consider to have terminated its shell status.

3.13 ***Legend***. The certificate evidencing the Shares shall bear the following or similar legend:

"THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE COMPANY, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

And such additional legends as shall be applicable for purposes of the Escrowed Shares and the Opko Option and any lockup agreements.

3,14 ***Communication of Offer.*** The offer to acquire the Shares was directly communicated to Seller by Buyer. At no time was Seller presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

3.15 ***Restricted Securities***. Seller is an "accredited investor" under Regulation D promulgated under the Act ("Regulation D"). Notwithstanding anything to the contrary contained in this Agreement, Seller may transfer the Shares to its Affiliates (as defined below) provided that each such Affiliate is an "accredited investor" under Regulation D and such Affiliate agrees to be bound by the terms and conditions of this Agreement. For the purposes of this Agreement, an "Affiliate" of any Person or entity means any other Person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such Person or entity. Affiliate includes each parent or subsidiary of a party hereto. For purposes of this definition, "control" means the power to direct the management and policies of such Person or firm, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

3.16 ***No Governmental Review***. Seller understands that no United States federal or state agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Shares or the suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

3.17 ***Financial Statements***.

Within sixty (60) days from the Closing Date, Seller and Company shall deliver to Buyer copies of: (i) audited consolidated balance sheets of the Company as at December 31, 2010 and 2009 and the related audited consolidated statements of income and of cash flows of the Company for the years then ended, and (ii) unaudited quarterly balance sheets and consolidated statements of income and of cash flow of the Company for the most recently completed fiscal quarter and prior year fiscal quarter (including the related notes and schedules thereto, the "Financial Statements"). All of the financial and other information heretofore provided by Seller and Company to Buyer have been prepared in accordance with the books and records of the Company and are true and correct in all material respects. Each of the Financial Statements when delivered will be complete and correct in all material respects, will be prepared in accordance with GAAP (subject to normal year-end adjustments in the case of the unaudited statements) and in conformity with the practices consistently applied by the Company without modification of the accounting principles used in the preparation thereof and or will present fairly the financial position, results of operations and cash flows of the Seller as at the dates and for the periods indicated. The Financial Statements obligation required hereby may be satisfied by delivery of

consolidating financial information with a consolidated Financial Statement for the Company, Equachem LLC, BetaZone LLC, and Equalan LLC.

3.18 ***Compliance with Applicable Laws.*** The Seller (and the Company) is in compliance with all applicable laws, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a material adverse effect on the Company. Until Financial Statements shall have been delivered to Buyer in form and substance in compliance with the rules and regulations of the Securities and Exchange Commission for inclusion in a Current Report on Form 8-K, for purposes hereof the "Escrowed Shares" referred to in Paragraph 1.2 (a) shall mean 100% of the Shares.

4. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the Closing, Buyer represents and warrants to Seller the following:

4.1 ***Powers; Consents; Absence of Conflicts with Other Agreements, Etc.*** The execution, delivery, and performance by Buyer of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Buyer with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Buyer is a party or by which Buyer is bound;

(c) will not violate any Law to which Buyer may be subject; and

(d) will not violate any Governmental Order to which Buyer may be subject.

4.3 ***Binding Agreement.*** This Agreement and all agreements to which Buyer will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

4.4 ***Proceedings.*** There are no claims, actions, proceedings or investigations pending or, to the Knowledge of Buyer, threatened, challenging the validity or propriety of the transactions contemplated by this Agreement.

4.5 ***No Broker's or Finder's Fees.*** Buyer has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

5. RELEASE; CONFIDENTIALITY

5.1 ***Release by Seller.*** In consideration of the agreements, terms and conditions contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Seller hereby releases and discharges, Buyer, the Company and each of their heirs, executors, members,

managing members, administrators, successors, officers, employees, directors, attorneys, agents, Affiliates and assigns (collectively, the "Seller Releasees"), from any action, cause of action, suit, debt, dues, sums of money, account, reckoning, bond, bill, specialty, covenant, contract, controversy, agreement, promise, variance, trespass, damage, judgment, extent, execution, claim, and demand whatsoever, in law, admiralty or equity, which against the Seller Releasees, the Seller, the Seller's heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for any matter from the beginning of the world to the day of the date of this Agreement.

5.2 ***Confidentiality.*** Seller agrees and acknowledges that all information concerning (i) the Company and Buyer, their business and prospects, (ii) the financial performance of the Company and Buyer, (iii) the Company's and Buyer's officers, directors, employees, managing members and members and (iv) the terms and conditions of this Agreement (collectively, the "Information") are confidential and shall not be disclosed to any party, except as required by law.

5.3 ***Securities Laws.*** Seller agrees that the Information will not be used for any purpose other than in connection with my evaluating a possible investment in the Buyer, and that Seller will not disclose in any manner whatsoever such Information, the fact that Seller has received such Information or that discussions or negotiations are taking place concerning the financing of the Buyer. Seller acknowledges that Seller is aware that the United States securities laws prohibit any person who has received material, non-public information concerning a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

6. MISCELLANEOUS

6.1 ***Definitions.*** In this Agreement, the following terms have the following meanings:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agents**" means, with respect to any Person, any and all directors, managers, officers, employees, consultants, financial advisors, bankers, attorneys, accountants and other agents of such Person.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York City are authorized or required by Law to be closed for business.

"**Buyer's Knowledge**" or "**Knowledge of Buyer**" or any similar phrase means all facts and circumstances known by Buyer, without a duty of inquiry.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Seller's Knowledge**" or "**Knowledge of Seller**" or any similar phrase means all facts and circumstances known by Seller, without a duty of inquiry.

"**Transaction Documents**" means this Agreement and each other agreement entered into pursuant to this Agreement.

6.2 ***Additional Assurances***. From time to time after Closing, either party shall execute and deliver such other instruments and take such other actions as is reasonably requested to give effect to the transactions contemplated by this Agreement.

6.3 ***Cost of Transaction***. Whether or not the transactions contemplated hereby are consummated, each party shall bear its own expenses in connection with this Agreement.

6.4 ***Choice of Law; Venue***. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. BUYER AND SELLER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN, INCLUDING CLAIMS BASED ON CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER COMMON LAW OR STATUTORY BASES. Each party hereby submits to the exclusive jurisdiction of the state and federal courts located in the County of New York, State of New York. If the jury waiver set forth in this Section is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement or any of the transactions contemplated herein will be finally settled by binding arbitration in New York, New York in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with said rules. The arbitrator shall apply New York law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph. The expenses of the arbitration, including the arbitrator's fees and expert witness fees, incurred by the parties to the arbitration, may be awarded to the prevailing party, in the discretion of the arbitrator, or may be apportioned between the parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one party is to pay for all (or a share) of such expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator.

6.5 ***Waiver of Jury Trial***. EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT BE TRIED BY JURY. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO DEMAND TRIAL BY JURY.

6.6 ***Enforcement of Agreement***. Irreparable damage would occur if any of the provisions of this Agreement was not performed in accordance with its terms or was breached. The parties are entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms, in addition to any other remedy to which they are entitled at law or in equity.

6.7 ***Survival***. The representations, warranties and covenants of the parties shall survive Closing and shall not be affected or deemed waived by reason of any investigation made by or on behalf of any party (including by any of its representatives) or by reason of the fact that any party or any of its representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

6.8 ***Benefit/Assignment***. This Agreement inures to the benefit of and is binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may directly or indirectly, including by assignment, operation of law or change of control, transfer or assign this Agreement without the prior written consent of the other parties; provide that, following Closing, Buyer may do so without the consent of any other party.

6.9 ***No Third Party Beneficiaries***. This Agreement is intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and does not confer third-party beneficiary rights upon any Person.

6.10 ***Waiver of Breach***. The waiver by any party of a breach or violation of any provision of this Agreement is not a waiver of any subsequent breach of the same or any other provision hereof.

6.11 ***Interpretation***. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. This Agreement is to be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

6.12 ***Severability***. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

6.13 ***Gender and Number***. Whenever the context of this Agreement requires, the gender of all words herein includes the masculine, feminine, and neuter, and the number of all words herein includes the singular and plural.

6.14 ***Divisions and Headings***. The division of this Agreement into articles, sections and subsections and the use of captions and headings are for convenience and have no legal effect in construing the provisions of this Agreement.

6.15 ***Entire Agreement***. This Agreement, including all exhibits and schedules hereto, and the Transaction Documents, supersedes all previous contracts, and constitutes the entire agreement among the parties regarding its subject matter. No party is entitled to benefits other than those specified herein. No oral statements or prior written material not specifically incorporated herein is of any force or effect.

6.16 ***Amendment***. This Agreement may be amended, modified or supplemented only by an agreement in writing signed by each party hereto.

6.18 ***Counterparts***. This Agreement may be executed in counterparts, each of which will be an original, and all of which together will be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission will have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

The parties have executed this Agreement in multiple originals as of the date first above written.

SELLER:

_____

_____

BUYER:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
BIOZONE LABORATORIES, INC.

By:_____
Name:
Title:

All certificates to be transferred must be enclosed with this stock power

The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever. The signature of the person executing this power must be guaranteed by an eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association participating in a Medallion Program approved by the Securities Transfer Association, Inc. No other form of signature guarantee is acceptable.

STOCK POWER

For value received I/we hereby sell, assign and transfer unto

_____

(Print or Type Name)

_____

(Address of Transferee)

SS# or Tax ID _____

_____ certificate shares of **BIOZONE LABORATORIES, INC.**_____

(Name of Company)

represented by certificate number(s)_____.

The undersigned does (do) hereby irrevocably constitute and appoint BIOZONE PHARMACEUTICALS, INC., AND ASSIGNS to transfer the said stock on the books of said company with full power of substitution in the premises.

Date _____

_____

(Signature of Registered Holder completing the stock power)

_____

(Print Name of Registered Holder)

_____

(Signature of Joint Registered Holder completing the stock power)

_____

(Print Name of Joint Registered Holder)

(Affix Medallion Signature Guarantee imprint in space to the right)

DISCLOSURE SCHEDULE TO STOCK PURCHASE AGREEMENT

1. Biozone Laboratories, Inc. and Equalan LLC. are indebted to the Bank of Marin under a senior secured loan agreement (the "Senior Loan") that provides, among other things, that each of Biozone Laboratories, Inc. and Equalan LLC. shall obtain the consent of Bank of Marin prior to incurring any additional indebtedness other than certain specified permitted debt.

2. Capitalization:

   Common stock:

Name:	Interest:	Percentage:
Daniel Fisher	Common Stock	31.67%
Brian Keller	Common Stock	31.67%
Christian Oertle	Common Stock	5.0%
Nian Wu	Common Stock	31.67%[1]

   Preferred Stock: None.

   Options: None.

   Warrants: None.

   Convertible Debt or Other Instruments: None.

Schedule 3.1(b)

Bank of Marin: Outstanding loans as of May 31, 2011

Borrower	Loan Number	Amount Outstanding
Biozone Laboratories, Inc.	006130000348-00001	$1,378,155
Biozone Laboratories, Inc.	006130000355-00001	$ 600,292
Equalan Pharma, LLC	006130000397-00001	$ 130,300
Equalan Pharma, LLC	006130000389-00001	$ 64,175

EXHIBIT B

LOCKUP AGREEMENT

LOCK-UP AGREEMENT

_____, 2011

Ladies and Gentlemen:

The undersigned is, or is anticipated to be, a beneficial owner of shares of capital stock, or securities convertible into or exercisable or exchangeable for the capital stock (each, a "Company Security") of Biozone Pharmaceuticals, Inc., a Nevada corporation (the "Company"). The undersigned understands that the Company is acquiring certain businesses (the "Target Companies") in consideration for an aggregate purchase price of 21,000,000 shares (the "Shares") of the Company's common stock (the "Purchase") from the undersigned.and other owners of the Target Companies. The undersigned understands that the Company will proceed with the Purchase in reliance on this Letter Agreement to be signed by each of the owners of the Target Companies.

1. In recognition of the benefit that the Purchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees, for the benefit of the Company, that, during the period beginning on the date hereof (the "Distribution Date") and ending eighteen (18) months thereafter (the "Lockup Period"), the undersigned will not, directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Company Securities, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Company Security, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Company Security (each of the foregoing, a "Prohibited Sale").

2. Notwithstanding the foregoing, the undersigned (and any transferee of the undersigned) may transfer any shares of a Company Security (i) as a bona fide gift or gifts, provided that prior to such transfer the donee or donees thereof agree in writing to be bound by the restrictions set forth herein, (ii) to any trust, partnership, corporation or other entity formed for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that prior to such transfer a duly authorized officer, representative or trustee of such transferee agrees in writing to be bound by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) to non-profit organizations qualified as charitable organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (iv) if

such transfer occurs by operation of law, such as rules of descent and distribution, statutes governing the effects of a merger or a qualified domestic order, provided that prior to such transfer the transferee executes an agreement stating that the transferee is receiving and holding any Company Security subject to the provisions of this agreement. For purposes hereof, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, commencing on the twelve (12) months anniversary of the date of this letter Agreement, the undersigned may sell up to ten (10%) percent of the shares issued to the undersigned in connection with the Target Companies in each calendar month, on a non-cumulative basis.

3. This Letter Agreement shall be governed by and construed in accordance with the laws of the New York.

4. This Letter Agreement will become a binding agreement among the undersigned as of the date hereof. In the event that no closing of the Asset Purchase occurs, this Letter Agreement shall be null and void. This Letter Agreement (and the agreements reflected herein) may be terminated by the mutual agreement of the Company and the undersigned, and if not sooner terminated, will terminate upon the expiration date of the Lockup Period. This Letter Agreement may be duly executed by facsimile and in any number of counterparts, each of which shall be deemed an original, and all of which together shall be deemed to constitute one and the same instrument. Signature pages from separate identical counterparts may be combined with the same effect as if the parties signing such signature page had signed the same counterpart. This Letter Agreement may be modified or waived only by a separate writing signed by each of the parties hereto expressly so modifying or waiving such agreement.

Very truly yours,

_____

Address: _____
Number of shares of Common Stock owned: _____
Certificate Numbers: _____

Accepted and Agreed to:

Biozone Pharmaceuticals, Inc.

By:_____
Name:
Title:

EXHIBIT C

OPTION AGREEMENT

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Brian Keller,** an individual with an address at 5058 Nortonville Way, Antioch, CA 94531 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 3,325,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price").

Section 2.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 3. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the Extension Period.

Section 4. **Affiliate Restrictions.** Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 5. **Delivery of Option Shares.** Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 6. **Legend.** Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 7. **Lock-up.** Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the total number of Optionor Shares and the number of Option Shares subject to this option).

Section 8. **Adjustments Upon Changes in Capitalization.** The existence of this Option will not

affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 9. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 10. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 11. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 12. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United

States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 13. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 14. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"	**"OPTIONEE:"**
Brian Keller	**Opko Health, Inc.**
_____	_____
Address and Facsimile No. for Notices:	Address and Facsimile No. for Notices:
Email: Facsimile No: _____	Email: Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Daniel Fisher,** an individual with an address at 23 Marlee Road, Pleasant Hill, CA 94523 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 5,320,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price"). In addition, Optionee shall have the further irrevocable right and option prior to expiration of the Extension Period, upon payment of the Extension Payment, to purchase the Option Shares at an Exercise Price per share (the "Blended Exercise Price") determined as follows:

(i) 4,256,000 Option Shares at $1.00 per share: and

(ii) 1,064,000 Option Shares at the volume weighted average price (VWAP) of the Company's common stock as reported on Bloomberg for a period of sixty (60) consecutive trading immediately prior to exercise.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 2. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price or Blended Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the

Extension Period.

Section 3. **Affiliate Restrictions.** Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 4. **Delivery of Option Shares.** Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price or the Blended Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 5. **Legend.** Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 6. **Lock-up.** Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the

total number of Optionor Shares and the number of Option Shares subject to this option).

Section 7. Adjustments Upon Changes in Capitalization. The existence of this Option will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 8. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 9. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 10. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 11. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by

facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 12. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 13. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"	**"OPTIONEE:"**
Daniel Fisher	**Opko Health, Inc.**
_____	_____
Address and Facsimile No. for Notices:	Address and Facsimile No. for Notices:
Email: Facsimile No: _____	Email: Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

EXHIBIT D

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

CONFIDENTIALITY AND INVENTION

ACKNOWLEDGEMENT

To: Biozone Pharmaceuticals, Inc.

In consideration of the award of certain benefits by the above named company ("Company") that have been or will be made to me, including, without limitation, any awards of options to acquire common stock of the Company, or by any subsidiary or affiliate of the Company, and the compensation paid for my services including any additional benefits or rights relating thereto as provided in a written agreement, policy or other understanding and as a condition of the foregoing, I do hereby agree as follows:

1. **Acknowledgment**. I will either generate or be entrusted with information, ideas and materials which are Company property, involve trade secrets or in some other fashion relate to confidential matters of the Company, including, without limitation, with respect to the intellectual property rights and trade secrets belonging to and associated with Biozone Laboratories, Inc., EquaChem LLC, Equalan Pharma LLC and BetaZone Laboratories LLC (the "Biozone Lab Group"). As a condition of the offer the Company has requested this Agreement. I understand that the Company has acquired the Biozone Lab Group, which have, along with any predecessors, been engaged in this business for over 5 years and are reliant upon technology and methods, which have been devised and protected, which now constitute trade secrets of the Company. For purposes of this agreement, all discussions of the Company's business, trade secrets and proprietary rights shall include those of the Biozone Lab Group. The Company's business involves, among other things, the manufacturing of pharmaceutical products. I acknowledge the Company's business is international in scope and not limited to any particular geographic location, such as the location of my assignment, or other of its offices, plants, or sales facilities. Accordingly, I have been asked to sign this agreement and to agree to certain restrictions governing my activities both during and following my engagement by the Company. Furthermore and notwithstanding the foregoing, I further acknowledge that all intellectual property associated with the business or operations of the Biozone Lab Group is owned and/or registered in the name of Biozone Laboratories, Inc., EqualChem LLC, Equalan Pharma LLC and/or BetaZone Laboratories LLC, as the case may be, and not owned and/or registered in my name or in the name of any entity with which I am associated.

2. **Confidential Information**. During the Benefit Period and at any time thereafter, regardless of the reason for termination of the Benefit Period:

(a) I agree not to use or disclose, directly or indirectly, any Confidential Information in any Unauthorized manner or for any Unauthorized purpose;

(b) I agree that I shall not disclose, reveal or otherwise release, directly or indirectly, any Confidential Information to any third party and to take any and all lawful measures to prevent the Unauthorized use and disclosure of Confidential Information and to prevent Unauthorized persons or entities from obtaining or using Confidential Information. I

further agree to refrain from taking any actions which would constitute or facilitate the Unauthorized use or disclosure of Confidential Information.

As part of the foregoing obligations, I further agree not to disclose any Confidential Information to, or assign any employee, vendor, subcontractor, or agent to provide services to the Company, unless said employee, contractor, vendor or agent is subject to an agreement with the Company, pursuant to which it or they agree to protect Confidential Information provided in the course of such relationship to the same extent that I am bound, unless services are to be provided or performed on customary commercial terms established in the course of the dealings with that person or entity, and to which my supervisor approves. I further agree to the terms of any restrictions on disclosure of third-party information of which I become aware as a result of my duties at the Company which is subject to restrictions on disclosure in favor of such third-party.

I agree that upon termination of my engagement by the Company and at any other time when requested, that I will deliver and return all drawings, blueprints, designs, models, papers and copies which contain any Confidential Information. I further agree that all similar materials in connection with all proposed or actual business of the Company or any of its affiliated companies shall be the property of the Company or such affiliate.

3. **Proprietary Rights**. I agree that during the Benefit Period all information, reports, studies, charts, code, plans, diagrams, presentations and any other tangible or intangible, information, Invention Disclosures, deliverables, discoveries, specifications, designs, methods, devices, writings, compilations of information and all materials that are protectable as intellectual property in the United States, whether under the laws of patents, copyrights, and/or trade secrets, including, without limitation, associated with the business and operations of the Biozone Lab Group ("Inventions") (i) developed or produced by me in conjunction with my efforts for the Company on or prior to the date hereof, (ii) based upon knowledge or information learned or gained from the Company on or prior to the date hereof, (iii) resulting from the use of the Company's facilities, personnel, contacts or materials on or prior to the date hereof or (iv) related in any manner to my engagement by the Company on or prior to the date hereof, shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author.

I agree that all Inventions that are reduced to practice, or otherwise made by me, either alone or in concert with others within one (1) year immediately following the Benefit Period, which Inventions are (i) within the scope of my services for the Company, (ii) related to knowledge or information learned or gained from or through the Company or (iii) developed during said engagement, shall be presumed to have been conceived in the course of said engagement and shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author. The foregoing, however, may be overcome by producing tangible evidence showing clearly that any such Inventions were conceived more than one (1) year after the expiration or termination of my engagement. I hereby agree to communicate and disclose promptly, in writing, to the Company all inventions made during the one (1) year period immediately following the Benefit Period. Moreover, I further

agree to safeguard the confidentiality and proprietary nature of any and all such Inventions in the same manner as that prescribed herein for the treatment of Confidential Information.

I hereby agree that all Inventions are hereby assigned to Company and that I will execute all documents necessary to assign and transfer to Company, or its nominees, successors, or assigns, free of encumbrances, all rights, title, and interest in and to any and all Inventions. All such assignments shall include, among other things, existing or prospective patent rights and copyrights in the United States and all foreign countries.

In the event that any Inventions constitutes a work based upon one or more preexisting works, I agree that I shall provide, in writing, in a separate Appendix, which will be attached hereto and made a part hereof: (i) the nature of such preexisting work; (ii) its owner; (iii) any restrictions or royalty terms applicable to the Company's or my use of such preexisting work or the Company's exploitation of the Inventions; and (iv) the source of my authority to employ the preexisting work in the Inventions. Unless otherwise specifically agreed in such Appendix, before initiating the preparation of any Invention that is a derivative work of a preexisting work, I shall cause Company, its successors and assigns, to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute internally and externally, sell copies of, and prepare derivative works thereof, and (ii) authorize or sublicense others from time to time to do any or all of the foregoing. I represent and warrant that the Inventions are not based on any preexisting works other than any preexisting works referenced, in writing, in a separate Appendix to this Agreement which will be attached hereto and made a part hereof.

I hereby agree not to bring any action against the Company or any of its agents, including but not limited to independent legal advisors and counsel, for misappropriation of trade secrets or infringement of any intellectual property rights including but not limited to patents, trademarks and copyrights, and malpractice, negligence or any cause of action related in any way to the creation, maintenance, enforcement and commercialization of any intellectual property rights, including patents and patent applications.

4. **Representations**. I represent and warrant that my engagement by the Company does not conflict with and will not be constrained by any prior business relationship, agreement or understanding and that I do not possess confidential information arising out of any prior relationship which, in my best judgment, would be utilized in connection with my employment by Company in contravention of any policy or agreement relating to such confidential information and that I will use best efforts not to disclose such information to the Company or any customer or employee.

I acknowledge that the Confidential Information is commercially and competitively valuable to the Company and that it is vital to the success of the Company's business at all locations at which the Company is deemed to be doing or does business; has been developed at great cost and expense to the Company; that the Unauthorized use or disclosure of Confidential Information would cause irreparable harm to the Company; that the Company has taken and is taking all reasonable measures to protect its legitimate interests in its Confidential Information, including but not limited to affirmative actions to safeguard the confidentiality of such Confidential Information; that by this Agreement and adoption of policies and procedures

(including those of which I may not be aware) the Company is taking reasonable steps to protect its legitimate interests in its Confidential Information; and that the restrictions on the activities in which I may engage set forth herein, and the locations and periods of time for which such restrictions apply, are reasonably necessary in order to protect the Company's legitimate interest in its Confidential Information.

I acknowledge that the Company and its operations are subject to governmental regulation much like many other companies and recognize that there are still relatively few laws or regulations specifically addressed to the Internet. I further acknowledge that I am aware that existing laws and regulations are applicable to the Internet and, as such, to the business and affairs of the Company and the manner in which I perform my duties for the Company. I acknowledge that I am responsible as in any personal or professional endeavor to comply with any and all laws and that knowing or willful violation of the law is grounds for termination, with cause, by the Company. Without limiting the foregoing, I acknowledge that such laws applicable to my activities include user privacy, defamation, pricing, advertising, taxation, gambling, sweepstakes, promotions, content regulation, quality of products and services, and intellectual property ownership and infringement. I agree that in the event that I become aware of any violation of law that I will pursue appropriate response, which would include notification of my immediate superior, or any member of the Board of Directors of the Company, or counsel to the Company.

I acknowledge that I am aware that the Company posts its privacy policy and practices concerning the use and disclosure of any user data on its Web sites. I agree to review and familiarize myself with such privacy policy and practices and to not knowing violate or assist any third party in violation of such privacy policy and practices. I acknowledge that any knowing violation of the posted privacy policy and practices is grounds for termination, with cause, by the Company.

I acknowledge that I am aware that the CAN-SPAM Act of 2003 and certain state laws are intended to regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet. I agree to take reasonable precautions to familiarize myself with the identity, business, and practices of customers with which I have direct contact and to not knowingly participate in any activities that would violate the CAN-SPAM Act of 2003 or other similar laws with which I am aware. I acknowledge that any knowing violation of the CAN-SPAM Act of 2003 or Company policy relating to spam is grounds for termination, with cause, by the Company.

5. **Restriction**. I agree that during the Benefit Period and continuing for a period of three (3) years after the termination of the Benefit Period I agree that I shall not, directly or indirectly:

(a) solicit, raid, entice or induce any present or former client, customer, licensor, licensee or vendor of the Company (each, a "Customer") to become a client or customer of any other person or entity for the same or equivalent products or services as the those performed or provided by the Company or authorize, encourage or assist the taking of such actions by any other person or entity;

(b) solicit, raid, entice or induce any employee, agent, consultant, advisor, independent contractor or person otherwise engaged by the Company at any time during the term of my engagement ("Personnel") to become employed or otherwise engaged by any other person or entity for the purpose of rendering services the same as, or similar to, those services as from time-to-time had been provided by such Personnel to or on behalf of the Company or authorize, encourage or assist the taking of such actions by any other person or entity; or

(c) contact or communicate with any Customer or Personnel for any business purpose restricted hereby without the presence or prior consent of the Company.

I agree that during the Benefit Period and continuing for a period of one (1) year thereafter that I shall not, directly or indirectly:

(a) compete in any manner whether for compensation or otherwise, with the Company, or assist any other person or entity to compete with the Company;

(b) compete by developing, marketing, manufacturing or assisting others to develop, market or manufacture any product or service which is competitive with the products or services of the Company then existing or planned for the future which I learn of or develop while engaged by the Company;

(c) accept employment from or have any other relationship (including, without limitation, to own, manage, operate, control, be employed by or participate) with any entity which is competitive with the products or services of the Company then existing or which were known by me to be planned for the future.

The foregoing restrictions shall apply to all geographical areas where I performed services for the Company during the Benefit Period and to all other places where the Company does business and/or did business and/or planned to do business, including the manufacture, license, sale or consumption of the Company's developed products or those in development, which could be the entire United States, Europe or worldwide since the Company produces products for drugs intended for human consumption throughout the world.

I hereby represent and acknowledge that: the restrictions stated above on the activities in which I may engage upon termination of my engagement with the Company are reasonable and that, despite such restrictions, I will be able to earn my livelihood and engage in my profession following said termination; the locations designated above are reasonable because they are limited to the locations in which the Company presently does business, legitimately plans to do business or did business during the term of my engagement; the periods of time designated above are reasonable because it extends only for twelve (12) months following the termination of the Benefit Period.

6. **Certain Definitions**.

"Benefit Period" shall mean the term of my engagement (as employee, consultant, advisor or similar capacity) including during any additional period for which I have been paid or

am entitled to receive any severance payments or other benefits from the Company or during which I may hold unexpired options or stock granted by the Company or any founder shares or options transferred under the Company's Founders Plan.

"Confidential Information" shall mean research and development plans and results, experiment design, methods and techniques, formulations, processes, materials, compounds, designs, and methods, costs, pricing, production, and manufacturing matters and related information and materials, all customer vendor, licensee, licensor, information including the identity thereof, techniques, practices, the terms of any orders or acknowledgments thereof, as well as any and all information, know-how and data, technical or non-technical, which relates to the Company's technology or business, including technical, financial and managerial information, whether written or oral, produced by the Company or on its behalf, either directly or indirectly including, without limitation, those associated with the business and operations of the Biozone Lab Group. "Confidential Information" shall include information made available to me as a result of collaborative of other arrangements with third-parties pursuant to which the Corporation has agreed to maintain the secrecy of such information which shall for all purposes be considered Confidential Information protected by this Agreement. "Confidential Information" shall also include as it relates to the Company or any of its affiliates, business practices or trade secrets obtained, developed or disclosed in the performance of my services, any other matter the confidentiality of which the Company takes reasonable measures to protect, any information which pertains to subjects including, but not limited to, research and development, plant and product security, contingency plans, practices relating to protection of trade secrets and confidential information, equipment, expenditure plans, training, compensation and human resources information, legal matters involving litigation or disputes relating to the Company, contract compliance, waste and spoilage information, submission of government information, regulatory matters, names of individual contacts at customers, vendors or other service providers, preferences, businesses or habits, business methods, distributions and scheduling time, plant and equipment capacities and capabilities, future plans, databases, computer programs, operating procedures, knowledge of the organization, any information contained in any policy or procedures manual of the Company and any matter designated as proprietary, confidential or trade secrets in such a policy or procedures manual from time to time, and similar information in any form whatsoever.

"Invention Disclosure" shall mean a written summary of an invention which fully describes the invention and sets forth all substantive technical features in sufficient detail to enable one of ordinary skill in the art to understand the invention including, without limitation, those associated with the business and operations of the Biozone Lab Group.

"Unauthorized" shall mean (i) in contravention of the Company's policies or procedures; (ii) otherwise inconsistent with the Company's measures to protect its interests in the Confidential Information; (iii) in contravention of any lawful instruction or directive, wither written or oral, of a Company employee empowered to issue such instruction or directive; (iv) in contravention of any duty existing under law or contract; or (v) to the detriment of the Company or any of its affiliates.

7. **Investing Restrictions**. I hereby acknowledge that I am aware that the United States securities laws prohibit any person who has material, non-public information from purchasing or selling securities (and options, warrants and rights relating thereto) on the basis of such information and from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. I also acknowledge that from time to time I may become privy to material non-public information from the Company or third parties in relations with the Company. I agree to be bound by the first sentence of this paragraph at all times that I am in possession of material non-public information and to seek the advice of counsel prior to effecting any transactions in the Company's or such third-party's securities.

8. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the state of Florida without regard to principles of conflicts of laws. Jurisdiction shall be appropriate only in federal or state court in the state of Florida, county of _____, unless otherwise agreed by the parties. The employee hereby waives the right to a trial by jury in any proceeding brought for the enforcement of any term of this agreement. If any provision or clause of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not be affected thereby and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any court construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the geographic area or matter covered thereby, such court shall reduce the duration, area or matter of such provision and this Agreement shall continue to be enforceable in its modified or reduced form.

I acknowledge that the obligations under this Agreement, are of a special and unique character for which monetary damages for breach would be inadequate and therefore the Company shall be entitled to injunctive and other equitable relief in the event of a breach or threatened breach in addition to any and all rights and remedies available at law or otherwise.

I agree that in performance of my duties to the Company, I shall not make or offer to make any payments to, or confer, or offer to confer any benefit upon any employee, agent or fiduciary of any third party, or any governmental agent or employee with the intent to influence the conduct of such employee, agent, fiduciary or employee in relation to the business of such third party or otherwise to act in contravention of the Company's policy relating thereto from time to time in effect.

I acknowledge that I have read and understand this Agreement and that I have signed and entered into it on my own free will in consideration for the benefits offered by the Company in connection with my engagement, promotion, additional benefits or other reasons related hereto.

BIOZONE PHARMACEUTICALS, INC.	EMPLOYEE
By:_____	_____
Name: Roberto Prego-Novo	Name:
Title: President	Dated As of: _____, 2011
Dated As of: _____, 2011	

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

BETWEEN

_____
AS SELLER

AND

BIOZONE PHARMACEUTICALS, INC.
AS BUYER

EQUACHEM LLC

June ___, 2011

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

This LLC Membership Interest Purchase Agreement ("**Agreement**") is entered into on June ___, 2011, between _____, an individual with an address at _____ _____ ("**Seller**") and Biozone Pharmaceuticals, Inc., a Nevada corporation, with an address at 4400 Biscayne Boulevard, Miami, Florida 33137 ("**Buyer**").

A. Seller owns certain membership units in Equachem LLC (**the "LLC Interests"**).

B. Seller desires to sell the LLC Interests to Buyer, and Buyer desires to purchase the LLC Interests from Seller.

C. Equachem LLC is referenced herein as the **"Company"**.

D. The Company is managed by its managing member, _____.

Intending to be legally bound, the parties agree as follows:

1. PURCHASE OF LLC INTERESTS.

1.1 ***Sale of the LLC Interests***. On and subject to the terms and conditions of this Agreement, at Closing, Seller shall sell, assign, transfer and deliver the LLC Interests to Buyer, free and clear of all Encumbrances. The assignment of the LLC Interests shall be in the form set forth in Exhibit A (the **"LLC Interest Assignment"**). The purchase of the LLC Interests by Buyer is referred to herein as the **"Acquisition"**.

1.2 ***Purchase Price***. The purchase price to be paid by Buyer for the LLC Interests shall be _____ shares (the "**Shares**") of the restricted common stock, par value $0.001 per share, of Buyer (the "**Purchase Price**").

The Purchase Price shall be paid by Buyer to Seller as follows:

(a) 20% of the Shares shall be delivered to the Escrow Agent, (as defined in that certain Escrow Agreement substantially in the form of Exhibit A annexed hereto), subject to the Make-Whole and Indemnification Adjustments, as defined therein, and the Opko Option (as defined below) (the "**Escrowed Shares**");

(b) The balance to be delivered by irrevocable transfer agent instructions delivered to the Buyer's transfer agent at closing. The Purchase Price shall be paid to the Seller or designee within 5 business days following closing; and

(c) The Shares shall be subject to a lockup agreement with Buyer as set forth on Exhibit B annexed hereto

2. CLOSING.

2.1 ***Closing***. Upon the terms and subject to the conditions hereinbefore and hereinafter set forth, the consummation of this Agreement and the Acquisition contemplated herein (the "**Closing**") shall take place on the date hereof, or on such other date as is agreed to by the parties (the "**Closing Date**") but not later than June 15, 2011, unless agreed by the parties ("**Effective Time**").

2.2 ***Actions of Seller at Closing***. At or prior to Closing, Seller shall deliver to Buyer the following:

(a) Assignment. The LLC Interest Assignment signed by Seller;

(b) Opko Option from Keller and Fisher. Dan Fisher and Brian Keller shall grant an irrevocable option to Opko Health, Inc., (**"Opko"**) with respect to Buyer's shares that each will receive in connection with Keller and Fisher's receipt of shares pursuant to agreements with Buyer as follows (the **"Opko Option"**), substantially in the form of Exhibit C annexed hereto, as to which Seller and Company hereby consent:

Fisher Option:	5,320,000 shares
Exercise Price	$1.00 per share if exercised within 2 months of Closing Date; Blended Price equal to the weighted average price per share determined as follows: $1.00 per share as to 4,256,000 shares and 60 day VWAP as to 1,064,000 shares on date of exercise, if exercised within 18 months following the Payment Extension date.
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months).
Keller Option:	3,325,000 shares
Exercise Price	$1.00 per share
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months).

(c) Debt conversion. All indebtedness of Company, BetaZone, LLC, Equalan LLC and Equachem, LLC to Seller shall be forgiven at closing, provided up to $250,000 of such indebtedness owing to Dan Fisher, on an audited basis, shall be repaid by the Buyer to Dan Fisher at closing and the balance converted into Company common stock on the basis of 1 share for each $1.00 of debt converted, which shall be adjusted upon the completion of the Company audit.

(d) Other. Seller shall have executed the Escrow Agreement, the Opko Option, the Lockup Agreement, the Intellectual Property Assignment Agreement (substantially in the Form of Exhibit D, the Make Good Escrow Agreement and such other instruments and documents as Buyer or the Company may reasonably request to effect the transactions contemplated hereby.

2.3 ***Actions of Buyer at Closing***. At Closing, Buyer shall deliver to Seller the following:

(a) Payment. The Purchase Price due pursuant to Section 1.2; and

(b) Other. Such other instruments and documents as Seller or the Company may reasonably request to effect the transactions contemplated hereby.

2.4 ***Taking of Necessary Action; Further Action***. Buyer and Seller will take all reasonable and lawful action as may be necessary or appropriate in order to effectuate the Acquisition in accordance with this Agreement as promptly as possible.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller and Company, jointly and severally, hereby represent and warrant to Buyer as follows:

3.1 ***Powers; Consents; Absence of Conflicts with Other Agreements***. Other then as disclosed on Schedule 3.1(b), the execution, delivery, and performance by Seller of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Seller is a party, and the consummation by Seller of the transactions contemplated by this Agreement and the Transaction Documents, as applicable:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Seller with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Seller is a party or by which Seller is bound;

(c) will not violate any Law to which Seller may be subject; and

(d) will not violate any Governmental Order to which Seller may be subject.

3.2 ***Due Authorization; Binding Agreement***. Seller has the right, power, legal capacity and authority to enter into and perform this Agreement. This Agreement and all Transaction Documents are and will constitute the valid and legally binding obligations of Seller and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

3.3 ***Litigation or Proceedings***. There are no Actions pending or, to Seller's Knowledge, threatened against Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

3.4 ***Ownership of LLC Interests***. Seller has the sole and unrestricted right to sell and/or transfer the LLC Interests. Upon transfer of the LLC Interests from Seller to Buyer, Buyer will have good and marketable title to the LLC Interests, free and clear of any and all liens or claims.

3.5 ***No Broker's or Finder's Fees.*** Seller has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

3.6 ***Receipt and Review of Company Financial Information.*** Seller acknowledges that he has received and had an opportunity to review the unaudited financial statements of the Company for the two years ended December 31, 2009 and 2010 and such financial statements have been prepared in accordance with the books and records of the Company, are consistent with all tax returns filed for the Company, and are true and correct in all material respects.

3.7 ***Advice of Counsel.*** Seller acknowledges that he has been encouraged to seek legal counsel and been given the opportunity to seek such counsel with respect to this Agreement.

3.8 ***Capitalization.***

(a) The authorized and issued membership and limited liability company interests of the Company consist solely of those amounts set forth in the Disclosure Schedule annexed hereto and no membership or limited liability interests of the Company are issued or outstanding that are not set forth on the Disclosure Schedule, and no such interests will be issued or outstanding as of the Closing Date that are not set forth on Disclosure Schedule, except for such interests issued pursuant to the exercise of outstanding Company Options listed on Disclosure Schedule. The Disclosure Schedule sets forth all holders of unvested membership or limited liability interests, and for each such owner thereof: (i) the number of unvested membership or limited liability interests, (ii) the terms of the Company's or any other party's rights to repurchase or acquire such membership or limited liability interests, (iii) the schedule on which such rights lapse and (iv) whether such repurchase rights lapse in full or in part as a result of any of the transactions contemplated by this Agreement or any other agreement or upon any other event or condition. True and complete copies of the membership or limited liability interests issued and the limited liability company agreement of the Company have been provided to Buyer. The Company holds no treasury membership or limited liability interests. All issued and outstanding membership or limited liability interests of the Company have been duly authorized and validly issued, are fully paid and nonassessable, were not issued in violation of and are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by the Company in compliance with all requirements of Applicable Law and all requirements set forth in applicable Contracts. There is no Liability for dividends or distributions accrued and unpaid by the Company.

(b) There are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or Contracts outstanding to purchase or otherwise acquire any shares membership or limited liability interests or any securities or debt convertible into or exchangeable for Company membership or limited liability interests or obligating the Company or to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or Contract. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of the Company.

3.9 ***Information on the Buyer.***

Seller has been furnished with or has had access to such information and materials concerning the Buyer as have been requested by Seller. In addition, Seller may have received in writing from the Buyer such other information concerning its operations, financial condition, prospects and other matters as Seller has requested in writing (such other information is collectively the "Other Written Information") and considered all factors Seller deems material in deciding on the advisability of acquiring the Shares.

Seller acknowledges it has access to the SEC filings of Buyer and has reviewed the same, including all Risk Factors contained therein.

Seller has adequate means of providing for current needs and contingencies, has no need for liquidity in the investment, and is able to bear the economic risk of an investment in the Shares offered by the Buyer of the size contemplated herein. The Seller represents that the Seller is able to bear the economic risk of the investment and at the present time could afford a complete loss of such investment. The Seller has had a full opportunity to inspect the books and records of the Buyer and to make any and all inquiries of Buyer's officers and directors regarding the Buyer and its business as the Seller has deemed appropriate.

3.10 ***Information on Seller.*** The Seller, either alone or with the Seller's professional advisers who are unaffiliated with, has no equity interest in and is not compensated by the Buyer or any affiliate or selling agent of the Buyer, directly or indirectly, has sufficient knowledge and experience in financial and business matters that the Seller is capable of evaluating the merits and risks of an investment in the Shares offered by the Buyer and of making an informed investment decision with respect thereto and has the capacity to protect the Seller's own interests in connection with the Seller's proposed investment in the Shares.

3.11 ***Acquisition of Shares.*** Seller will acquire its Shares as principal for its own account for investment only and not with a view toward, or for resale in connection with, the public sale or any distribution thereof.

3.12 ***Compliance with Securities Act.*** Seller understands and agrees that its Shares have not been registered under the Securities Act of 1933, as amended (the "Act") or any applicable state securities laws, by reason of their issuance in a transaction that does not require registration under the Securities Exchange Act of 1933, as amended (the "Exchange Act") (based in part on the accuracy of the representations and warranties of Seller contained herein), and that such Shares must be held indefinitely unless a subsequent disposition is registered under the Act or any applicable state securities laws or is exempt from such registration. Seller acknowledges the Buyer is a "shell" corporation as defined under Rule 12b-2 under the Exchange Act and accordingly Rule 144 under the Act may not be available, if at all, for a minimum of one year following termination of Buyer ceasing to be consider to have terminated its shell status.

3.13 ***Legend.*** The certificate evidencing the Shares shall bear the following or similar legend:

"THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE COMPANY, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

And such additional legends as shall be applicable for purposes of the Escrowed Shares and the Opko Option and any lockup agreements.

3,14 ***Communication of Offer.*** The offer to acquire the Shares was directly communicated to Seller by Buyer. At no time was Seller presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

3.15 ***Restricted Securities***. Seller is an "accredited investor" under Regulation D promulgated under the Act ("Regulation D"). Notwithstanding anything to the contrary contained in this Agreement, Seller may transfer the Shares to its Affiliates (as defined below) provided that each such Affiliate is an "accredited investor" under Regulation D and such Affiliate agrees to be bound by the terms and conditions of this Agreement. For the purposes of this Agreement, an "Affiliate" of any Person or entity means any other Person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such Person or entity. Affiliate includes each parent or subsidiary of a party hereto. For purposes of this definition, "control" means the power to direct the management and policies of such Person or firm, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

3.16 ***No Governmental Review***. Seller understands that no United States federal or state agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Shares or the suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

3.17 ***Financial Statements***.

Within sixty (60) days from the Closing Date, Seller and Company shall deliver to Buyer copies of: (i) audited consolidated balance sheets of the Company as at December 31, 2010 and 2009 and the related audited consolidated statements of income and of cash flows of the Company for the years then ended, and (ii) unaudited quarterly balance sheets and consolidated statements of income and of cash flow of the Company for the most recently completed fiscal quarter and prior year fiscal quarter (including the related notes and schedules thereto, the "Financial Statements"). All of the financial and other information heretofore provided by Seller and Company to Buyer have been prepared in accordance with the books and records of the Company and are true and correct in all material respects. Each of the Financial Statements when delivered will be complete and correct in all material respects, will be prepared in accordance with GAAP (subject to normal year-end adjustments in the case of the unaudited statements) and in conformity with the practices consistently applied by the Company without modification of the accounting principles used in the preparation thereof and or will present fairly the financial position, results of operations and cash flows of the Seller as at the dates and for the periods indicated. The Financial Statements obligation required hereby may be satisfied by delivery of consolidating financial information with a consolidated Financial Statement for the Company, Equalan, LLC, BetaZone, LLC and Biozone Laboratories, Inc. Until Financial Statements shall have been delivered to Buyer in form and substance in compliance with the rules and regulations of the Securities and Exchange Commission for inclusion in a Current Report on Form 8-K, for purposes hereof the "Escrowed Shares" referred to in Paragraph 1.2 (a) shall mean 100% of the Shares.

3.18 ***Compliance with Applicable Laws***. The Seller (and the Company) is in compliance with all applicable laws, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a material adverse affect on the Company.

4. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the Closing, Buyer represents and warrants to Seller the following:

4.1 ***Powers; Consents; Absence of Conflicts with Other Agreements, Etc.*** The execution, delivery, and performance by Buyer of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Buyer with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Buyer is a party or by which Buyer is bound;

(c) will not violate any Law to which Buyer may be subject; and

(d) will not violate any Governmental Order to which Buyer may be subject.

4.3 ***Binding Agreement.*** This Agreement and all agreements to which Buyer will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

4.4 ***Proceedings.*** There are no claims, actions, proceedings or investigations pending or, to the Knowledge of Buyer, threatened, challenging the validity or propriety of the transactions contemplated by this Agreement.

4.5 ***No Broker's or Finder's Fees.*** Buyer has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

5. RELEASE; CONFIDENTIALITY

5.1 ***Release by Seller.*** In consideration of the agreements, terms and conditions contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Seller hereby releases and discharges, Buyer, the Company and each of their heirs, executors, members, managing members, administrators, successors, officers, employees, directors, attorneys, agents, Affiliates and assigns (collectively, the "Seller Releasees"), from any action, cause of action, suit, debt, dues, sums of money, account, reckoning, bond, bill, specialty, covenant, contract, controversy, agreement, promise, variance, trespass, damage, judgment, extent, execution, claim, and demand whatsoever, in law, admiralty or equity, which against the Seller Releasees, the Seller, the Seller's heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for any matter from the beginning of the world to the day of the date of this Agreement.

5.2 ***Confidentiality.*** Seller agrees and acknowledges that all information concerning (i) the Company and Buyer, their business and prospects, (ii) the financial performance of the Company and Buyer, (iii) the Company's and Buyer's officers, directors, employees, managing members and members and (iv) the terms and conditions of this Agreement (collectively, the "Information") are confidential and shall not be disclosed to any party, except as required by law.

5.3 ***Securities Laws***. Seller agrees that the Information will not be used for any purpose other than in connection with my evaluating a possible investment in the Buyer, and that Seller will not disclose in any manner whatsoever such Information, the fact that Seller has received such Information or that discussions or negotiations are taking place concerning the financing of the Buyer. Seller acknowledges that Seller is aware that the United States securities laws prohibit any person who has received material, non-public information concerning a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

6. MISCELLANEOUS

6.1 ***Definitions***. In this Agreement, the following terms have the following meanings:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agents**" means, with respect to any Person, any and all directors, managers, officers, employees, consultants, financial advisors, bankers, attorneys, accountants and other agents of such Person.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York City are authorized or required by Law to be closed for business.

"**Buyer's Knowledge**" or "**Knowledge of Buyer**" or any similar phrase means all facts and circumstances known by Buyer, without a duty of inquiry.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Seller's Knowledge" or **"Knowledge of Seller"** or any similar phrase means all facts and circumstances known by Seller, without a duty of inquiry.

"Transaction Documents" means this Agreement and each other agreement entered into pursuant to this Agreement.

6.2 ***Additional Assurances.*** From time to time after Closing, either party shall execute and deliver such other instruments and take such other actions as is reasonably requested to give effect to the transactions contemplated by this Agreement.

6.3 ***Cost of Transaction.*** Whether or not the transactions contemplated hereby are consummated, each party shall bear its own expenses in connection with this Agreement.

6.4 ***Choice of Law; Venue.*** This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. BUYER AND SELLER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN, INCLUDING CLAIMS BASED ON CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER COMMON LAW OR STATUTORY BASES. Each party hereby submits to the exclusive jurisdiction of the state and federal courts located in the County of New York, State of New York. If the jury waiver set forth in this Section is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement or any of the transactions contemplated herein will be finally settled by binding arbitration in New York, New York in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with said rules. The arbitrator shall apply New York law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph. The expenses of the arbitration, including the arbitrator's fees and expert witness fees, incurred by the parties to the arbitration, may be awarded to the prevailing party, in the discretion of the arbitrator, or may be apportioned between the parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one party is to pay for all (or a share) of such expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator.

6.5 ***Waiver of Jury Trial.*** EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT BE TRIED BY JURY. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO DEMAND TRIAL BY JURY.

6.6 ***Enforcement of Agreement.*** Irreparable damage would occur if any of the provisions of this Agreement was not performed in accordance with its terms or was breached. The parties are entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms, in addition to any other remedy to which they are entitled at law or in equity.

6.7 ***Survival.*** The representations, warranties and covenants of the parties shall survive Closing and shall not be affected or deemed waived by reason of any investigation made by or on behalf of any party (including by any of its representatives) or by reason of the fact that any party or any of its

representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

6.8 ***Benefit/Assignment***. This Agreement inures to the benefit of and is binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may directly or indirectly, including by assignment, operation of law or change of control, transfer or assign this Agreement without the prior written consent of the other parties; provide that, following Closing, Buyer may do so without the consent of any other party.

6.9 ***No Third Party Beneficiaries***. This Agreement is intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and does not confer third-party beneficiary rights upon any Person.

6.10 ***Waiver of Breach***. The waiver by any party of a breach or violation of any provision of this Agreement is not a waiver of any subsequent breach of the same or any other provision hereof.

6.11 ***Interpretation***. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. This Agreement is to be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

6.12 ***Severability***. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

6.13 ***Gender and Number***. Whenever the context of this Agreement requires, the gender of all words herein includes the masculine, feminine, and neuter, and the number of all words herein includes the singular and plural.

6.14 ***Divisions and Headings***. The division of this Agreement into articles, sections and subsections and the use of captions and headings are for convenience and have no legal effect in construing the provisions of this Agreement.

6.15 ***Entire Agreement***. This Agreement, including all exhibits and schedules hereto, and the Transaction Documents, supersedes all previous contracts, and constitutes the entire agreement among the parties regarding its subject matter. No party is entitled to benefits other than those specified herein. No oral statements or prior written material not specifically incorporated herein is of any force or effect.

6.16 ***Amendment***. This Agreement may be amended, modified or supplemented only by an agreement in writing signed by each party hereto.

6.18 ***Counterparts***. This Agreement may be executed in counterparts, each of which will be an original, and all of which together will be one and the same agreement. A signed copy of this

Agreement delivered by facsimile, e-mail or other means of electronic transmission will have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

The parties have executed this Agreement in multiple originals as of the date first above written.

SELLER:

_____

_____

BUYER:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
EQUACHEM LLC
by its managing member, _____

By: _____
Name:
Title:

ASSIGNMENT OF MEMBERSHIP INTEREST

THIS ASSIGNMENT OF MEMBERSHIP INTEREST (this "Assignment") dated as of April __, 2011 is made by and between _____ ("Assignor") and Biozone Pharmaceuticals, Inc. ("Assignee").

RECITALS

A. Assignor is the holder of a _____ membership interest (the "Membership Interest") in Equachem LLC, a _____ limited liability company ("Equachem"); and

B. Assignor desires to transfer and assign to Assignee the Membership Interest pursuant to the terms of that certain LLC Membership Interest Purchase Agreement dated the date hereof between Assignor and Assignee (the "Purchase Agreement"); and

C. Assignee desires to accept the assignment of the Membership Interest and to accept and assume the terms and conditions of the Operating Agreement of Equachem, as amended or restated (the "Operating Agreement") with respect to the Membership Interest.

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

1. Assignment. Subject to the terms and conditions this Assignment and the Purchase Agreement, Assignor hereby transfers and assigns to Assignee the Membership Interest.

2. Admission as Substituted Member. As of the date hereof, and subject to the terms and conditions of this Assignment, Assignee shall become a substituted member in Equachem with respect to the Membership Interest in compliance with the terms of the Operating Agreement.

3. Assumption. Assignee agrees to accept, adopt and be bound by the terms, provisions and conditions of the Operating Agreement.

4. Representations by Assignor. Assignor does hereby represent and warrant to Assignee that: (i) Assignor is the legal and beneficial owner and holder of the Membership Interest and (ii) the Membership Interest is not subject to any lien or assessment by any of Assignor's creditors or by any other person or entity.

5. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of each of the parties hereto and their respective heirs, legal representatives, successors and assigns.

6. General Provisions.

(a) Entire Agreement. This Assignment supersedes any prior or contemporaneous understandings or agreements between the parties respecting the subject matter hereof and constitutes the entire understanding and agreement between the parties with respect to the assignment of the Membership Interest.

(b) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of New York.

(c) Further Assurances. The parties hereto covenant and agree that they will execute such further instruments and documents as may be necessary or convenient to effectuate and carry out the transaction contemplated by this Assignment.

(d) Counterpart Execution. This Assignment may be executed in any number of counterparts, all of which together shall for all purposes constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties hereto have not signed the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment effective as of the day and year first above written.

ASSIGNOR:

_____

_____

ASSIGNEE:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
EQUACHEM LLC
by its managing member, _____

By:_____
Name:
Title:

DISCLOSURE SCHEDULE TO MEMBER PURCHASE AGREEMENT

1. Capitalization:

Membership Interests:

Name:	Interest:	Percentage:
Daniel Fisher	LLC	31.67%
Brian Keller	LLC	31.67%
Christian Oertle	LLC	5.0%
Nian Wu	LLC	31.67%[1]

Options: None.

Warrants: None.

Convertible Debt or Other Instruments: None.

Schedule 3.1(b)

Bank of Marin: Outstanding loans as of May 31, 2011

Borrower	Loan Number	Amount Outstanding
Biozone Laboratories, Inc.	006130000348-00001	$1,378,155
Biozone Laboratories, Inc.	006130000355-00001	$ 600,292
Equalan Pharma, LLC	006130000397-00001	$ 130,300
Equalan Pharma, LLC	006130000389-00001	$ 64,175

EXHIBIT B

LOCKUP AGREEMENT

LOCK-UP AGREEMENT

_____, 2011

Ladies and Gentlemen:

The undersigned is, or is anticipated to be, a beneficial owner of shares of capital stock, or securities convertible into or exercisable or exchangeable for the capital stock (each, a "Company Security") of Biozone Pharmaceuticals, Inc., a Nevada corporation (the "Company"). The undersigned understands that the Company is acquiring certain businesses (the "Target Companies") in consideration for an aggregate purchase price of 21,000,000 shares (the "Shares") of the Company's common stock (the "Purchase") from the undersigned.and other owners of the Target Companies. The undersigned understands that the Company will proceed with the Purchase in reliance on this Letter Agreement to be signed by each of the owners of the Target Companies.

1. In recognition of the benefit that the Purchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees, for the benefit of the Company, that, during the period beginning on the date hereof (the "Distribution Date") and ending eighteen (18) months thereafter (the "Lockup Period"), the undersigned will not, directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Company Securities, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Company Security, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Company Security (each of the foregoing, a "Prohibited Sale").

2. Notwithstanding the foregoing, the undersigned (and any transferee of the undersigned) may transfer any shares of a Company Security (i) as a bona fide gift or gifts, provided that prior to such transfer the donee or donees thereof agree in writing to be bound by the restrictions set forth herein, (ii) to any trust, partnership, corporation or other entity formed for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that prior to such transfer a duly authorized officer, representative or trustee of such transferee agrees in writing to be bound by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) to non-profit organizations qualified as charitable organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (iv) if

such transfer occurs by operation of law, such as rules of descent and distribution, statutes governing the effects of a merger or a qualified domestic order, provided that prior to such transfer the transferee executes an agreement stating that the transferee is receiving and holding any Company Security subject to the provisions of this agreement. For purposes hereof, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, commencing on the twelve (12) months anniversary of the date of this letter Agreement, the undersigned may sell up to ten (10%) percent of the shares issued to the undersigned in connection with the Target Companies in each calendar month, on a non-cumulative basis.

3. This Letter Agreement shall be governed by and construed in accordance with the laws of the New York.

4. This Letter Agreement will become a binding agreement among the undersigned as of the date hereof. In the event that no closing of the Asset Purchase occurs, this Letter Agreement shall be null and void. This Letter Agreement (and the agreements reflected herein) may be terminated by the mutual agreement of the Company and the undersigned, and if not sooner terminated, will terminate upon the expiration date of the Lockup Period. This Letter Agreement may be duly executed by facsimile and in any number of counterparts, each of which shall be deemed an original, and all of which together shall be deemed to constitute one and the same instrument. Signature pages from separate identical counterparts may be combined with the same effect as if the parties signing such signature page had signed the same counterpart. This Letter Agreement may be modified or waived only by a separate writing signed by each of the parties hereto expressly so modifying or waiving such agreement.

Very truly yours,

_____

Address: _____
Number of shares of Common Stock owned: _____
Certificate Numbers: _____

Accepted and Agreed to:

Biozone Pharmaceuticals, Inc.

By:_____
Name:
Title:

EXHIBIT C

OPTION AGREEMENT

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Brian Keller,** an individual with an address at 5058 Nortonville Way, Antioch, CA 94531 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 3,325,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. **Sale of Option**. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price").

Section 2.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 3. **Manner of Exercise of Option**. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the Extension Period.

Section 4. Affiliate Restrictions. Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 5. Delivery of Option Shares. Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 6. Legend. Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 7. Lock-up. Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the total number of Optionor Shares and the number of Option Shares subject to this option).

Section 8. Adjustments Upon Changes in Capitalization. The existence of this Option will not

affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 9. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 10. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 11. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 12. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United

States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 13. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 14. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"	**"OPTIONEE:"**
Brian Keller	**Opko Health, Inc.**
_____	_____
Address and Facsimile No. for Notices:	Address and Facsimile No. for Notices:
Email: Facsimile No: _____	Email: Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By: _____
Name: Roberto Prego Novo
Title: President

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Daniel Fisher,** an individual with an address at 23 Marlee Road, Pleasant Hill, CA 94523 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 5,320,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price"). In addition, Optionee shall have the further irrevocable right and option prior to expiration of the Extension Period, upon payment of the Extension Payment, to purchase the Option Shares at an Exercise Price per share (the "Blended Exercise Price") determined as follows:

(i) 4,256,000 Option Shares at $1.00 per share: and

(ii) 1,064,000 Option Shares at the volume weighted average price (VWAP) of the Company's common stock as reported on Bloomberg for a period of sixty (60) consecutive trading immediately prior to exercise.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 2. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price or Blended Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the

Extension Period.

Section 3. **Affiliate Restrictions.** Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 4. **Delivery of Option Shares.** Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price or the Blended Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 5. **Legend.** Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 6. **Lock-up.** Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the

total number of Optionor Shares and the number of Option Shares subject to this option).

Section 7. Adjustments Upon Changes in Capitalization. The existence of this Option will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 8. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 9. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 10. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 11. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by

facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 12. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 13. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"

Daniel Fisher

_____

Address and Facsimile No. for Notices:

Email:
Facsimile No: _____

"OPTIONEE:"

Opko Health, Inc.

_____

Address and Facsimile No. for Notices:

Email:
Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

EXHIBIT D

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

CONFIDENTIALITY AND INVENTION

ACKNOWLEDGEMENT

To: Biozone Pharmaceuticals, Inc.

In consideration of the award of certain benefits by the above named company ("Company") that have been or will be made to me, including, without limitation, any awards of options to acquire common stock of the Company, or by any subsidiary or affiliate of the Company, and the compensation paid for my services including any additional benefits or rights relating thereto as provided in a written agreement, policy or other understanding and as a condition of the foregoing, I do hereby agree as follows:

1. **Acknowledgment**. I will either generate or be entrusted with information, ideas and materials which are Company property, involve trade secrets or in some other fashion relate to confidential matters of the Company, including, without limitation, with respect to the intellectual property rights and trade secrets belonging to and associated with Biozone Laboratories, Inc., EquaChem LLC, Equalan Pharma LLC and BetaZone Laboratories LLC (the "Biozone Lab Group"). As a condition of the offer the Company has requested this Agreement. I understand that the Company has acquired the Biozone Lab Group, which have, along with any predecessors, been engaged in this business for over 5 years and are reliant upon technology and methods, which have been devised and protected, which now constitute trade secrets of the Company. For purposes of this agreement, all discussions of the Company's business, trade secrets and proprietary rights shall include those of the Biozone Lab Group. The Company's business involves, among other things, the manufacturing of pharmaceutical products. I acknowledge the Company's business is international in scope and not limited to any particular geographic location, such as the location of my assignment, or other of its offices, plants, or sales facilities. Accordingly, I have been asked to sign this agreement and to agree to certain restrictions governing my activities both during and following my engagement by the Company. Furthermore and notwithstanding the foregoing, I further acknowledge that all intellectual property associated with the business or operations of the Biozone Lab Group is owned and/or registered in the name of Biozone Laboratories, Inc., EqualChem LLC, Equalan Pharma LLC and/or BetaZone Laboratories LLC, as the case may be, and not owned and/or registered in my name or in the name of any entity with which I am associated.

2. **Confidential Information**. During the Benefit Period and at any time thereafter, regardless of the reason for termination of the Benefit Period:

(a) I agree not to use or disclose, directly or indirectly, any Confidential Information in any Unauthorized manner or for any Unauthorized purpose;

(b) I agree that I shall not disclose, reveal or otherwise release, directly or indirectly, any Confidential Information to any third party and to take any and all lawful measures to prevent the Unauthorized use and disclosure of Confidential Information and to prevent Unauthorized persons or entities from obtaining or using Confidential Information. I

further agree to refrain from taking any actions which would constitute or facilitate the Unauthorized use or disclosure of Confidential Information.

As part of the foregoing obligations, I further agree not to disclose any Confidential Information to, or assign any employee, vendor, subcontractor, or agent to provide services to the Company, unless said employee, contractor, vendor or agent is subject to an agreement with the Company, pursuant to which it or they agree to protect Confidential Information provided in the course of such relationship to the same extent that I am bound, unless services are to be provided or performed on customary commercial terms established in the course of the dealings with that person or entity, and to which my supervisor approves. I further agree to the terms of any restrictions on disclosure of third-party information of which I become aware as a result of my duties at the Company which is subject to restrictions on disclosure in favor of such third-party.

I agree that upon termination of my engagement by the Company and at any other time when requested, that I will deliver and return all drawings, blueprints, designs, models, papers and copies which contain any Confidential Information. I further agree that all similar materials in connection with all proposed or actual business of the Company or any of its affiliated companies shall be the property of the Company or such affiliate.

3. **Proprietary Rights**. I agree that during the Benefit Period all information, reports, studies, charts, code, plans, diagrams, presentations and any other tangible or intangible, information, Invention Disclosures, deliverables, discoveries, specifications, designs, methods, devices, writings, compilations of information and all materials that are protectable as intellectual property in the United States, whether under the laws of patents, copyrights, and/or trade secrets, including, without limitation, associated with the business and operations of the Biozone Lab Group ("Inventions") (i) developed or produced by me in conjunction with my efforts for the Company on or prior to the date hereof, (ii) based upon knowledge or information learned or gained from the Company on or prior to the date hereof, (iii) resulting from the use of the Company's facilities, personnel, contacts or materials on or prior to the date hereof or (iv) related in any manner to my engagement by the Company on or prior to the date hereof, shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author.

I agree that all Inventions that are reduced to practice, or otherwise made by me, either alone or in concert with others within one (1) year immediately following the Benefit Period, which Inventions are (i) within the scope of my services for the Company, (ii) related to knowledge or information learned or gained from or through the Company or (iii) developed during said engagement, shall be presumed to have been conceived in the course of said engagement and shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author. The foregoing, however, may be overcome by producing tangible evidence showing clearly that any such Inventions were conceived more than one (1) year after the expiration or termination of my engagement. I hereby agree to communicate and disclose promptly, in writing, to the Company all inventions made during the one (1) year period immediately following the Benefit Period. Moreover, I further

agree to safeguard the confidentiality and proprietary nature of any and all such Inventions in the same manner as that prescribed herein for the treatment of Confidential Information.

I hereby agree that all Inventions are hereby assigned to Company and that I will execute all documents necessary to assign and transfer to Company, or its nominees, successors, or assigns, free of encumbrances, all rights, title, and interest in and to any and all Inventions. All such assignments shall include, among other things, existing or prospective patent rights and copyrights in the United States and all foreign countries.

In the event that any Inventions constitutes a work based upon one or more preexisting works, I agree that I shall provide, in writing, in a separate Appendix, which will be attached hereto and made a part hereof: (i) the nature of such preexisting work; (ii) its owner; (iii) any restrictions or royalty terms applicable to the Company's or my use of such preexisting work or the Company's exploitation of the Inventions; and (iv) the source of my authority to employ the preexisting work in the Inventions. Unless otherwise specifically agreed in such Appendix, before initiating the preparation of any Invention that is a derivative work of a preexisting work, I shall cause Company, its successors and assigns, to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute internally and externally, sell copies of, and prepare derivative works thereof, and (ii) authorize or sublicense others from time to time to do any or all of the foregoing. I represent and warrant that the Inventions are not based on any preexisting works other than any preexisting works referenced, in writing, in a separate Appendix to this Agreement which will be attached hereto and made a part hereof.

I hereby agree not to bring any action against the Company or any of its agents, including but not limited to independent legal advisors and counsel, for misappropriation of trade secrets or infringement of any intellectual property rights including but not limited to patents, trademarks and copyrights, and malpractice, negligence or any cause of action related in any way to the creation, maintenance, enforcement and commercialization of any intellectual property rights, including patents and patent applications.

4. **Representations**. I represent and warrant that my engagement by the Company does not conflict with and will not be constrained by any prior business relationship, agreement or understanding and that I do not possess confidential information arising out of any prior relationship which, in my best judgment, would be utilized in connection with my employment by Company in contravention of any policy or agreement relating to such confidential information and that I will use best efforts not to disclose such information to the Company or any customer or employee.

I acknowledge that the Confidential Information is commercially and competitively valuable to the Company and that it is vital to the success of the Company's business at all locations at which the Company is deemed to be doing or does business; has been developed at great cost and expense to the Company; that the Unauthorized use or disclosure of Confidential Information would cause irreparable harm to the Company; that the Company has taken and is taking all reasonable measures to protect its legitimate interests in its Confidential Information, including but not limited to affirmative actions to safeguard the confidentiality of such Confidential Information; that by this Agreement and adoption of policies and procedures

(including those of which I may not be aware) the Company is taking reasonable steps to protect its legitimate interests in its Confidential Information; and that the restrictions on the activities in which I may engage set forth herein, and the locations and periods of time for which such restrictions apply, are reasonably necessary in order to protect the Company's legitimate interest in its Confidential Information.

I acknowledge that the Company and its operations are subject to governmental regulation much like many other companies and recognize that there are still relatively few laws or regulations specifically addressed to the Internet. I further acknowledge that I am aware that existing laws and regulations are applicable to the Internet and, as such, to the business and affairs of the Company and the manner in which I perform my duties for the Company. I acknowledge that I am responsible as in any personal or professional endeavor to comply with any and all laws and that knowing or willful violation of the law is grounds for termination, with cause, by the Company. Without limiting the foregoing, I acknowledge that such laws applicable to my activities include user privacy, defamation, pricing, advertising, taxation, gambling, sweepstakes, promotions, content regulation, quality of products and services, and intellectual property ownership and infringement. I agree that in the event that I become aware of any violation of law that I will pursue appropriate response, which would include notification of my immediate superior, or any member of the Board of Directors of the Company, or counsel to the Company.

I acknowledge that I am aware that the Company posts its privacy policy and practices concerning the use and disclosure of any user data on its Web sites. I agree to review and familiarize myself with such privacy policy and practices and to not knowing violate or assist any third party in violation of such privacy policy and practices. I acknowledge that any knowing violation of the posted privacy policy and practices is grounds for termination, with cause, by the Company.

I acknowledge that I am aware that the CAN-SPAM Act of 2003 and certain state laws are intended to regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet. I agree to take reasonable precautions to familiarize myself with the identity, business, and practices of customers with which I have direct contact and to not knowingly participate in any activities that would violate the CAN-SPAM Act of 2003 or other similar laws with which I am aware. I acknowledge that any knowing violation of the CAN-SPAM Act of 2003 or Company policy relating to spam is grounds for termination, with cause, by the Company.

5. **Restriction**. I agree that during the Benefit Period and continuing for a period of three (3) years after the termination of the Benefit Period I agree that I shall not, directly or indirectly:

(a) solicit, raid, entice or induce any present or former client, customer, licensor, licensee or vendor of the Company (each, a "Customer") to become a client or customer of any other person or entity for the same or equivalent products or services as the those performed or provided by the Company or authorize, encourage or assist the taking of such actions by any other person or entity;

(b) solicit, raid, entice or induce any employee, agent, consultant, advisor, independent contractor or person otherwise engaged by the Company at any time during the term of my engagement ("Personnel") to become employed or otherwise engaged by any other person or entity for the purpose of rendering services the same as, or similar to, those services as from time-to-time had been provided by such Personnel to or on behalf of the Company or authorize, encourage or assist the taking of such actions by any other person or entity; or

(c) contact or communicate with any Customer or Personnel for any business purpose restricted hereby without the presence or prior consent of the Company.

I agree that during the Benefit Period and continuing for a period of one (1) year thereafter that I shall not, directly or indirectly:

(a) compete in any manner whether for compensation or otherwise, with the Company, or assist any other person or entity to compete with the Company;

(b) compete by developing, marketing, manufacturing or assisting others to develop, market or manufacture any product or service which is competitive with the products or services of the Company then existing or planned for the future which I learn of or develop while engaged by the Company;

(c) accept employment from or have any other relationship (including, without limitation, to own, manage, operate, control, be employed by or participate) with any entity which is competitive with the products or services of the Company then existing or which were known by me to be planned for the future.

The foregoing restrictions shall apply to all geographical areas where I performed services for the Company during the Benefit Period and to all other places where the Company does business and/or did business and/or planned to do business, including the manufacture, license, sale or consumption of the Company's developed products or those in development, which could be the entire United States, Europe or worldwide since the Company produces products for drugs intended for human consumption throughout the world.

I hereby represent and acknowledge that: the restrictions stated above on the activities in which I may engage upon termination of my engagement with the Company are reasonable and that, despite such restrictions, I will be able to earn my livelihood and engage in my profession following said termination; the locations designated above are reasonable because they are limited to the locations in which the Company presently does business, legitimately plans to do business or did business during the term of my engagement; the periods of time designated above are reasonable because it extends only for twelve (12) months following the termination of the Benefit Period.

6. **Certain Definitions**.

"Benefit Period" shall mean the term of my engagement (as employee, consultant, advisor or similar capacity) including during any additional period for which I have been paid or

am entitled to receive any severance payments or other benefits from the Company or during which I may hold unexpired options or stock granted by the Company or any founder shares or options transferred under the Company's Founders Plan.

"Confidential Information" shall mean research and development plans and results, experiment design, methods and techniques, formulations, processes, materials, compounds, designs, and methods, costs, pricing, production, and manufacturing matters and related information and materials, all customer vendor, licensee, licensor, information including the identity thereof, techniques, practices, the terms of any orders or acknowledgments thereof, as well as any and all information, know-how and data, technical or non-technical, which relates to the Company's technology or business, including technical, financial and managerial information, whether written or oral, produced by the Company or on its behalf, either directly or indirectly including, without limitation, those associated with the business and operations of the Biozone Lab Group. "Confidential Information" shall include information made available to me as a result of collaborative of other arrangements with third-parties pursuant to which the Corporation has agreed to maintain the secrecy of such information which shall for all purposes be considered Confidential Information protected by this Agreement. "Confidential Information" shall also include as it relates to the Company or any of its affiliates, business practices or trade secrets obtained, developed or disclosed in the performance of my services, any other matter the confidentiality of which the Company takes reasonable measures to protect, any information which pertains to subjects including, but not limited to, research and development, plant and product security, contingency plans, practices relating to protection of trade secrets and confidential information, equipment, expenditure plans, training, compensation and human resources information, legal matters involving litigation or disputes relating to the Company, contract compliance, waste and spoilage information, submission of government information, regulatory matters, names of individual contacts at customers, vendors or other service providers, preferences, businesses or habits, business methods, distributions and scheduling time, plant and equipment capacities and capabilities, future plans, databases, computer programs, operating procedures, knowledge of the organization, any information contained in any policy or procedures manual of the Company and any matter designated as proprietary, confidential or trade secrets in such a policy or procedures manual from time to time, and similar information in any form whatsoever.

"Invention Disclosure" shall mean a written summary of an invention which fully describes the invention and sets forth all substantive technical features in sufficient detail to enable one of ordinary skill in the art to understand the invention including, without limitation, those associated with the business and operations of the Biozone Lab Group.

"Unauthorized" shall mean (i) in contravention of the Company's policies or procedures; (ii) otherwise inconsistent with the Company's measures to protect its interests in the Confidential Information; (iii) in contravention of any lawful instruction or directive, wither written or oral, of a Company employee empowered to issue such instruction or directive; (iv) in contravention of any duty existing under law or contract; or (v) to the detriment of the Company or any of its affiliates.

7. **Investing Restrictions**. I hereby acknowledge that I am aware that the United States securities laws prohibit any person who has material, non-public information from purchasing or selling securities (and options, warrants and rights relating thereto) on the basis of such information and from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. I also acknowledge that from time to time I may become privy to material non-public information from the Company or third parties in relations with the Company. I agree to be bound by the first sentence of this paragraph at all times that I am in possession of material non-public information and to seek the advice of counsel prior to effecting any transactions in the Company's or such third-party's securities.

8. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the state of Florida without regard to principles of conflicts of laws. Jurisdiction shall be appropriate only in federal or state court in the state of Florida, county of _____, unless otherwise agreed by the parties. The employee hereby waives the right to a trial by jury in any proceeding brought for the enforcement of any term of this agreement. If any provision or clause of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not be affected thereby and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any court construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the geographic area or matter covered thereby, such court shall reduce the duration, area or matter of such provision and this Agreement shall continue to be enforceable in its modified or reduced form.

I acknowledge that the obligations under this Agreement, are of a special and unique character for which monetary damages for breach would be inadequate and therefore the Company shall be entitled to injunctive and other equitable relief in the event of a breach or threatened breach in addition to any and all rights and remedies available at law or otherwise.

I agree that in performance of my duties to the Company, I shall not make or offer to make any payments to, or confer, or offer to confer any benefit upon any employee, agent or fiduciary of any third party, or any governmental agent or employee with the intent to influence the conduct of such employee, agent, fiduciary or employee in relation to the business of such third party or otherwise to act in contravention of the Company's policy relating thereto from time to time in effect.

I acknowledge that I have read and understand this Agreement and that I have signed and entered into it on my own free will in consideration for the benefits offered by the Company in connection with my engagement, promotion, additional benefits or other reasons related hereto.

BIOZONE PHARMACEUTICALS, INC.	EMPLOYEE
By:_____	_____
Name: Roberto Prego-Novo	Name:
Title: President	Dated As of: _____, 2011
Dated As of: _____, 2011	

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

BETWEEN

_____
AS SELLER

AND

BIOZONE PHARMACEUTICALS, INC.
AS BUYER

BETAZONE LLC

June ___, 2011

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

This LLC Membership Interest Purchase Agreement ("**Agreement**") is entered into on June ___, 2011, between _____, an individual with an address at _____ _____ ("**Seller**") and Biozone Pharmaceuticals, Inc., a Nevada corporation, with an address at 4400 Biscayne Boulevard, Miami, Florida 33137 ("**Buyer**").

A. Seller owns certain membership units in BetaZone LLC (**the "LLC Interests"**).

B. Seller desires to sell the LLC Interests to Buyer, and Buyer desires to purchase the LLC Interests from Seller.

C. BetaZone LLC is referenced herein as the **"Company"**.

D. The Company is managed by its managing member, _____.

Intending to be legally bound, the parties agree as follows:

1. PURCHASE OF LLC INTERESTS.

1.1 ***Sale of the LLC Interests***. On and subject to the terms and conditions of this Agreement, at Closing, Seller shall sell, assign, transfer and deliver the LLC Interests to Buyer, free and clear of all Encumbrances. The assignment of the LLC Interests shall be in the form set forth in Exhibit A (the **"LLC Interest Assignment"**). The purchase of the LLC Interests by Buyer is referred to herein as the "**Acquisition**".

1.2 ***Purchase Price***. The purchase price to be paid by Buyer for the LLC Interests shall be _____ shares (the "**Shares**") of the restricted common stock, par value $0.001 per share, of Buyer (the "**Purchase Price**"). The Purchase Price shall be paid by Buyer to Seller as follows:

(a) 20% of the Shares shall be delivered to the Escrow Agent, (as defined in that certain Escrow Agreement substantially in the form of Exhibit A annexed hereto), subject to the Make-Whole and Indemnification Adjustments, as defined therein, and the Opko Option (as defined below) (the "**Escrowed Shares**");

(b) The balance to be delivered by irrevocable transfer agent instructions delivered to the Buyer's transfer agent at closing. The Purchase Price shall be paid to the Seller or designee within 5 business days following closing; and

(c) The Shares shall be subject to a lockup agreement with Buyer as set forth on Exhibit B annexed hereto

2. CLOSING.

2.1 ***Closing***. Upon the terms and subject to the conditions hereinbefore and hereinafter set forth, the consummation of this Agreement and the Acquisition contemplated herein (the "**Closing**") shall take place on the date hereof, or on such other date as is agreed to by the parties (the "**Closing Date**") but not later than June 15, 2011, unless agreed by the parties ("**Effective Time**").

2.2 ***Actions of Seller at Closing***. At or prior to Closing, Seller shall deliver to Buyer the following:

(a) Assignment. The LLC Interest Assignment signed by Seller;

(b) Opko Option from Keller and Fisher. Dan Fisher and Brian Keller shall grant an irrevocable option to Opko Health, Inc., ("**Opko**") with respect to Buyer's shares that each will receive in connection with Keller and Fisher's receipt of shares pursuant to agreements with Buyer as follows (the "**Opko Option**"), substantially in the form of Exhibit C annexed hereto, as to which Seller and Company hereby consent:

Fisher Option:	5,320,000 shares
Exercise Price	$1.00 per share if exercised within 2 months of Closing Date; Blended Price equal to the weighted average price per share determined as follows: $1.00 per share as to 4,256,000 shares and 60 day VWAP as to 1,064,000 shares on date of exercise, if exercised within 18 months following the Payment Extension date.
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 months)
Keller Option:	3,325,000 shares
Exercise Price	$1.00 per share
Term	2 months following Closing Date; Extended to 20 months following the Closing Date upon payment of $100,000.
Lockup	12 months increasing to 18 months on exercise of option on shares (with leakout between 12 and 18 month).

(c) Debt conversion. All indebtedness of Company, Equachem, LLC, Equalan LLC and Biozone Laboratories, Inc. to Seller shall be forgiven at closing, provided $250,000 of such indebtedness owing to Dan Fisher, on an audited basis, shall be repaid by the Buyer to Dan Fisher at closing and the balance converted into Company common stock on the basis of 1 share for each $1.00 of debt converted, which shall be adjusted upon the completion of the Company audit.

(d) Other. Seller shall executed the Escrow Agreement, the Opko Option, the Lockup Agreement, the Intellectual Property Assignment Agreement (substantially in the Form of Exhibit D), the Make Good Escrow Agreement and such other instruments and documents as Buyer or the Company may reasonably request to effect the transactions contemplated hereby.

2.3 ***Actions of Buyer at Closing***. At Closing, Buyer shall deliver to Seller the following:

(a) Payment. The Purchase Price due pursuant to Section 1.2; and

(b) Other. Such other instruments and documents as Seller or the Company may reasonably request to effect the transactions contemplated hereby.

2.4 ***Taking of Necessary Action; Further Action***. Buyer and Seller will take all reasonable and lawful action as may be necessary or appropriate in order to effectuate the Acquisition in accordance with this Agreement as promptly as possible.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller and Company, jointly and severally, hereby represent and warrant to Buyer as follows:

3.1 ***Powers; Consents; Absence of Conflicts with Other Agreements***. Other then as disclosed on Schedule 3.1(b), the execution, delivery, and performance by Seller of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Seller is a party, and the consummation by Seller of the transactions contemplated by this Agreement and the Transaction Documents, as applicable:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Seller with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Seller is a party or by which Seller is bound;

(c) will not violate any Law to which Seller may be subject; and

(d) will not violate any Governmental Order to which Seller may be subject.

3.2 ***Due Authorization; Binding Agreement***. Seller has the right, power, legal capacity and authority to enter into and perform this Agreement. This Agreement and all Transaction Documents are and will constitute the valid and legally binding obligations of Seller and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

3.3 ***Litigation or Proceedings***. There are no Actions pending or, to Seller's Knowledge, threatened against Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

3.4 ***Ownership of LLC Interests***. Seller has the sole and unrestricted right to sell and/or transfer the LLC Interests. Upon transfer of the LLC Interests from Seller to Buyer, Buyer will have good and marketable title to the LLC Interests, free and clear of any and all liens or claims.

3.5 ***No Broker's or Finder's Fees.*** Seller has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

3.6 ***Receipt and Review of Company Financial Information.*** Seller acknowledges that he has received and had an opportunity to review the unaudited financial statements of the Company for the two years ended December 31, 2009 and 2010 and such financial statements have been prepared in accordance with the books and records of the Company, are consistent with all tax returns filed for the Company, and are true and correct in all material respects.

3.7 ***Advice of Counsel.*** Seller acknowledges that he has been encouraged to seek legal counsel and been given the opportunity to seek such counsel with respect to this Agreement.

3.8 ***Capitalization.***

(a) The authorized and issued membership and limited liability company interests of the Company consist solely of those amounts set forth in the Disclosure Schedule annexed hereto and no membership or limited liability interests of the Company are issued or outstanding that are not set forth on the Disclosure Schedule, and no such interests will be issued or outstanding as of the Closing Date that are not set forth on Disclosure Schedule, except for such interests issued pursuant to the exercise of outstanding Company Options listed on Disclosure Schedule. The Disclosure Schedule sets forth all holders of unvested membership or limited liability interests, and for each such owner thereof: (i) the number of unvested membership or limited liability interests, (ii) the terms of the Company's or any other party's rights to repurchase or acquire such membership or limited liability interests, (iii) the schedule on which such rights lapse and (iv) whether such repurchase rights lapse in full or in part as a result of any of the transactions contemplated by this Agreement or any other agreement or upon any other event or condition. True and complete copies of the membership or limited liability interests issued and the limited liability company agreement of the Company have been provided to Buyer. The Company holds no treasury membership or limited liability interests. All issued and outstanding membership or limited liability interests of the Company have been duly authorized and validly issued, are fully paid and nonassessable, were not issued in violation of and are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by the Company in compliance with all requirements of Applicable Law and all requirements set forth in applicable Contracts. There is no Liability for dividends or distributions accrued and unpaid by the Company.

(b) There are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or Contracts outstanding to purchase or otherwise acquire any shares membership or limited liability interests or any securities or debt convertible into or exchangeable for Company membership or limited liability interests or obligating the Company or to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or Contract. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of the Company.

3.9 ***Information on the Buyer.***

Seller has been furnished with or has had access to such information and materials concerning the Buyer as have been requested by Seller. In addition, Seller may have received in writing from the Buyer such other information concerning its operations, financial condition, prospects and other matters as Seller has requested in writing (such other information is collectively the "Other Written Information") and considered all factors Seller deems material in deciding on the advisability of acquiring the Shares.

Seller acknowledges it has access to the SEC filings of Buyer and has reviewed the same, including all Risk Factors contained therein.

Seller has adequate means of providing for current needs and contingencies, has no need for liquidity in the investment, and is able to bear the economic risk of an investment in the Shares offered by the Buyer of the size contemplated herein. The Seller represents that the Seller is able to bear the economic risk of the investment and at the present time could afford a complete loss of such investment. The Seller has had a full opportunity to inspect the books and records of the Buyer and to make any and all inquiries of Buyer's officers and directors regarding the Buyer and its business as the Seller has deemed appropriate.

3.10 ***Information on Seller.*** The Seller, either alone or with the Seller's professional advisers who are unaffiliated with, has no equity interest in and is not compensated by the Buyer or any affiliate or selling agent of the Buyer, directly or indirectly, has sufficient knowledge and experience in financial and business matters that the Seller is capable of evaluating the merits and risks of an investment in the Shares offered by the Buyer and of making an informed investment decision with respect thereto and has the capacity to protect the Seller's own interests in connection with the Seller's proposed investment in the Shares.

3.11 ***Acquisition of Shares.*** Seller will acquire its Shares as principal for its own account for investment only and not with a view toward, or for resale in connection with, the public sale or any distribution thereof.

3.12 ***Compliance with Securities Act.*** Seller understands and agrees that its Shares have not been registered under the Securities Act of 1933, as amended (the "Act") or any applicable state securities laws, by reason of their issuance in a transaction that does not require registration under the Securities Exchange Act of 1933, as amended (the "Exchange Act") (based in part on the accuracy of the representations and warranties of Seller contained herein), and that such Shares must be held indefinitely unless a subsequent disposition is registered under the Act or any applicable state securities laws or is exempt from such registration. Seller acknowledges the Buyer is a "shell" corporation as defined under Rule 12b-2 under the Exchange Act and accordingly Rule 144 under the Act may not be available, if at all, for a minimum of one year following termination of Buyer ceasing to be consider to have terminated its shell status.

3.13 ***Legend.*** The certificate evidencing the Shares shall bear the following or similar legend:

"THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE COMPANY, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

And such additional legends as shall be applicable for purposes of the Escrowed Shares and the Opko Option and any lockup agreements.

3,14 ***Communication of Offer.*** The offer to acquire the Shares was directly communicated to Seller by Buyer. At no time was Seller presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

3.15 ***Restricted Securities.*** Seller is an "accredited investor" under Regulation D promulgated under the Act ("Regulation D"). Notwithstanding anything to the contrary contained in this Agreement, Seller may transfer the Shares to its Affiliates (as defined below) provided that each such Affiliate is an "accredited investor" under Regulation D and such Affiliate agrees to be bound by the terms and conditions of this Agreement. For the purposes of this Agreement, an "Affiliate" of any Person or entity means any other Person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such Person or entity. Affiliate includes each parent or subsidiary of a party hereto. For purposes of this definition, "control" means the power to direct the management and policies of such Person or firm, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

3.16 ***No Governmental Review.*** Seller understands that no United States federal or state agency or any other governmental or state agency has passed on or made recommendations or endorsement of the Shares or the suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

3.17 ***Financial Statements.***

Within sixty (60) days from the Closing Date, Seller and Company shall deliver to Buyer copies of: (i) audited consolidated balance sheets of the Company as at December 31, 2010 and 2009 and the related audited consolidated statements of income and of cash flows of the Company for the years then ended, and (ii) unaudited quarterly balance sheets and consolidated statements of income and of cash flow of the Company for the most recently completed fiscal quarter and prior year fiscal quarter (including the related notes and schedules thereto, the "Financial Statements"). All of the financial and other information heretofore provided by Seller and Company to Buyer have been prepared in accordance with the books and records of the Company and are true and correct in all material respects. Each of the Financial Statements when delivered will be complete and correct in all material respects, will be prepared in accordance with GAAP (subject to normal year-end adjustments in the case of the unaudited statements) and in conformity with the practices consistently applied by the Company without modification of the accounting principles used in the preparation thereof and or will present fairly the financial position, results of operations and cash flows of the Seller as at the dates and for the periods indicated. The Financial Statements obligation required hereby may be satisfied by delivery of consolidating financial information with a consolidated Financial Statement for the Company, Equachem, LLC, Equalan LLC and Biozone Laboratories, Inc. Until Financial Statements shall have been delivered to Buyer in form and substance in compliance with the rules and regulations of the Securities and Exchange Commission for inclusion in a Current Report on Form 8-K, for purposes hereof the "Escrowed Shares" referred to in Paragraph 1.2 (a) shall mean 100% of the Shares.

3.18 ***Compliance with Applicable Laws.*** The Seller (and the Company) is in compliance with all applicable laws, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a material adverse affect on the Company.

4. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the Closing, Buyer represents and warrants to Seller the following:

4.1 ***Powers; Consents; Absence of Conflicts with Other Agreements, Etc.*** The execution, delivery, and performance by Buyer of this Agreement and all other agreements referenced herein, or ancillary hereto, to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer:

(a) do not require any approval or consent to be obtained by any party other than the Company or from, or filing required to be made by Buyer with, any Governmental Agency bearing on the validity of this Agreement which is required by Law;

(b) will not conflict with, result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Buyer is a party or by which Buyer is bound;

(c) will not violate any Law to which Buyer may be subject; and

(d) will not violate any Governmental Order to which Buyer may be subject.

4.3 ***Binding Agreement.*** This Agreement and all agreements to which Buyer will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

4.4 ***Proceedings.*** There are no claims, actions, proceedings or investigations pending or, to the Knowledge of Buyer, threatened, challenging the validity or propriety of the transactions contemplated by this Agreement.

4.5 ***No Broker's or Finder's Fees.*** Buyer has not engaged or is liable for the payment of any fee to any finder, broker or similar Person in connection with the transactions described in this Agreement.

5. RELEASE; CONFIDENTIALITY

5.1 ***Release by Seller.*** In consideration of the agreements, terms and conditions contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Seller hereby releases and discharges, Buyer, the Company and each of their heirs, executors, members, managing members, administrators, successors, officers, employees, directors, attorneys, agents, Affiliates and assigns (collectively, the "Seller Releasees"), from any action, cause of action, suit, debt, dues, sums of money, account, reckoning, bond, bill, specialty, covenant, contract, controversy, agreement, promise, variance, trespass, damage, judgment, extent, execution, claim, and demand whatsoever, in law, admiralty or equity, which against the Seller Releasees, the Seller, the Seller's heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for any matter from the beginning of the world to the day of the date of this Agreement.

5.2 ***Confidentiality.*** Seller agrees and acknowledges that all information concerning (i) the Company and Buyer, their business and prospects, (ii) the financial performance of the Company and Buyer, (iii) the Company's and Buyer's officers, directors, employees, managing members and members and (iv) the terms and conditions of this Agreement (collectively, the "Information") are confidential and shall not be disclosed to any party, except as required by law.

5.3 ***Securities Laws***. Seller agrees that the Information will not be used for any purpose other than in connection with my evaluating a possible investment in the Buyer, and that Seller will not disclose in any manner whatsoever such Information, the fact that Seller has received such Information or that discussions or negotiations are taking place concerning the financing of the Buyer. Seller acknowledges that Seller is aware that the United States securities laws prohibit any person who has received material, non-public information concerning a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

6. MISCELLANEOUS

6.1 ***Definitions***. In this Agreement, the following terms have the following meanings:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agents**" means, with respect to any Person, any and all directors, managers, officers, employees, consultants, financial advisors, bankers, attorneys, accountants and other agents of such Person.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York City are authorized or required by Law to be closed for business.

"**Buyer's Knowledge**" or "**Knowledge of Buyer**" or any similar phrase means all facts and circumstances known by Buyer, without a duty of inquiry.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Seller's Knowledge**" or "**Knowledge of Seller**" or any similar phrase means all facts and circumstances known by Seller, without a duty of inquiry.

"**Transaction Documents**" means this Agreement and each other agreement entered into pursuant to this Agreement.

6.2 ***Additional Assurances***. From time to time after Closing, either party shall execute and deliver such other instruments and take such other actions as is reasonably requested to give effect to the transactions contemplated by this Agreement.

6.3 ***Cost of Transaction***. Whether or not the transactions contemplated hereby are consummated, each party shall bear its own expenses in connection with this Agreement.

6.4 ***Choice of Law; Venue***. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. BUYER AND SELLER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN, INCLUDING CLAIMS BASED ON CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER COMMON LAW OR STATUTORY BASES. Each party hereby submits to the exclusive jurisdiction of the state and federal courts located in the County of New York, State of New York. If the jury waiver set forth in this Section is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement or any of the transactions contemplated herein will be finally settled by binding arbitration in New York, New York in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with said rules. The arbitrator shall apply New York law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph. The expenses of the arbitration, including the arbitrator's fees and expert witness fees, incurred by the parties to the arbitration, may be awarded to the prevailing party, in the discretion of the arbitrator, or may be apportioned between the parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one party is to pay for all (or a share) of such expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator.

6.5 ***Waiver of Jury Trial***. EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT BE TRIED BY JURY. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO DEMAND TRIAL BY JURY.

6.6 ***Enforcement of Agreement***. Irreparable damage would occur if any of the provisions of this Agreement was not performed in accordance with its terms or was breached. The parties are entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms, in addition to any other remedy to which they are entitled at law or in equity.

6.7 ***Survival***. The representations, warranties and covenants of the parties shall survive Closing and shall not be affected or deemed waived by reason of any investigation made by or on behalf of any party (including by any of its representatives) or by reason of the fact that any party or any of its

representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

6.8 ***Benefit/Assignment***. This Agreement inures to the benefit of and is binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may directly or indirectly, including by assignment, operation of law or change of control, transfer or assign this Agreement without the prior written consent of the other parties; provide that, following Closing, Buyer may do so without the consent of any other party.

6.9 ***No Third Party Beneficiaries***. This Agreement is intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and does not confer third-party beneficiary rights upon any Person.

6.10 ***Waiver of Breach***. The waiver by any party of a breach or violation of any provision of this Agreement is not a waiver of any subsequent breach of the same or any other provision hereof.

6.11 ***Interpretation***. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. This Agreement is to be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

6.12 ***Severability***. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

6.13 ***Gender and Number***. Whenever the context of this Agreement requires, the gender of all words herein includes the masculine, feminine, and neuter, and the number of all words herein includes the singular and plural.

6.14 ***Divisions and Headings***. The division of this Agreement into articles, sections and subsections and the use of captions and headings are for convenience and have no legal effect in construing the provisions of this Agreement.

6.15 ***Entire Agreement***. This Agreement, including all exhibits and schedules hereto, and the Transaction Documents, supersedes all previous contracts, and constitutes the entire agreement among the parties regarding its subject matter. No party is entitled to benefits other than those specified herein. No oral statements or prior written material not specifically incorporated herein is of any force or effect.

6.16 ***Amendment***. This Agreement may be amended, modified or supplemented only by an agreement in writing signed by each party hereto.

6.18 ***Counterparts***. This Agreement may be executed in counterparts, each of which will be an original, and all of which together will be one and the same agreement. A signed copy of this

Agreement delivered by facsimile, e-mail or other means of electronic transmission will have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

The parties have executed this Agreement in multiple originals as of the date first above written.

SELLER:

_____

_____

BUYER:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
BETAZONE LLC
by its managing member, Camilo Rey

By:_____
Name:
Title:

ASSIGNMENT OF MEMBERSHIP INTEREST

THIS ASSIGNMENT OF MEMBERSHIP INTEREST (this "Assignment") dated as of April __, 2011 is made by and between _____ ("Assignor") and Biozone Pharmaceuticals, Inc. ("Assignee").

RECITALS

A. Assignor is the holder of a _____ membership interest (the "Membership Interest") in BetaZone LLC, a _____ limited liability company ("BetaZone"); and

B. Assignor desires to transfer and assign to Assignee the Membership Interest pursuant to the terms of that certain LLC Membership Interest Purchase Agreement dated the date hereof between Assignor and Assignee (the "Purchase Agreement"); and

C. Assignee desires to accept the assignment of the Membership Interest and to accept and assume the terms and conditions of the Operating Agreement of BetaZone, as amended or restated (the "Operating Agreement") with respect to the Membership Interest.

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

1. Assignment. Subject to the terms and conditions this Assignment and the Purchase Agreement, Assignor hereby transfers and assigns to Assignee the Membership Interest.

2. Admission as Substituted Member. As of the date hereof, and subject to the terms and conditions of this Assignment, Assignee shall become a substituted member in BetaZone with respect to the Membership Interest in compliance with the terms of the Operating Agreement.

3. Assumption. Assignee agrees to accept, adopt and be bound by the terms, provisions and conditions of the Operating Agreement.

4. Representations by Assignor. Assignor does hereby represent and warrant to Assignee that: (i) Assignor is the legal and beneficial owner and holder of the Membership Interest and (ii) the Membership Interest is not subject to any lien or assessment by any of Assignor's creditors or by any other person or entity.

5. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of each of the parties hereto and their respective heirs, legal representatives, successors and assigns.

6. General Provisions.

(a) Entire Agreement. This Assignment supersedes any prior or contemporaneous understandings or agreements between the parties respecting the subject matter hereof and constitutes the entire understanding and agreement between the parties with respect to the assignment of the Membership Interest.

(b) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of New York.

(c) Further Assurances. The parties hereto covenant and agree that they will execute such further instruments and documents as may be necessary or convenient to effectuate and carry out the transaction contemplated by this Assignment.

(d) Counterpart Execution. This Assignment may be executed in any number of counterparts, all of which together shall for all purposes constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties hereto have not signed the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment effective as of the day and year first above written.

ASSIGNOR:

_____

_____

ASSIGNEE:
BIOZONE PHARMACEUTICALS, INC.

_____
Name: Roberto Prego
Title: President

AGREED AND ACCEPTED:
BETAZONE LLC
by its managing member, _____

By:_____
Name:
Title:

_____, individually

_____

_____, individually

_____

DISCLOSURE SCHEDULE TO MEMBER PURCHASE AGREEMENT

1. Capitalization:

Membership Interests:

Name:	Interest:	Percentage:
Daniel Fisher	LLC	14.25%
Brian Keller	LLC	14.25%
Christian Oertle	LLC	2.25%
Nian Wu	LLC	14.25%
Camilo Rey	LLC	10.00%
_____La Sante	LLC	45.00%

Options: None.

Warrants: None.

Convertible Debt or Other Instruments: None.

Schedule 3.1(b)

Bank of Marin: Outstanding loans as of May 31, 2011

Borrower	Loan Number	Amount Outstanding
Biozone Laboratories, Inc.	006130000348-00001	$1,378,155
Biozone Laboratories, Inc.	006130000355-00001	$ 600,292
Equalan Pharma, LLC	006130000397-00001	$ 130,300
Equalan Pharma, LLC	006130000389-00001	$ 64,175

EXHIBIT B

LOCKUP AGREEMENT

LOCK-UP AGREEMENT

_____, 2011

Ladies and Gentlemen:

The undersigned is, or is anticipated to be, a beneficial owner of shares of capital stock, or securities convertible into or exercisable or exchangeable for the capital stock (each, a "Company Security") of Biozone Pharmaceuticals, Inc., a Nevada corporation (the "Company"). The undersigned understands that the Company is acquiring certain businesses (the "Target Companies") in consideration for an aggregate purchase price of 21,000,000 shares (the "Shares") of the Company's common stock (the "Purchase") from the undersigned.and other owners of the Target Companies. The undersigned understands that the Company will proceed with the Purchase in reliance on this Letter Agreement to be signed by each of the owners of the Target Companies.

1. In recognition of the benefit that the Purchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees, for the benefit of the Company, that, during the period beginning on the date hereof (the "Distribution Date") and ending eighteen (18) months thereafter (the "Lockup Period"), the undersigned will not, directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Company Securities, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Company Security, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Company Security (each of the foregoing, a "Prohibited Sale").

2. Notwithstanding the foregoing, the undersigned (and any transferee of the undersigned) may transfer any shares of a Company Security (i) as a bona fide gift or gifts, provided that prior to such transfer the donee or donees thereof agree in writing to be bound by the restrictions set forth herein, (ii) to any trust, partnership, corporation or other entity formed for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that prior to such transfer a duly authorized officer, representative or trustee of such transferee agrees in writing to be bound by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) to non-profit organizations qualified as charitable organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (iv) if

such transfer occurs by operation of law, such as rules of descent and distribution, statutes governing the effects of a merger or a qualified domestic order, provided that prior to such transfer the transferee executes an agreement stating that the transferee is receiving and holding any Company Security subject to the provisions of this agreement. For purposes hereof, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, commencing on the twelve (12) months anniversary of the date of this letter Agreement, the undersigned may sell up to ten (10%) percent of the shares issued to the undersigned in connection with the Target Companies in each calendar month, on a non-cumulative basis.

3. This Letter Agreement shall be governed by and construed in accordance with the laws of the New York.

4. This Letter Agreement will become a binding agreement among the undersigned as of the date hereof. In the event that no closing of the Asset Purchase occurs, this Letter Agreement shall be null and void. This Letter Agreement (and the agreements reflected herein) may be terminated by the mutual agreement of the Company and the undersigned, and if not sooner terminated, will terminate upon the expiration date of the Lockup Period. This Letter Agreement may be duly executed by facsimile and in any number of counterparts, each of which shall be deemed an original, and all of which together shall be deemed to constitute one and the same instrument. Signature pages from separate identical counterparts may be combined with the same effect as if the parties signing such signature page had signed the same counterpart. This Letter Agreement may be modified or waived only by a separate writing signed by each of the parties hereto expressly so modifying or waiving such agreement.

Very truly yours,

_____

Address: _____
Number of shares of Common Stock owned: _____
Certificate Numbers: _____

Accepted and Agreed to:

Biozone Pharmaceuticals, Inc.

By:_____
Name:
Title:

EXHIBIT C

OPTION AGREEMENT

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Brian Keller,** an individual with an address at 5058 Nortonville Way, Antioch, CA 94531 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 3,325,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price").

Section 2.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 3. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the Extension Period.

Section 4. **Affiliate Restrictions.** Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 5. **Delivery of Option Shares.** Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 6. **Legend.** Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 7. **Lock-up.** Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the total number of Optionor Shares and the number of Option Shares subject to this option).

Section 8. **Adjustments Upon Changes in Capitalization.** The existence of this Option will not

affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 9. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 10. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 11. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 12. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United

States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 13. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 14. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"

Brian Keller

_____

Address and Facsimile No. for Notices:

Email:
Facsimile No: _____

"OPTIONEE:"

Opko Health, Inc.

_____

Address and Facsimile No. for Notices:

Email:
Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into, effective as of June__, 2011 (the "Effective Date"), by and between **Daniel Fisher,** an individual with an address at 23 Marlee Road, Pleasant Hill, CA 94523 (the "Optionor"), and **Opko Health, Inc.**, with an address at 4400 Biscayne Boulevard, Miami Florida 33137 (the "Optionee").

RECITALS:

WHEREAS, Optionor is the owner of 6,650,000 shares (the "Optionor Shares") of the common stock, par value $0.001 per share (the "Common Stock"), of Biozone Pharmaceuticals, Inc. (the "Company").

WHEREAS, Optionor desires to grant and issue to Optionee, a 2 month option, subject to extension (the "Option") to acquire 5,320,000 shares of Company Common Stock (the "Option Shares"), with a right to extend such Option for an additional period of 18 months (the "Extension Period") upon payment of $100,000.00 on or prior to the initial expiration date of the Option (the "Extension Payment").

AGREEMENTS:

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt which is hereby acknowledged, Optionor hereby issues and grants to Optionee the following option:

Section 1. Sale of Option. Subject to the terms and conditions set forth below, the Optionor hereby grants to Optionee, a 2 month option to purchase the Option Shares at a per share purchase price from Optionor of $1.00 per share (the "Initial Exercise Price"). In addition, Optionee shall have the further irrevocable right and option prior to expiration of the Extension Period, upon payment of the Extension Payment, to purchase the Option Shares at an Exercise Price per share (the "Blended Exercise Price") determined as follows:

(i) 4,256,000 Option Shares at $1.00 per share: and

(ii) 1,064,000 Option Shares at the volume weighted average price (VWAP) of the Company's common stock as reported on Bloomberg for a period of sixty (60) consecutive trading immediately prior to exercise.

The Option is exercisable at any time and from time to time during its term and the Extension Period, in whole or in part. This Option is assignable in the discretion of the Optionee.

Section 2. Manner of Exercise of Option. Optionee may exercise the Option only by delivering to the Optionor (a) a written notice of exercise specifying the number of shares with respect to which the Option is to be exercised and the address to which the certificate representing such shares is to be mailed, (b) cash, wire, certified or bank check or postal money order payable to the order of the Optionor for an amount equal to the Initial Exercise Price or Blended Exercise Price of such Optionor Shares as to which an exercise applies. Until expiration of the Option, Optionor shall deliver to the custody and control of Optionee stock certificates for the Option Shares, together with duly executed stock powers and medallion signature guarantees to be held by Optionee. Optionee is hereby duly authorized, upon payment of the Initial Exercise Price or Blended Exercise Price to Optionor for any Option Shares, to instruct the Transfer Agent to issue Common Stock in the name of the Optionee, or its designee, and to return to Optionee's custody and control, the balance unexercised Option Shares, until the expiration of the Option, including through and including the expiration of the

Extension Period.

Section 3. Affiliate Restrictions. Optionee acknowledges Optionor may be deemed an Affiliate and as a result, upon exercise of the Option, Optionee may acquire shares subject to restriction on resale under the federal securities laws.

Section 4. Delivery of Option Shares. Within a reasonable time following the receipt by the Optionor of the written notice and payment of the Initial Exercise Price or the Blended Exercise Price for the Option Shares to be purchased hereunder and the fulfillment by Optionee of the conditions precedent to exercise, the Optionor shall cause to be delivered to Optionee at the address specified above, a certificate or certificates for the number of Option Shares with respect to which the Option is then being exercised, registered in the name of the Optionee; provided, however, that such delivery will be deemed effected for all purposes when such certificate or certificates will have been effectively transferred by Optionor by virtue of instructions given by Optionor to the Company transfer agent, and the recordation by the transfer agent of such transfer.

Section 5. Legend. Unless and until the Option Shares represented by this Option are registered under the Securities Act of 1933 (the "Securities Act"), all certificates representing the Option Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM."

Section 6. Lock-up. Commencing upon the date of this Agreement, other than with respect to the Option granted hereunder, all Optionor Shares as to which the Option shall not have then been exercised, shall for a period of 18 months thereafter (the "Lock up Period"), be restricted as follows: the Optionor shall not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any Optionor Shares, beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by the undersigned on the date hereof or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Optionor Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any Optionor Shares (each of the foregoing, a "Prohibited Sale). Notwithstanding the foregoing, commencing on the twelve (12) months anniversary of the date of this Agreement, the undersigned may sell up to ten (10%) percent of the Optionor Shares issued to the undersigned in each calendar month, on a non-cumulative basis (but not to exceed the difference between the

total number of Optionor Shares and the number of Option Shares subject to this option).

Section 7. Adjustments Upon Changes in Capitalization. The existence of this Option will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or tile rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. If the Company will effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefor in money, services or property, then the number, class, and per share price of shares of stock subject to this Option will be appropriately adjusted in such a manner as to entitle the Optionee to receive upon exercise of this Option, for the same aggregate cash consideration, the same total number and class of shares that the owner of an equal number of outstanding shares of Common Stock would own as a result of the event requiring the adjustment. Except as hereinbefore expressly provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares of obligations of the Company convertible into such shares or other securities, will not affect, and no adjustment by reason thereof will be made with respect to, the number or price of shares of Common Stock then subject to this Option.

Section 8. Effect of Certain Transactions. If the Company is a party to a merger or reorganization with one or more other corporations, whether or not the Company is the surviving or resulting corporation, or if the Company consolidates with or into one or more other corporations, or if the Company is liquidated, or if there is a sale or other disposition of substantially all of the Company's capital stock or assets to a third party or parties (each hereinafter referred to as a "Transaction"), in any case while this Option remains outstanding: (a) subject to the provisions of clause (b) below, after the effective date of such Transaction this Option will remain outstanding and will be exercisable in shares of Common Stock or, if applicable, shares of such stock or other securities, cash or property as the Optionee's of shares of Common Stock received pursuant to the terms of such Transaction; or (b) the time for exercise of this Option will be accelerated so that this Option will be fully exercisable on or prior to the effective date of such Transaction; provided that (x) notice of such acceleration will be given to the Optionee, (y) the Optionee will have the right to exercise this Option in part or in full prior to the effective date of such Transaction, and (z) to the extent not so exercised, this Option will be canceled prior to or as of such effective date.

Section 9. Rights of Optionee. No person will, by virtue of this Option, be deemed to be a holder of any shares purchasable under this Option or to be entitled to the rights or privileges of a holder of such shares unless and until this Option has been exercised with respect to such shares and they have been issued pursuant to that exercise of this Option. Nothing herein contained will impose any obligation upon the Optionee to exercise this Option.

Section 10. Dividend Restriction. The Optionee shall not be entitled to receive any dividends declared by the Company to the extent that the Option has not been exercised.

Section 11. Notices. All notices permitted or required by this Agreement shall be in writing and shall be deemed to be delivered and received (i) when personally delivered, or (ii) on the day on which sent by

facsimile, electronic mail, or other similar device generating a receipt evidencing a successful transmission (provided that on that same date a copy of the notice is deposited in the United States mail, first-class-certified mail, postage prepaid), or (iii) on the second (2nd) business day after the day on which deposited in the United States mail, first-class-certified mail, postage prepaid, transmitted or addressed to the person for whom intended, at the facsimile number, email address, or mailing address appearing at the end of this Agreement, or such other facsimile number, email address, or mailing address, notice of which is given in the manner contemplated by this Section 11.

Section 12. Governing Law. This Option shall be governed by the laws of the State of New York.

Section 13. Lockup. The Company hereby consents to the exercise of the Option and waives any and all lockup agreements applicable to Optionor with respect to the Option Shares, effective upon exercise of this Option and upon purchase by Optionee (or assigns) such shares shall be released from any and all lockup agreements Including, without limitation, the provisions of Section 6 hereof and any and all other agreements or understanding with the Company to refrain from any sale of disposition of the Option or any Option Shares.

(signatures appear on following page)

IN WITNESS WHEREOF, **the parties have executed this Option, as of the Effective Date.**

"OPTIONOR:"

Daniel Fisher

_____

Address and Facsimile No. for Notices:

Email:
Facsimile No: _____

"OPTIONEE:"

Opko Health, Inc.

_____

Address and Facsimile No. for Notices:

Email:
Facsimile No: _____

Agreed and Accepted (with respect to Section 6 and 13 only)

BIOZONE PHARMACEUTICALS, INC.

By:_____
Name: Roberto Prego Novo
Title: President

EXHIBIT D

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

CONFIDENTIALITY AND INVENTION

ACKNOWLEDGEMENT

To: Biozone Pharmaceuticals, Inc.

In consideration of the award of certain benefits by the above named company ("Company") that have been or will be made to me, including, without limitation, any awards of options to acquire common stock of the Company, or by any subsidiary or affiliate of the Company, and the compensation paid for my services including any additional benefits or rights relating thereto as provided in a written agreement, policy or other understanding and as a condition of the foregoing, I do hereby agree as follows:

1. **Acknowledgment**. I will either generate or be entrusted with information, ideas and materials which are Company property, involve trade secrets or in some other fashion relate to confidential matters of the Company, including, without limitation, with respect to the intellectual property rights and trade secrets belonging to and associated with Biozone Laboratories, Inc., EquaChem LLC, Equalan Pharma LLC and BetaZone Laboratories LLC (the "Biozone Lab Group"). As a condition of the offer the Company has requested this Agreement. I understand that the Company has acquired the Biozone Lab Group, which have, along with any predecessors, been engaged in this business for over 5 years and are reliant upon technology and methods, which have been devised and protected, which now constitute trade secrets of the Company. For purposes of this agreement, all discussions of the Company's business, trade secrets and proprietary rights shall include those of the Biozone Lab Group. The Company's business involves, among other things, the manufacturing of pharmaceutical products. I acknowledge the Company's business is international in scope and not limited to any particular geographic location, such as the location of my assignment, or other of its offices, plants, or sales facilities. Accordingly, I have been asked to sign this agreement and to agree to certain restrictions governing my activities both during and following my engagement by the Company. Furthermore and notwithstanding the foregoing, I further acknowledge that all intellectual property associated with the business or operations of the Biozone Lab Group is owned and/or registered in the name of Biozone Laboratories, Inc., EqualChem LLC, Equalan Pharma LLC and/or BetaZone Laboratories LLC, as the case may be, and not owned and/or registered in my name or in the name of any entity with which I am associated.

2. **Confidential Information**. During the Benefit Period and at any time thereafter, regardless of the reason for termination of the Benefit Period:

(a) I agree not to use or disclose, directly or indirectly, any Confidential Information in any Unauthorized manner or for any Unauthorized purpose;

(b) I agree that I shall not disclose, reveal or otherwise release, directly or indirectly, any Confidential Information to any third party and to take any and all lawful measures to prevent the Unauthorized use and disclosure of Confidential Information and to prevent Unauthorized persons or entities from obtaining or using Confidential Information. I

further agree to refrain from taking any actions which would constitute or facilitate the Unauthorized use or disclosure of Confidential Information.

As part of the foregoing obligations, I further agree not to disclose any Confidential Information to, or assign any employee, vendor, subcontractor, or agent to provide services to the Company, unless said employee, contractor, vendor or agent is subject to an agreement with the Company, pursuant to which it or they agree to protect Confidential Information provided in the course of such relationship to the same extent that I am bound, unless services are to be provided or performed on customary commercial terms established in the course of the dealings with that person or entity, and to which my supervisor approves. I further agree to the terms of any restrictions on disclosure of third-party information of which I become aware as a result of my duties at the Company which is subject to restrictions on disclosure in favor of such third-party.

I agree that upon termination of my engagement by the Company and at any other time when requested, that I will deliver and return all drawings, blueprints, designs, models, papers and copies which contain any Confidential Information. I further agree that all similar materials in connection with all proposed or actual business of the Company or any of its affiliated companies shall be the property of the Company or such affiliate.

3. **Proprietary Rights**. I agree that during the Benefit Period all information, reports, studies, charts, code, plans, diagrams, presentations and any other tangible or intangible, information, Invention Disclosures, deliverables, discoveries, specifications, designs, methods, devices, writings, compilations of information and all materials that are protectable as intellectual property in the United States, whether under the laws of patents, copyrights, and/or trade secrets, including, without limitation, associated with the business and operations of the Biozone Lab Group ("Inventions") (i) developed or produced by me in conjunction with my efforts for the Company on or prior to the date hereof, (ii) based upon knowledge or information learned or gained from the Company on or prior to the date hereof, (iii) resulting from the use of the Company's facilities, personnel, contacts or materials on or prior to the date hereof or (iv) related in any manner to my engagement by the Company on or prior to the date hereof, shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author.

I agree that all Inventions that are reduced to practice, or otherwise made by me, either alone or in concert with others within one (1) year immediately following the Benefit Period, which Inventions are (i) within the scope of my services for the Company, (ii) related to knowledge or information learned or gained from or through the Company or (iii) developed during said engagement, shall be presumed to have been conceived in the course of said engagement and shall be the sole and exclusive property of the Company and shall be deemed "works made for hire", of which Company shall be deemed the author. The foregoing, however, may be overcome by producing tangible evidence showing clearly that any such Inventions were conceived more than one (1) year after the expiration or termination of my engagement. I hereby agree to communicate and disclose promptly, in writing, to the Company all inventions made during the one (1) year period immediately following the Benefit Period. Moreover, I further

agree to safeguard the confidentiality and proprietary nature of any and all such Inventions in the same manner as that prescribed herein for the treatment of Confidential Information.

I hereby agree that all Inventions are hereby assigned to Company and that I will execute all documents necessary to assign and transfer to Company, or its nominees, successors, or assigns, free of encumbrances, all rights, title, and interest in and to any and all Inventions. All such assignments shall include, among other things, existing or prospective patent rights and copyrights in the United States and all foreign countries.

In the event that any Inventions constitutes a work based upon one or more preexisting works, I agree that I shall provide, in writing, in a separate Appendix, which will be attached hereto and made a part hereof: (i) the nature of such preexisting work; (ii) its owner; (iii) any restrictions or royalty terms applicable to the Company's or my use of such preexisting work or the Company's exploitation of the Inventions; and (iv) the source of my authority to employ the preexisting work in the Inventions. Unless otherwise specifically agreed in such Appendix, before initiating the preparation of any Invention that is a derivative work of a preexisting work, I shall cause Company, its successors and assigns, to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute internally and externally, sell copies of, and prepare derivative works thereof, and (ii) authorize or sublicense others from time to time to do any or all of the foregoing. I represent and warrant that the Inventions are not based on any preexisting works other than any preexisting works referenced, in writing, in a separate Appendix to this Agreement which will be attached hereto and made a part hereof.

I hereby agree not to bring any action against the Company or any of its agents, including but not limited to independent legal advisors and counsel, for misappropriation of trade secrets or infringement of any intellectual property rights including but not limited to patents, trademarks and copyrights, and malpractice, negligence or any cause of action related in any way to the creation, maintenance, enforcement and commercialization of any intellectual property rights, including patents and patent applications.

4. **Representations**. I represent and warrant that my engagement by the Company does not conflict with and will not be constrained by any prior business relationship, agreement or understanding and that I do not possess confidential information arising out of any prior relationship which, in my best judgment, would be utilized in connection with my employment by Company in contravention of any policy or agreement relating to such confidential information and that I will use best efforts not to disclose such information to the Company or any customer or employee.

I acknowledge that the Confidential Information is commercially and competitively valuable to the Company and that it is vital to the success of the Company's business at all locations at which the Company is deemed to be doing or does business; has been developed at great cost and expense to the Company; that the Unauthorized use or disclosure of Confidential Information would cause irreparable harm to the Company; that the Company has taken and is taking all reasonable measures to protect its legitimate interests in its Confidential Information, including but not limited to affirmative actions to safeguard the confidentiality of such Confidential Information; that by this Agreement and adoption of policies and procedures

(including those of which I may not be aware) the Company is taking reasonable steps to protect its legitimate interests in its Confidential Information; and that the restrictions on the activities in which I may engage set forth herein, and the locations and periods of time for which such restrictions apply, are reasonably necessary in order to protect the Company's legitimate interest in its Confidential Information.

I acknowledge that the Company and its operations are subject to governmental regulation much like many other companies and recognize that there are still relatively few laws or regulations specifically addressed to the Internet. I further acknowledge that I am aware that existing laws and regulations are applicable to the Internet and, as such, to the business and affairs of the Company and the manner in which I perform my duties for the Company. I acknowledge that I am responsible as in any personal or professional endeavor to comply with any and all laws and that knowing or willful violation of the law is grounds for termination, with cause, by the Company. Without limiting the foregoing, I acknowledge that such laws applicable to my activities include user privacy, defamation, pricing, advertising, taxation, gambling, sweepstakes, promotions, content regulation, quality of products and services, and intellectual property ownership and infringement. I agree that in the event that I become aware of any violation of law that I will pursue appropriate response, which would include notification of my immediate superior, or any member of the Board of Directors of the Company, or counsel to the Company.

I acknowledge that I am aware that the Company posts its privacy policy and practices concerning the use and disclosure of any user data on its Web sites. I agree to review and familiarize myself with such privacy policy and practices and to not knowing violate or assist any third party in violation of such privacy policy and practices. I acknowledge that any knowing violation of the posted privacy policy and practices is grounds for termination, with cause, by the Company.

I acknowledge that I am aware that the CAN-SPAM Act of 2003 and certain state laws are intended to regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet. I agree to take reasonable precautions to familiarize myself with the identity, business, and practices of customers with which I have direct contact and to not knowingly participate in any activities that would violate the CAN-SPAM Act of 2003 or other similar laws with which I am aware. I acknowledge that any knowing violation of the CAN-SPAM Act of 2003 or Company policy relating to spam is grounds for termination, with cause, by the Company.

5. **Restriction**. I agree that during the Benefit Period and continuing for a period of three (3) years after the termination of the Benefit Period I agree that I shall not, directly or indirectly:

(a) solicit, raid, entice or induce any present or former client, customer, licensor, licensee or vendor of the Company (each, a "Customer") to become a client or customer of any other person or entity for the same or equivalent products or services as the those performed or provided by the Company or authorize, encourage or assist the taking of such actions by any other person or entity;

(b) solicit, raid, entice or induce any employee, agent, consultant, advisor, independent contractor or person otherwise engaged by the Company at any time during the term of my engagement ("Personnel") to become employed or otherwise engaged by any other person or entity for the purpose of rendering services the same as, or similar to, those services as from time-to-time had been provided by such Personnel to or on behalf of the Company or authorize, encourage or assist the taking of such actions by any other person or entity; or

(c) contact or communicate with any Customer or Personnel for any business purpose restricted hereby without the presence or prior consent of the Company.

I agree that during the Benefit Period and continuing for a period of one (1) year thereafter that I shall not, directly or indirectly:

(a) compete in any manner whether for compensation or otherwise, with the Company, or assist any other person or entity to compete with the Company;

(b) compete by developing, marketing, manufacturing or assisting others to develop, market or manufacture any product or service which is competitive with the products or services of the Company then existing or planned for the future which I learn of or develop while engaged by the Company;

(c) accept employment from or have any other relationship (including, without limitation, to own, manage, operate, control, be employed by or participate) with any entity which is competitive with the products or services of the Company then existing or which were known by me to be planned for the future.

The foregoing restrictions shall apply to all geographical areas where I performed services for the Company during the Benefit Period and to all other places where the Company does business and/or did business and/or planned to do business, including the manufacture, license, sale or consumption of the Company's developed products or those in development, which could be the entire United States, Europe or worldwide since the Company produces products for drugs intended for human consumption throughout the world.

I hereby represent and acknowledge that: the restrictions stated above on the activities in which I may engage upon termination of my engagement with the Company are reasonable and that, despite such restrictions, I will be able to earn my livelihood and engage in my profession following said termination; the locations designated above are reasonable because they are limited to the locations in which the Company presently does business, legitimately plans to do business or did business during the term of my engagement; the periods of time designated above are reasonable because it extends only for twelve (12) months following the termination of the Benefit Period.

6. **Certain Definitions**.

"Benefit Period" shall mean the term of my engagement (as employee, consultant, advisor or similar capacity) including during any additional period for which I have been paid or

am entitled to receive any severance payments or other benefits from the Company or during which I may hold unexpired options or stock granted by the Company or any founder shares or options transferred under the Company's Founders Plan.

"Confidential Information" shall mean research and development plans and results, experiment design, methods and techniques, formulations, processes, materials, compounds, designs, and methods, costs, pricing, production, and manufacturing matters and related information and materials, all customer vendor, licensee, licensor, information including the identity thereof, techniques, practices, the terms of any orders or acknowledgments thereof, as well as any and all information, know-how and data, technical or non-technical, which relates to the Company's technology or business, including technical, financial and managerial information, whether written or oral, produced by the Company or on its behalf, either directly or indirectly including, without limitation, those associated with the business and operations of the Biozone Lab Group. "Confidential Information" shall include information made available to me as a result of collaborative of other arrangements with third-parties pursuant to which the Corporation has agreed to maintain the secrecy of such information which shall for all purposes be considered Confidential Information protected by this Agreement. "Confidential Information" shall also include as it relates to the Company or any of its affiliates, business practices or trade secrets obtained, developed or disclosed in the performance of my services, any other matter the confidentiality of which the Company takes reasonable measures to protect, any information which pertains to subjects including, but not limited to, research and development, plant and product security, contingency plans, practices relating to protection of trade secrets and confidential information, equipment, expenditure plans, training, compensation and human resources information, legal matters involving litigation or disputes relating to the Company, contract compliance, waste and spoilage information, submission of government information, regulatory matters, names of individual contacts at customers, vendors or other service providers, preferences, businesses or habits, business methods, distributions and scheduling time, plant and equipment capacities and capabilities, future plans, databases, computer programs, operating procedures, knowledge of the organization, any information contained in any policy or procedures manual of the Company and any matter designated as proprietary, confidential or trade secrets in such a policy or procedures manual from time to time, and similar information in any form whatsoever.

"Invention Disclosure" shall mean a written summary of an invention which fully describes the invention and sets forth all substantive technical features in sufficient detail to enable one of ordinary skill in the art to understand the invention including, without limitation, those associated with the business and operations of the Biozone Lab Group.

"Unauthorized" shall mean (i) in contravention of the Company's policies or procedures; (ii) otherwise inconsistent with the Company's measures to protect its interests in the Confidential Information; (iii) in contravention of any lawful instruction or directive, wither written or oral, of a Company employee empowered to issue such instruction or directive; (iv) in contravention of any duty existing under law or contract; or (v) to the detriment of the Company or any of its affiliates.

7. **Investing Restrictions**. I hereby acknowledge that I am aware that the United States securities laws prohibit any person who has material, non-public information from purchasing or selling securities (and options, warrants and rights relating thereto) on the basis of such information and from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. I also acknowledge that from time to time I may become privy to material non-public information from the Company or third parties in relations with the Company. I agree to be bound by the first sentence of this paragraph at all times that I am in possession of material non-public information and to seek the advice of counsel prior to effecting any transactions in the Company's or such third-party's securities.

8. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the state of Florida without regard to principles of conflicts of laws. Jurisdiction shall be appropriate only in federal or state court in the state of Florida, county of _____, unless otherwise agreed by the parties. The employee hereby waives the right to a trial by jury in any proceeding brought for the enforcement of any term of this agreement. If any provision or clause of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not be affected thereby and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any court construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the geographic area or matter covered thereby, such court shall reduce the duration, area or matter of such provision and this Agreement shall continue to be enforceable in its modified or reduced form.

I acknowledge that the obligations under this Agreement, are of a special and unique character for which monetary damages for breach would be inadequate and therefore the Company shall be entitled to injunctive and other equitable relief in the event of a breach or threatened breach in addition to any and all rights and remedies available at law or otherwise.

I agree that in performance of my duties to the Company, I shall not make or offer to make any payments to, or confer, or offer to confer any benefit upon any employee, agent or fiduciary of any third party, or any governmental agent or employee with the intent to influence the conduct of such employee, agent, fiduciary or employee in relation to the business of such third party or otherwise to act in contravention of the Company's policy relating thereto from time to time in effect.

I acknowledge that I have read and understand this Agreement and that I have signed and entered into it on my own free will in consideration for the benefits offered by the Company in connection with my engagement, promotion, additional benefits or other reasons related hereto.

BIOZONE PHARMACEUTICALS, INC.	EMPLOYEE
By:_____	_____
Name: Roberto Prego-Novo	Name:
Title: President	Dated As of: _____, 2011
Dated As of: _____, 2011	

PROMISSORY NOTE

September 6, 2001

FOR VALUE RECEIVED, BioZone Laboratories, Inc., a California corporation ("Borrower"), promises to pay to the order of Daniel Fisher ("Lender") at such place as the holder hereof may designate, at the times set forth below, in lawful money of the United States of America, the principal sum of Three Hundred Twenty Five Thousand dollars ($325,000).

This Note shall bear interest at the rate of 6.625% per annum and may be adjusted per the note on the 36 Marlae Road, Pleasant Hill California terms. All outstanding principal and interest due under this Note shall be repaid on the fifth (5th) anniversary of the date set forth above. The monthly payment on the note will be (Two Thousand Eighty Four Dollars and Twenty-One Cents ($2,084.21).

If Borrower fails to pay any amount due under this Note for ten (10) days after such payment becomes due, whether by acceleration or otherwise, Lender may at its sole option, impose a delinquency or "late" charge equal to five percent (5%) of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender.

In the event: (1) Borrower fails to make any payment due under this Note for ten (10) days after such payment becomes due; (2) there is a change in control of Borrower; or (3) Lender is no longer an employee of Borrower for any reason, (4) Lender is then in any such event, Lender may, without further notice and at its sole option, declare the entire unpaid principal balance of this Note to be immediately due and payable, and Lender may proceed to exercise any rights or remedies it may have under this Note or other such rights or remedies which Lender may have at law, equity, or otherwise. For purposes of this Note, a "change in control" shall mean (i) the sale of more than fifty percent (50%) of the issued and outstanding voting stock of the Corporation; (ii) the sale of all or substantially all of the Corporation's assets; or (iii) the merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving entity. In addition, the Lender may declare the entire unpaid principal balance of this Borrower Note to be immediately due and payable upon Lender's reasonable assessment that the has the financial capability to repay all or part of the Note. Or, the Lender may declare the entire unpaid principal balance of this Borrower Note to be immediately due and payable upon Lender's reasonable assessment that the Borrower lacks the financial capacity to repay the Note.

Any prepayment of this Note, whether by acceleration or by voluntary prepayment, on or before the third (3rd) anniversary of the date of this Note, shall be accompanied by a prepayment premium of Thirteen Thousand dollars ($13,000).

This Note shall be construed in accordance with the laws of the State of California. Borrower agrees to pay all costs and expenses, including reasonable attorneys' fees expended or incurred by Lender in connection with the enforcement, defense or interpretation of this Note, the collection of any sums due hereunder, any actions for declaratory relief in any way related to this Note, or to the protection or preservation of any rights or security of Lender.

BIOZONE LABORATORIES, INC.

By: Dan Fisher

Name: Dan Fisher

Title: President

PROMISSORY NOTE

September 1, 2002

FOR VALUE RECEIVED, BioZone Laboratories, Inc., a California corporation ("Borrower"), promises to pay to the order of Daniel Fisher ("Lender") at such place as the holder hereof may designate, at the times set forth below, in lawful money of the United States of America, the principal sum of Eighty Nine Thousand Six Hundred Fifty Nine dollars and Twenty Seven cents ($89,659.26).

This Note shall bear interest at the rate of 5.25% per annum and may be adjusted per the note on the 36 Marlee Road, Pleasant Hill California terms. All outstanding principal and interest due under this Note shall be repaid on the fifth (5th) anniversary of the date set forth above. The monthly payment on the note will be Three Hundred Ninety dollars and Ninety Nine cents ($390.99). The principal is due and payable September 1, 2005.

If Borrower fails to pay any amount due under this Note for ten (10) days after such payment becomes due, whether by acceleration or otherwise, Lender may at its sole option, impose a delinquency or "late" charge equal to five percent (5%) of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender

In the event: (1) Borrower fails to make any payment due under this Note for ten (10) days after such payment becomes due; (2) there is a change in control of Borrower; or (3) Lender is no longer an employee of Borrower for any reason, (4) Lender is then in any such event, Lender may, without further notice and at its sole option, declare the entire unpaid principal balance of this Note to be immediately due and payable, and Lender may proceed to exercise any rights or remedies it may have under this Note or other such rights or remedies which Lender may have at law, equity, or otherwise. For purposes of this Note, a "change in control" shall mean (i) the sale of more than fifty percent (50%) of the issued and outstanding voting stock of the Corporation; (ii) the sale of all or substantially all of the Corporation's assets; or (iii) the merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving entity. In addition, the Lender may declare the entire unpaid principal balance of this Borrower Note to be immediately due and payable upon Lender's reasonable assessment that the has the financial capability to repay all or part of the Note. Or, the Leader may declare the entire unpaid principal balance of this Borrower Note to be immediately due and payable upon Lender's reasonable assessment that the Borrower lacks the financial capacity to repay the Note.

This Note shall be construed in accordance with the laws of the State of California. Borrower agrees to pay all costs and expenses, including reasonable attorneys' fees expended or incurred by Lender in connection with the enforcement, defense or interpretation of this Note, the collection of any sums due hereunder, any actions for declaratory relief in any way related to this Note, or to the protection or preservation of any rights or security of Lender.

BIOZONE LABORATORIES, INC.

By: _____

Name: _____

Title: President

PROMISSORY NOTE

September 30, 2005

FOR VALUE RECEIVED, BioZone Laboratories, Inc., a California corporation ("Borrower"), promises to pay to the order of Daniel and Sharon Fisher ("Lender") at such place as the holder hereof may designate, at the times set forth below, in lawful money of the United States of America, the principal sum of Ninety Thousand dollars ($90,000).

The note shall bear interest at the rate of 10% per annum. All outstanding principal and interest is due May 31, 2011.

If Borrower fails to pay amounts due under this Note for ten (10) days after such payment becomes due, whether by acceleration or otherwise, Lender may at its sole option, impose a delinquency or "late" charge equal to five percent (5%) of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender.

In the event: (1) Borrower fails to make any payment due under this Note for ten (10) days after such payment becomes due, (2) there is a change in control of Borrower, or (3) Lender is no longer an employee of Borrower for any reason, then in any such event, Lender may, without further notice and at its sole option, declare the entire unpaid principal balance of this Note to be immediately due and payable, and Lender may proceed to exercise any rights or remedies it may have under this Note or other such rights or remedies which lender may have at law, equity or otherwise. For purposes of this Note, a "change in control" shall mean (i) the sale of more than fifty percent (50%) of the issued and outstanding voting stock of the Corporation; (ii) the sale all or substantially all of the Corporation's assets; or (iii) the merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving entity. Additionally, the lender may declare the entire unpaid principal balance of this Note to be immediately due and payable upon Lender's reasonable assessment that the Borrower lacks the financial capacity to repay the Note.

This Note shall be construed in accordance with the laws of the State of California. Borrower agrees to pay all costs and expenses, including reasonable attorney's fees expended or incurred by Lender in connection with the enforcement, defense or interpretation of this Note, the collection of any sums due hereunder, any actions for discretionary relief in any way related to this Note, or to the protection or preservation of any rights or security of Lender.

BIOZONE LABORATORIES, INC.

By: _____

Name: Daniel L. Fisher

Title: President

PROMISSORY NOTE

Borrower: BioZone Laboratories, Inc.
Lender: Daniel L. Fisher

Principal Amount: $49,275.00

1. For value received, The Borrower promises to pay to Daniel L. Fisher at such address as may be provided in writing to the Borrower, the principal sum of forty nine thousand, two hundred seventy five dollars, ($49,275.00) USD, without interest payable on the unpaid principal.

2. This note will be repaid in full on December 31, 2010.

3. At any time while not in default under this Note, the Borrower may pay the outstanding balance then owing under this Note to Daniel L. Fisher without further bonus or penalty.

4. This Note will be construed in accordance with and governed by the laws of the State of California.

5. All costs, expenses and expenditures including, and without limitation, the complete legal costs incurred by Daniel L. Fisher in enforcing this Note as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.

6. This Note will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns, of the Borrower and Daniel L. Fisher. The Borrower waives presentment for payment, notice of non-payment, protest and notice of protest.

IN WITNESS WHEREOF Daniel L. Fisher as agent for TBD Pharma, LLC has duly affixed his signature under seal on this 31st day of December 2008.

SIGNED, SEALED, AND DELIVERED
This 31st day of December, 2008

Christian Oertle
General Manager

PROMISSORY NOTE

January 7, 2011

FOR VALUE RECEIVED, BioZone Laboratories, Inc., a California corporation ("Borrower"), promises to pay to the order of Daniel and Sharon Fisher ("Lender") at such place as the holder hereof may designate, at the times set forth below, in lawful money of the United States of America, the principal sum of Two Hundred Thousand dollars ($200,000)

The note shall bear interest at the rate of 10% per annum. All outstanding principal and interest ids due December 31, 2011.

If Borrower fails to pay amount due under this Note for ten (10) days after such payment becomes due, whether by acceleration or otherwise, Lender may at its sole option, impose a delinquency or "late" charge equal to five percent (5%) of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender.

In the event: (1) Borrower fails to make any payment due under this Note for ten (10) days after such payment becomes due; (2) there is a change in control of Borrower, or (3) Lender is no longer an employee of Borrower for any reason, then in any such event, Lender may, without further notice and at its sole option, declare the entire unpaid principal balance of this Note to be immediately due and payable, and Lender may proceed to exercise any rights or remedies it may have under this Note or other such rights or remedies which lender may have at law, equity or otherwise. For purposes of this Note, a "change in control" shall mean (i) the sale of more than fifty percent (50%) of the issued and outstanding voting stock of the Corporation; (ii) the sale all or substantially all of the Corporation's assets; or (iii) the merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving entity. Additionally, the lender may declare the entire unpaid principal balance of this Note to be immediately due and payable upon Lender's reasonable assessment that the Borrower lacks the financial capacity to repay the Note.

This Note shall be construed in accordance with the laws of the State of California. Borrower agrees to pay all costs and expenses, including reasonable attorney's fees expended or incurred by Lender in connection with the enforcement, defense or interpretation of this Note, the collection of any sums due hereunder, any actions for discretionary relief in any way related to this Note, or to the protection or preservation of any rights or security of Lender.

BIOZONE LABORATORIES, INC.

By: _____

Name: Daniel Fisher

Title: President

PROMISSORY NOTE

April 8, 2010

FOR VALUE RECEIVED, BioZone Laboratories, Inc., a California corporation ("Borrower"), promises to pay to the order of Daniel and Sharon Fisher ("Lender") at such place as the holder hereof may designate, at the times set forth below, in lawful money of the United States of America, the principal sum of Two Hundred Thousand dollars ($200,000).

The note shall bear interest at the rate of 10% per annum. All outstanding principal and interest is due March 31, 2012.

If Borrower fails to pay amount due under this Note for ten (10) days after such payment becomes due, whether by acceleration or otherwise, Lender may at its sole option, impose a delinquency or "late" charge equal to five percent (5%) of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender.

In the event: (1) Borrower fails to make any payment due under this Note for ten (10) days after such payment becomes due; (2) there is a change in control of Borrower, or (3) Lender is no longer an employee of Borrower for any reason, then in any such event, Lender may, without further notice and at its sole option, declare the entire unpaid principal balance of this Note to be immediately due and payable, and Lender may proceed to exercise any rights or remedies it may have under this Note or other such rights or remedies which lender may have at law, equity or otherwise. For purposes of this Note, a "change in control" shall mean (i) the sale of more than fifty percent (50%) of the issued and outstanding voting stock of the Corporation; (ii) the sale all or substantially all of the Corporation's assets ; or (iii) the merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving entity. Additionally, the lender may declare the entire unpaid principal balance of this Note to be immediately due and payable upon Lender's reasonable assessment that the Borrower lacks the financial capacity to repay the Note.

This Note shall be construed in accordance with the laws of the State of California. Borrower agrees to pay all costs and expenses, including reasonable attorney's fees expended or incurred by Lender in connection with the enforcement, defense or interpretation of this Note, the collection of any sums due hereunder, any actions for discretionary relief in any way related to this Note, or to the protection or preservation of any rights or security of Lender.

BIOZONE LABORATORIES, INC.

By: D. F

Name: Daniel Fisher

Title: President

PROMISSORY NOTE

May 19, 2010

FOR VALUE RECEIVED, BioZone Laboratories, Inc., a California corporation ("Borrower"), promises to pay to the order of Daniel and Sharon Fisher ("Lender") at such place as the holder hereof may designate, at the times set forth below, in lawful money of the United States of America, the principal sum of One Hundred Eighty Thousand dollars ($180,000).

The note shall bear interest at the rate of 10% per annum. All outstanding principal and interest is due May 31, 2012.

If Borrower fails to pay amount due under this Note for ten (10) days after such payment becomes due, whether by acceleration or otherwise, Lender may at its sole option, impose a delinquency or "late" charge equal to five percent (5%) of the amount of such past due payment, notwithstanding the date on which such payment is actually paid to Lender.

In the event: (1) Borrower fails to make any payment due under this Note for ten (10) days after such payment becomes due; (2) there is a change in control of Borrower; or (3) Lender is no longer an employee of Borrower for any reason, then in any such event, Lender may, without further notice and at its sole option, declare the entire unpaid principal balance of this Note to be immediately due and payable, and Lender may proceed to exercise any rights or remedies it may have under this Note or other such rights or remedies which lender may have at law, equity or otherwise. For purposes of this Note, a "change in control" shall mean (i) the sale of more than fifty percent (50%) of the issued and outstanding voting stock of the Corporation; (ii) the sale all or substantially all of the Corporation's assets; or (iii) the merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving entity. Additionally, the lender may declare the entire unpaid principal balance of this Note to be immediately due and payable upon Lender's reasonable assessment that the Borrower lacks the financial capacity to repay the Note.

This Note shall be construed in accordance with the laws of the State of California. Borrower agrees to pay all costs and expenses, including reasonable attorney's fees expended or incurred by Lender in connection with the enforcement, defense or interpretation of this Note, the collection of any sums due hereunder, any actions for discretionary relief in any way related to this Note, or to the protection or preservation of any rights or security of Lender.

BIOZONE LABORATORIES, INC.

By: _____

Name: Daniel Fisher

Title: President

[Company Name]

[Company Slogan]

PURCHASE ORDER

DATE: 6/18/2012

P.O. #

[Stress Address]
[City, ST ZIP]
Phone: [000-000-0000]
Fax: [000-000-0000]

VENDOR	SHIP TO
BioZone Laboratories, Inc 580 Garcia Avenue Pittsburg, CA 94565 (925) 473-1000	[Attn: Name] [Company Name] [Stress Address] [City, ST ZIP] [Phone]

REQUISITIONER	SHIP VIA	F.O.B.	SHIPPING TERMS

ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-

SUBTOTAL	$	-
TAX RATE		
TAX	$	-
S & H	$	-
OTHER	$	-
TOTAL	**$**	-

Other Comments or Special Instructions

Authorized by Date

If you have any questions about this purchase order, please contact
[Name, Phone #, E-mail, Phone, Fax]

SECOND AMENDMENT TO LICENSE AGREEMENT
BETWEEN BIOZONE LABORATORIES, INC
AND BETAZONE LABORATORIES, LLC

This Second Amendment (the "**Second Amendment**"), effective as of June [ ], 2011, modifies the terms of the License Agreement (the "**License**") between BioZone Laboratories, Inc. ("**BioZone Labs**") and BetaZone Laboratories, LLC ('**BetaZone Labs or Licensee**") dated as of November 7, 2006 as modified by the Amendment to the License Agreement between BioZone Pharmaceutical, Inc. ("**BPI**") and BetaZone Labs (the "**First Amendment**") effective as of April [ ], 2011. All terms used herein shall have the definition applied to such terms in the License and the First Amendment.

FIRST: Exhibit B attached to the License shall be deleted and replaced with Exhibit B-1 attached hereto. The parties hereto acknowledge that BetaZone Labs shall have the continued right to market and sell the Existing Ophthalmic Products listed on the Schedule of Existing Ophthalmic Products attached to the First Amendment.

SECOND: Section1, Grant of License, shall be amended as follows:

A. Paragraph 1.2 shall be deleted in its entirety and replaced with the following:

> 1.2 "For purposes of this Agreement, the "Territory' shall be defined as Mexico and the countries included in Central America and South America, Asia and Eastern Europe."

B. New Paragraph 1.4 shall be added, which reads as follows

> 1.4 "Notwithstanding the foregoing, Licensee shall have the continued right to market and sell QuSome products outside the Territory with the prior written consent of Licensor."

THIRD: BPI hereby consents to Licensee's right to market and sell the QuSome products listed on Schedule B-2 attached hereto in the respective countries shown on such schedule (the "**Permitted Products**").

FOURTH: BPI acknowledges that BetaZone Labs has licensed the QuSome technology platform to certain sub-licensees for development and sale of any product using the QuSome technology in certain specified territories. BPI hereby consents to the rights granted by BetaZone Labs to Biolab Sanus Farmaceutica, Ltda for the development and sale of Qusome products in Brazil; and to Laboratorios La Sante for the development and sale of Qusome Products in the countries included in Central America and South America, excluding Argentina, Brazil, Chile and Uruguay.

FIFTH: BetaZone Labs shall use its commercially reasonable efforts on a continuous basis to develop, market and sell the QuSome products listed on Schedules B-1 and B-2 attached hereto. In the event that BetaZone Labs fails to sell or license any particular QuSome product listed on Schedules B-1 and B-2 within 24 months from the date hereof, BPI shall have the right to remove such product from Schedule B-1 or Schedule B-2.

SIXTH: BioZone Labs has developed certain proprietary purified lipids that it refers to as EquaSomes. BetaZone Labs agrees that the License does not apply to products containing EquaSomes except for the Existing Ophthalmic Products and the products listed on Schedule B-3 attached hereto.

RP

SEVENTH: BetaZone Labs agrees to purchase QuSomes and EquaSomes exclusively from BPI or its designee.

EIGHTH: Notwithstanding Paragraph 11 of the License, BetaZone Labs agrees not to transfer its rights, duties and privileges under the License and/or the First or Second Amendment with the prior written consent of BPI.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed as of the date shown above.

BETAZONE LABORATORIES, LLC

By:_____
Name: Camilo Rey
Title: Managing Director

BIOZONE PHARMACEUTICALS, INC

By:_____
Name:
Title:

SCHEDULE B-1
QUSOME PRODUCTS SUBJECT TO THE LICENSE

Sildenafil oral spray
Mupirocin 2% topical Qusome cram
Mometasone 0,1% + Clotrimazole 1% topical Qusome cream
Mometasone 0,1% + Mupirocin 2% topical Qusome cream
Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1% topical Qusome cream
Acyclovir 5% topical Qusome cream
Centella Asiatica 1% topical Qusome cream
Erythromycin 4% topical Qusome gel
Benzoyl Peroxide 2,5 % Qusome cream
Benzoyl Peroxide 5 % Qusome cream
Benzoyl Peroxide 10 % Qusome cream
Adapalene 0.1% topical Qusome gel
Clindamycin 1% Qusome lotion
Clindamycin 1% Qusome gel
Clindamycin 1% + Adapalene 0,1% topical Qusome cream
Diclofenac 1% Qusome gel
Diclofenac 3% Qusome gel
Diclofenac 1% + Methyl Salicylate 6% topical Qusome gel
Meloxicam 1% topical Qusome gel
Ibuprofen 1% + Thiocolchicoside 0,25% + Methyl Salicylate 6% Qusome gel
Thiocolchicoside 0,25% + Methyl Salicylate 6% Qusome gel
Glucosamine 3% + Chondroitine 5% topical Qusome cream
Mometasone 0,1% topical Qusome cream
Mometasone 0,1% topical Qusome lotion
Clotrimazole 1% topical Qusome lotion
Clotrimazole 1% topical Qusome cream
Isoconazole Nitrate 1% Qusome cream
Eflornitina topical Qusome cream
Minoxidil 2% topical Qusome spray
Minoxidil 5% topical Qusome spray
Terbinafine 1% topical Qusome cream
Terbinafine 1% topical Qusome spray
Ibuprofen 10% topical Qusome cream
Sumatriptan oral lipospray
Tadalafil oral lipospray
Zolpidem oral lipospray

RP

Salicylic acid + Taurine + Infacin Qusome cream

Phosphatidylcholine + Sodium deoxycholate topical Qusome cream

Aminophylline + Caffeine + Pentoxyphylline + Organic Silicon topical Qusome cream

Lactic acid + Malva sylvestris + Calendula officinalis + Aloe vera + Rice extract vaginal Qusome soap

Lactic acid + Malva sylvestris + Calendula officinalis + Aloe vera 3% Rice extract 3% Soy isoflavones vaginal Qusome soap

Myconazole nitrate + Centella asiatica + Triticum vulgaris + Alpha-bisabolol + Avena rehalba vaginal Qusome cream

Lactic acid + Dexpanthenol + Centella asiatica + Avena rehalba + Omega 6 vaginal Qusome cream

Lactic acid + Dexpanthenol + Centella asiatica + Avena rehalba + Omega 6 + Soy isoflavones vaginal Qusome cream

Tazarotene Qusome cream

Transfer factors Qusome cream

Fusidic acid topical Qusome cream

Fusidic acid + Mometasone topical Qusome cream

Fusidic acid + Mometasone + Clotrimazole Qusome cream

Fusidic acid + Betamethasone topical Qusome cream

Fusidic acid + Betamethasone + Clotrimazole Qusome cream

Bupivacaine topical Qusome cream

Tetracaine topical Qusome cream

Nitroglycerin topical Qusome gel

Urea topical Qusome cream

Panthenol Qusome lotion

Fludroxicortida + Fenticonazol topical Qusome cream

Fludroxicortida + Isoconazol topical Qusome cream

Fenticonazol topical Qusome cream

Miconazol topical Qusome cream

Centella + Cafeína topical Qusome lotion

Clindamicine + Policarbofile topical Qusome cream

Ciclopirox Olamina topical Qusome cream

Betametasona + Hialuronidase topical Qusome cream

Clobetasol topical Qusome cream

Procaine / Anesthetic Product topical Qusome gel

Pramoxine / Allergy Product topical Qusome cream

RP

SCHEDULE B-2
QUSOME PRODUCTS PERMITTED FOR SALE BY BETAZONE OUTSIDE THE TERRITORY

Product	Dosage Form	Territory
Tazarotene and Acyclovir	Topical cream	Worldwide
Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1%	Topical Qusome cream	United States
Tadalafil and others	Hard liquid Capsules	
Sildenafil, Tadalafil, Sumatriptan, Zolpidem	LipoSprays	Europe, Turkey, South Africa, India
Adapalen and Mometasone 0,1% + Mupirocin 2%+ Clotrimazole 1%	Creams	
Phosphatidylcholine + Sodium deoxycholate topical Qusome cream	Mesotherapy Creams	
Aminophylline + Caffeine + Pentoxyphylline + Organic Silicon topical Qusome cream		

RP

SCHEDULE B-3
EQUASOME PRODUCTS SUBJECT TO THE LICENSE

Atorvastatin + Ezetimibe liquid hard capsule
Atorvastatin liquid hard capsule
Fenofibrate liquid hard capsule
Risedronate liquid hard capsule
Ibuprofen liquid hard capsule
Acetaminophen liquid hard capsule
ACETAMINOPHEN SUBLINGUAL DROPS RP

GE Capital

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$2,847,000.00	08-23-2007	08-01-2032	6324383-001			***	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: 580 Garcia Properties, LLC
580 Garcia Avenue
Pittsburg, CA 94565

Lender: General Electric Capital Corporation
GEDIRECT
635 Maryville Centre Drive, Suite 120
St. Louis, MO 63141

Principal Amount: $2,847,000.00 **Date of Note: August 23, 2007**

PROMISE TO PAY. 580 Garcia Properties, LLC ("Borrower") promises to pay to General Electric Capital Corporation ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Million Eight Hundred Forty-seven Thousand & 00/100 Dollars ($2,847,000.00), together with interest on the unpaid principal balance from August 23, 2007, until paid in full.

PAYMENT. Borrower will pay this loan in accordance with the following payment schedule: one interest payment on October 1, 2007, with interest calculated on the unpaid principal balances at an interest rate of 7.240% per annum; 297 monthly consecutive principal and interest payments of $20,794.00 each, beginning November 1, 2007, with interest calculated on the unpaid principal balances at an interest rate of 7.240% per annum; and one principal and interest payment of $20,197.68 on August 1, 2032, with interest calculated on the unpaid principal balances at an interest rate of 7.240% per annum. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT PROVISIONS. Upon not less than thirty (30) days advance written notice to GE Capital, the Borrower shall have the right to prepay the entire indebtedness under the note upon payment to GE Capital of the sum of the following: (1) the entire indebtedness due under the note; plus (2) all other sums due under the note or under any of the other loan documents in connection with the Loan ("Loan Documents"); plus (3) as an additional sum, a prepayment fee ("Prepayment Fee") equal to the following percentages of the principal balance outstanding as of the time of such prepayment for the indicated period: (a) Prior to the first annual anniversary date of the note = 10 percent (10%); (b) Thereafter and prior to the second anniversary date of the note = Nine percent (9%); (c) Thereafter and prior to the third annual anniversary date of the note = Eight percent (8%); (d) Thereafter and prior to the fourth annual anniversary date of the note = Seven percent (7%); (e) Thereafter and prior to the fifth annual anniversary date of the note = Six percent (6%); (f) Thereafter and prior to the sixth annual anniversary date of the note = Five percent (5%); (g) Thereafter and prior to the seventh annual anniversary date of the note = Four percent (4%); (h) Thereafter and prior to the eighth annual anniversary date of the note = Three percent (3%); (i) Thereafter and prior to the ninth annual anniversary date of the note = Two percent (2%); (j) Thereafter and prior to the tenth annual anniversary date of the note = One percent (1%); and (k) Zero percent (0%) thereafter.

Notwithstanding the foregoing, Borrower shall have the right, without incurring any Prepayment Fee, to partially prepay the indebtedness due under the note, up to a cumulative maximum of Twenty percent (20%) per year based on the calendar year running from the annual anniversary date of the note in the year any such prepayment is made (such cumulative maximum to be determined by combining any one or more partial prepayments in the 1-year period running from the annual anniversary date of the note to the next annual anniversary date).

Notwithstanding anything to the contrary contained above, during the last 120 days of the payment term of the note, no Prepayment Fee shall be enforced. The Prepayment Fee shall not be payable with respect to condemnation awards or insurance proceeds from fire or other casualty which GE Capital applies to prepayment in accordance with the terms of the Loan Documents. Borrower expressly acknowledges that the Prepayment Fee is not a penalty but is intended solely to compensate GE Capital for the loss of its bargain and the reimbursement of internal expenses and administrative fees and expenses incurred by GE Capital. Any scheduled monthly payments made early by Borrower will not, unless agreed to by GE Capital in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, such early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send GE Capital payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, GE Capital may accept it without losing any of GE Capital's rights under the note, and Borrower will remain obligated to pay any further amount owed to GE Capital. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: General Electric Capital Corporation, GEDIRECT, 635 Maryville Centre Drive, Suite 120, St. Louis, MO 63141.

LATE CHARGE. If a payment is more than 10 days late, Borrower will be charged **5.000% of the unpaid portion of the regularly scheduled payment.**

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by adding a 4.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. After maturity, or after this Note would have matured had there been no default, the Default Rate Margin will continue to apply to the final interest rate described in this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement

between Lender and Borrower.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with any loan.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the Indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Missouri without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Missouri.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of St. Louis County, State of Missouri.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of $50.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instruments listed herein:

(A) a Deed of Trust dated August 23, 2007, to a trustee in favor of Lender on real property located in Contra Costa County, State of California. That agreement contains the following due on sale provision: Lender may, at Lender's option, declare immediately due and payable all sums secured by the Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Borrower is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Borrower. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Missouri law.

(B) an Assignment of All Rents to Lender on real property located in Contra Costa County, State of California.

WAIVER OF JURY TRIAL. EACH OF THE UNDERSIGNED HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS NOTE, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED HEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND/OR STATUTORY CLAIMS. THIS WAIVER IS IRREVOCABLE MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS NOTE, ANY RELATED DOCUMENTS OR ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. IN THE EVENT OF LITIGATION, THIS NOTE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

LOAN ASSUMPTION PROVISION. This loan may be assumable by another entity/person, subject to certain conditions as stated below. The conditions of any such assumption and/or the release of any of the original obligors and/or guarantors are in Lender's sole and absolute

discretion. In order to effectuate such a loan assumption and/or the release of any of the original obligors and/or guarantors, in addition to any other conditions which Lender may require, Lender will require the payment of a fee ("Assumption Fee") equal to the greater of: (a) One Percent (1%) of the outstanding principal loan balance at the time of such assumption; or (b) in the event the base index at the time of such assumption is greater than the base index at the time of the loan origination, an amount equal to 50 basis points (for each 100 basis point difference between the base index at the time of the assumption and the base index at the time of the loan origination) multiplied by the outstanding principal loan balance at the time of such assumption. Such Assumption Fee is in addition to any other costs and expenses incurred by Lender in connection with the conditions of any such assumption.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

580 GARCIA PROPERTIES, LLC

By: ✓ ______________________________
Daniel L. Fisher, Manager of 580 Garcia Properties, LLC

15 Warren Street, Suite 25
Hackensack, NJ 07601
(201) 342-342-7753
Fax: (201) 342-7598
E-mail: paritz@paritz.com

Paritz & Company, P.A.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
BioZone Pharmaceuticals, Inc.
550 Sylvan Avenue, Suite 101
Englewood Cliffs, NJ 07632

Gentlemen:

We consent to the use in this Amendment No. 2 to the Registration Statement on Form S-1 of our report dated April 12, 2012, relating to the consolidated financial statements of BioZone Pharmaceuticals, Inc. for the year ended December 31, 2011 and 2010, which appears in such registration statement.

We also consent to the reference to us under the heading “Experts” in such Registration Statement.

Paritz & Company, P.A.
Hackensack, New Jersey
July 2, 2012

July 2, 2012

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Attention: Jennifer Riegel
Jeffrey P. Riedler

Re: Biozone Pharmaceuticals, Inc.
Registration Statement on Form S-1
Filed December 19, 2011
File No. 333-176951

Ladies and Gentlemen:

The following responses address the comments of the Staff (the "Staff") as set forth in its letter dated January 4, 2012 (the "Comment Letter") relating to the Registration Statement on Form S-1 (the "Registration Statement") of Biozone Pharmaceuticals, Inc. ("Biozone" or the "Company") filed on September 21, 2011 and amended on December 19, 2011. The Company is simultaneously filing Amendment No.2 to the Registration Statement (the "Amendment"). On behalf of the Company, we respond as set forth below.

The numbers of the responses in this letter correspond to the numbers of the Staff's comments as set forth in the Comment Letter.

General

1. Since you are a reporting company subject to the requirements of the Securities Exchange Act of 1934, you should respond to the comments in this letter that apply to the disclosure included in your Form 10-K or Form 10-Q within ten business days by providing the requested information or by advising us when you will provide the requested response. A few examples of disclosure that is required to be included in your registration statement and your Form 10-K or Form 10-Q include Business section, Risk Factors, Director and Officer disclosure, Beneficial Ownership Table, MD&A and Financial Statements and the notes thereto. Please review the requirements of Forms 10K and 10-Q for a detailed list of the required disclosure as compared to Form S-1.

   Response:

   The Company undertakes to apply all comments in this letter to its disclosure in its reports filed pursuant to the requirements of the Securities Exchange Act of 1934.

2. You disclose on page 1 and in response to several comments that your pharmaceuticals business does not constitute a material part of your overall business. Accordingly,
   - Please provide us with a detailed analysis which supports your belief that your pharmaceutical business is not material to your business; and
   - Please revise your disclosure under "Overview" to appropriately disclose information regarding your material portions of your business and limit your disclosure regarding your pharmaceutical business to a brief discussion in your Business section. This Overview section should only briefly discuss the material portions of your business.

Response:

The Company's pharmaceutical business, which generally consists of its research and development of proprietary drug delivery technology ("DDT"), does not constitute a material portion of the Company's overall business. The Company's DDT research and development activities are in an early stage, having commenced during the year ended December 31, 2011, and have yet to generate a delivery agent that has been tested in combination with any drug in animals or humans under testing standards required by the United States Food and Drug Administration. In addition, over 95% of the Company's annual revenue for the years ended December 31, 2011 and 2010 and investment in property plant and equipment are related to the Company's over the counter drug product and cosmetic and beauty product manufacturing business. The Company has revised its disclosure under the "Overview" section of the Amendment to briefly discuss the material portions of its business and has limited its disclosure regarding its pharmaceutical business to a brief discussion in the Business section.

3. In response to various prior comments, you state that you will file certain agreements as exhibits to your registration statement. Please promptly file each of the following as you are required to file these agreements pursuant to your requirements under the Securities Exchange Act of'1934 as well as pursuant to the requirements under the Securities Act of 1933. The agreements are as follows:
   - Prior comment 26: Confidentiality agreements and intellectual property assignment agreements with your employees;
   - Prior comment 51: Material lease agreements, including analysis of any lease agreements that are not material;
   - Prior comment 63: Agreements with your three contract manufacturing customers;
   - Prior comment 110: All loan agreements related to long-term debt; and
   - Prior comment 111: Complete copies of Exhibits 10.12-10.15, 10.22 and 10.24.

   Response:

   The Company has filed all confidentiality agreements and intellectual property assignment agreements with its employees, all material lease agreements, all loan agreements related to long term debt and complete copies of Exhibits 10.12-10.15, 10.22 and 10.24. To date, the Company has only entered into one manufacturing agreement, with its largest customer, and generally satisfies customer orders pursuant to individual purchase orders. The Company has filed this manufacturing agreement and a form of purchase order as exhibits to the Amendment.

Our History, page 2

4. You disclose that you anticipate discontinuing your prior business relating international surf resorts through the sale of your 55% ownership in ISR de Mexico, S. de R.L. de C.V. in consideration for the return and cancellation of approximately 13,948,001 shares of your common stock. Please disclose whether you are currently in negotiations for this transaction and the status. If you have entered into a letter of intent or other similar term sheet or agreement, please disclose all the material terms of such agreement and file a copy of the agreement. Alternatively, provide us with your analysis which supports your determination that such agreement is not required to be filed.

   Response:

   The Company sold its 55% ownership in ISR de Mexico, S. de R.L. de C.V. in consideration for the return and cancellation of approximately 13,948,001 of its common stock.

Business

Manufacturing Business, page 21

5. On page 5, you disclose that the FDA inspected your manufacturing facilities in January 2011 and again in November 2011. The inspections resulted in numerous observations on Form 483, which you are in the process of remediating. As of the date hereof, you have not received any additional correspondence from the FDA regarding these two inspections. The FDA may conclude that your actions are insufficient to meet regulatory standards. If compliance is deemed deficient in any significant way, it could have a material adverse effect on your business. Please expand your disclosure in this section to disclose the facilities and products which are affected by this Form 483 and provide a summary of the observations noted on the Form 483.

   Response:

   The Company has expanded its disclosure in this section to disclose the facilities affected by the Form 483, explain that the Form 483 was not related to a specific product and to provide a summary of the observations noted in the Form 483.

Customers and Marketing, page 26

6. We are re-issuing prior comment 63. Please expand your disclosure to identify your three contract manufacturing customers. In addition, please expand your disclosure to disclose all the material terms of each agreement, including the obligations of each party, the consideration received and any financial provisions, and the term and termination provisions.

   Response:

   We have expanded our disclosure regarding our contracts in the Amendment. However, we are concurrently filing a Confidential Treatment Request relating to the identities of our manufacturing customers.

Executive Compensation

Summary Compensation fable, page 33

7. We note your response to prior comment 75 and your disclosure in footnotes (2) and (5). These disclosures do not appear to be consistent with the biographies provided on page 31. Please advise or revise your disclosure.

   Response:

   Brian Keller, the Company's current President and Chief Scientific Officer, served as Biozone Laboratories' principal executive officer for the fiscal year ended December 31, 2010. Following the Company's purchase of the assets and assumption of the liabilities of Aero Pharmaceuticals, Inc., on May 16, 2011, Elliot Maza was appointed as the Company's Interim Chief Executive Officer, Financial Officer and Secretary.

Certain Relationships and Related Transactions, page 35

8. You disclose that Daniel Fisher, your Executive Vice President, has advanced funds to you (or working capital. You also disclose that you are in dispute with Mr. Fisher as to the balance due. Please file copies of all written agreements or summaries of the oral agreements related to these advanced funds as exhibit(s) pursuant to Item 601 (b)(10)(ii)(A) of Regulation S-K. In addition, please disclose the amount in dispute.

Response:

The Company has filed copies of all agreements related to these advanced funds and has disclosed the amount in dispute.

Plan of Distribution, page 40

9. You disclose that Aero intends to make a pro-rata distribution to holders of the common stock of Aero of record no later than December 31, 2011 of the shares of common stock of the Company held by Aero. Please revise your registration throughout to reflect this distribution.

Response:

Aero transferred the 8,345,310 shares of our common stock to the Aero Liquidating Trust in December 2011, which is holding the shares for the benefit of the holders of the common stock of Aero Pharmaceuticals, Inc. of record on December 31, 2011 (the "Aero Record Date Holders"). The Aero Liquidating Trust intends to make a pro-rata distribution to the Aero Record Date Holders of the appropriate number of units in the trust representing the right to receive the appropriate number of whole shares of the Company's common stock upon the registration of such shares under federal securities laws or at such time that they may be distributed pursuant to an exemption from the registration requirements, subject to the right of the trustee to sell the shares and distribute the proceeds. The Company has informed the Aero Liquidating Trust that it will make a cash payment, in lieu of issuing fractional shares, to the Aero Record Date Holders who would otherwise be entitled to receive fractional shares upon the distribution of the trust units by the Aero Liquidating Trust. Upon the trust's pro-rata distribution to its shareholders of units in the trust representing the right to receive the appropriate number of whole shares of the Company's common, the Company will file a post-effective Rule 424(b) prospectus supplement to update the selling shareholder table to reflect this transfer from the trust.

Biozone Pharmaceuticals Inc. Consolidated financial Statements, page F-1

10. We note your response to prior comment 89 yet we did not see a Statement of Stockholders' Equity for the Nine Months Ended September 30, 2011. Given the significant transactions that occurred during this period, please revise your filing to include this information.

Response:

The Amendment includes the financial statements for the year ended December 31, 2011, which includes a Statement of Stockholders' Equity for the year ended December 31, 2011.

Biozone Pharmaceuticals, Inc. Consolidated Balance Sheets, page F-2

11. We noted that several of the line items in the financial statements for the amounts at December 31, 2010 do not agree with the sum of the historical financial statements of the Biozone Lab Group: Biozone Lab, Equachem and Equalan. Please provide us a reconciliation of the differences and ensure the pro forma information reflects any changes that are required.

    Response:

    The financial statements provided in the Amendment include a reconciliation of the line items in the financial statements for December 31, 2010 to the historical financial statements of BioZone Lab Group. As shown in the reconciliation, the differences relate to (a) elimination of intercompany balances within the historical financial statements, (b) the presentation of BioZone Pharmaceuticals' financial statements at December 31, 2010, (c) the effect of the reverse merger to the historical financial statements and (d) reclassifications.

Note 1- Business, page F-5

12. We note your response to prior comment 90. Please tell us why, given the fact that Biozone Pharmaceuticals' shareholders own the majority of the voting rights of the combined company and that the top two management members (the Chairman and Chief Executive Officer/Chief Financial Officer/Secretary) were from Biozone Pharmaceuticals, you believe that BioZone Lab Group is the acquiring company that obtained control of the acquiree. Please reference ASC 805-10-55-1() through ASC 80510-55-15 and tell us why you believe the attributes for BioZone Lab Group are greater than those of Biozone Pharmaceuticals. In addition, please tell us the sales revenue for Aero Pharmaceuticals (Baker Cummins products) for the year ended December 31, 2010 and any subsequent 2011 interim period. You state that 100% of the combined entity's revenues came from I3ioZone Lab Group but Aero Pharmaceuticals was included in Biozone Pharmaceuticals at the time of the acquisition with BioZone Lab Group. If the Baker Cummins skin product line does not generate any revenue, please clarify this in your filing.

    Response:

    ASC 805-10-55-13 states, "The acquirer usually is the combining entity whose relative size (measured in, for example, assets, revenues, or earnings) is significantly larger than that of the other combining entity or entities".

    The Company analyzed the relative size of the companies in order to determine the accounting acquirer. For the year ended December 31, 2010, sales of the BioZone Lab Group aggregated $15.2 million whereas sales of Aero Pharmaceuticals were $331,000 for the same period. BioZone Pharmaceuticals (International Surf prior to the change in name) had no revenues for the same period. In addition, total assets for the BioZone Lab Group were $7.5 million at December 31, 2010, whereas Aero Pharmaceuticals had assets of $963,000 and International Surf had $89,000 in total assets as of that date. The Company's Chairman and top officers were appointed after the purchase agreement was made, and in contemplation of the merger. In addition, there was a change in voting rights just prior to the acquisitions that also were made in contemplation of the merger taking place. These factors led to the conclusion that the BioZone Lab Group was the acquirer for accounting purposes.

13. We note your response to prior comment 91 and your statement that you believe that the Biozone Lab Group is the accounting acquirer. Please confirm that the Baker Cummins/Aero financial statements have not been included in the December 31, 2010 historical financial statements. In this regard, we note that Aero was acquired by the accounting acquiree (legal acquirer), not the accounting acquirer.

Response:

The Baker Cummins/Aero financial statements have not been included in the December 31, 2010 historical financial statements.

14. Please tell us why the financial statements of Aero are not required to be tiled pursuant to Rule 3-05 of Regulation S-X. Provide your materiality analysis to clarify why the financial statements are not required.

Response:

The Company believes that the financial statements of Aero are not required to be filed as they were filed on form 8-K on May 19, 2011 pursuant to Rule 3-05 of Regulation S-X, financial statements of businesses acquired.

15. We note your response to prior comment 93. Please tell us the individual percentage ownership of Daniel Fisher, Brian Keller, Nian Wu and Christian Oertle for each entity within the BioZone Lab Group and whether any are immediate family members. In addition, please tell us if there is any legally binding agreement to ensure the group of shareholders acts in concert. Lastly, please tell us if any of these individuals held an interest in Aero Pharmaceuticals prior to the acquisition of Aero, and if so, the percentage of ownership interest.

Response:

Daniel Fisher, Brian Keller, Nian Wu and Christian Oertle owned the following percentage ownerships in each entity within the BioZone Lab Group immediately prior to the merger:

	Dan Fisher	Brian Keller	Christian Oertle	Nian Wu	Totals
Biozone Laboratories, Inc.					
% Ownership	31.67%	31.67%	5.00%	31.67%	100.00%
Equalan LLC					
% Ownership	31.67%	31.67%	5.00%	31.67%	100.00%
Equachem LLC					
% Ownership	31.67%	31.67%	5.00%	31.67%	100.00%
BetaZone, LLC					
% Ownership	14.25%	14.25%	2.25%	14.25%	45.00%

None of these individuals are related by family relationships and there is no formal or informal agreement to ensure this group of shareholders acts in concert. None of these individuals held an interest in Aero Pharmaceuticals prior to the acquisition of Aero.

16. We note your response to prior comment 94. Please clarify how you determined that BetaZone was an entity under common control. Please tell us what percentage of ownership was held by a Biozone Group shareholder and name that shareholder.

Response: The Company determined that BetaZone was an entity under common control because Daniel Fisher, Brian Keller, Christian Oertle and Nian Wu, being all of the BioZone Group shareholders, owned the following percentage ownership in BetaZone immediately prior to the merger:

Dan Fisher	**Brian Keller**	**Christian Oertle**	**Nian Wu**	**Totals**
14.25%	14.25%	2.25%	14.25%	45.00%

Note 3 — Aero Acquisition, page F-7

17. We note your response to prior comment 95. Please disclose that you have yet to determine the qualitative factors that make up goodwill for the Aero Pharmaceutical acquisition and disclose the timing for when you think the tangible and intangible assets acquired will he identified and valued. Refer to ASC 805-30-50-3.

Response:

The Company has revised its disclosure to describe the qualitative factors that make up goodwill for the Aero Pharmaceuticals acquisition and has identified and valued the tangible and intangible assets acquired.

Note 5 — Convertible Notes Payable, page F-8

18. We note your response to prior comment 97. Please tell us how you determined that the embedded conversion option and warrants are not derivatives pursuant to ASC 815. Consider any anti-dilution features pursuant to ASC 815-40. Please reference any relevant accounting literature and provide an analysis of your accounting for each security. In addition, if you determine that they are embedded derivatives that you cannot separate from the convertible notes, please tell us how you determined that the entire contract did not require fair value accounting due to your inability to reliably measure the embedded derivatives. Refer to ASC 815-15-25-52 and ASC 815-15-25-53.

Response:

The Company has reevaluated the warrants issued and has determined that they meet the criteria to be classified as a derivative pursuant to ASC 815. The Company has accounted for the warrants as derivatives, which have been reflected in the financial statements for the year ended December, 31, 2011. The embedded conversion option in connection with our convertible debt could not be exercised unless and until we completed a “Qualifying Financing” transaction, as such term was defined in the notes. Accordingly, we determined based on authoritative guidance that the embedded conversion option is deemed to be a contingent conversion rather than an active conversion option that did not require accounting recognition at the commitment dates of the issuances of the convertible notes.

Biozone Laboratories, Inc. Consolidated Financial Statements

Note 2 — Summary of Significant Accounting Policies, page F-17

19. We note your response to prior comment 98 and your related expanded disclosure regarding 580 Garcia Properties, LLC. As previously requested, please provide us your analysis as to how you determined that 580 Garcia Properties, LLC was a variable interest entity requiring consolidation. Refer to ASC 810-10-25. Ensure that your analysis addresses the percentage of the fair value of the asset for which you guarantee (the 20,000 square foot cGMP facility) to the total fair value amount of the assets in 580 Garcia Properties, LLC. Refer to ASC 810-10-25-55 through 810-10-25-56.

Response:

580 Garcia Properties, LLC is the legal owner of the property located at 580 Garcia Avenue, Pittsburg, California, which is used by BioZone Laboratories for offices and factory operations. The Company has concluded that 580 Garcia Properties, LLC should be considered a variable interest entity of the Company based on the following factors:

- The members of 580 Garcia Properties, LLC are Daniel Fisher and Sharon Fisher, who collectively owned 32% of BioZone Laboratories of the BioZone Labs Group prior to the merger with the BioZone Pharmaceuticals, Inc.

- BioZone Laboratories is the sole tenant of the property and has guaranteed 100% of the mortgage on the property. The mortgage balance is approximately $2,378,000, which constitutes 182% of the property's current fair market value of $1,300,000

- The lease between BioZone Laboratories and 580 Garcia Properties, LLC provides for monthly rental equal to the amount of the mortgage payment plus an additional amount

- 580 Garcia Properties, LLC's only asset is the building and it lacks the resources to finance the property without subordination or support from the Company.

Equalan Pharma, LLC Consolidated Financial Statements

Note 4 — Related Parties, page F-32

20. We note your response to prior comment 99. Please revise your disclosure to clarify that the trade receivables from a company under common ownership are due to a direct loan and not sales.

Response:

The Company has revised its disclosure to clarify that the trade receivables from a company under common ownership are due to a direct loan and not sales.

Pro Forma Financial Information, page F-41

21. In your response to prior comment 105 you noted that the company presented pro forma statement of operations for the period ended September 30, 2011 yet the pro forma information beginning on page F-41 is as of March 31, 2011. The information should be as of the most recent interim period, September 30, 2011. In addition, the pro forma Statement of Operations should also show the pro forma information as of the most recent fiscal year end, December 31, 2010. Please revise your filing accordingly.

Response:

The financial statements for September 30, 2011 are shown on a consolidated basis post acquisition. The Company understands a pro forma to reflect a transaction that has happened after a specific date to show what the historical financial statement would have looked like if the transaction had happened as of the date of the historical financials. Because the September 30, 2011 financials are consolidated, the Company did not consider filing pro forma statements as the end result would have been the same as the consolidated financial statements. The Company filed the pro forma statements for December 31, 2010 to reflect what the acquisition would have reflected if it had happened as of that period. The Company filed the pro forma statement of operations for March 31, 2011 to comply with the SEC's previous comment 105.

Item 15. Recent Sales of Unregistered Securities, page 11-2

22. We note your response to prior comment 106. Please promptly file your Form D for your unregistered offering completed on March 29, 2011 for the issuance of 10% secured convertible promissory notes in the aggregate principal amount of $2,250,000. See Guidance on Form D Filing Process located at http://www.sec.f.4ovidivisions/corplinliormdfilina.htm.

Response:

The Company filed a Form D for this unregistered offering completed on April 26, 2012.

Exhibit 5.1

23. We are re-issuing prior comment 112. Please file a revised opinion that removes the statement "and will be, when issued in the manner described in the Registration Statement" from this opinion.

Response:

The Company has filed a revised opinion that removes the statement "and will be, when issued in the manner described in the Registration Statement" from this opinion.

***

The Company hereby acknowledges the following:

- The Company is responsible for the adequacy and accuracy of the disclosures in the filings;
- Staff comments or changes to disclosures in response to staff comments do not foreclose the Commission from taking any action with respect to the filings; and
- The Company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please do not hesitate to contact the undersigned at 201-608-5101 if you have any questions or comments. Thank you.

Very truly yours,

/s/ Elliot Maza

Elliot Maza

Cc: Harvey Kesner, Esq.
Sichenzia Ross Friedman Ference LLP