As filed with the Securities and Exchange Commission on July 17, 2018

Registration No. 333--225675

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

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CELLECTAR BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**04-3321804**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

3301 Agriculture Drive, Madison, WI 53716
Telephone (608) 441-8120
(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

James V. Caruso
President and Chief Executive Officer
Cellectar Biosciences, Inc.
3301 Agriculture Drive, Madison, WI 53716
Telephone (608) 441-8120
(Name, address, including zip code and telephone number, including area code, of agent for service)

With copies to:

Gregory J. Lynch, Esq.	**Michael F. Nertney**
Joshua B. Erekson, Esq.	**Ellenoff Grossman & Schole LLP**
Michael Best & Friedrich LLP	**1345 Avenue of the Americas**
One South Pinckney Street, Suite 700	**New York, NY 10105-0302**
Madison, Wisconsin 53703	**(212) 370-1300**
(608) 257-3501	

From time to time after the effectiveness of this registration statement.
(Approximate date of commencement of proposed sale to the public)

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 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 check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer (do not check if a smaller reporting company) ☐	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered (1)	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee (2)(3)
Common Stock, par value $0.00001 per share	$ 4,200,000	$ 523
Preferred Stock, par value $0.00001 per share	9,600,000	1,196
Common Stock issuable upon conversion of Preferred Stock (4)		
Warrants to purchase Common Stock		
Common Stock issuable upon exercise of Warrants	13,800,000	1,719
Total	$ 27,600,000	$ 3,438

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, the securities being registered hereunder include such indeterminate number of additional securities as may be issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions.
(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.
(3) Of this amount, $1,245 has already been paid.
(4) No separate fee is required pursuant to Rule 457(i) under the Securities Act.

Explanatory Note

At a special meeting held on July 12, 2018, our stockholders approved an amendment to our certificate of incorporation to effect a reverse split of our common stock at a ratio between 1:5 to 1:10 and authorized our board of directors (the "Board") to determine the ratio at which the reverse split would be effected. The Board authorized the ratio of the reverse split, and effective at the close of business on July 16, 2018, our certificate of incorporation was amended to effect a 1-for-10 reverse split of our common stock (the "2018 Reverse Split"). All share and per share numbers included in this registration statement give effect to the 2018 Reverse Split.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant files a further amendment that specifically states that this registration statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement becomes effective on such date as the Securities and Exchange Commission, acting pursuant to 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 (the "SEC") is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION, DATED JULY 17, 2018**

320,427 Shares of Common Stock, 1,602,136 Warrants to Purchase Shares of Common Stock and 960 Shares of Series C Convertible Preferred Stock

We are offering up to 320,427 shares of common stock, together with warrants (the "Series E Warrants") to purchase up to 320,427 shares of common stock at an assumed combined public offering purchase price of $7.49 per fixed combination of a share of common stock and a warrant to purchase one share of common stock (and the shares issuable from time to time upon exercise of the warrants) pursuant to this prospectus. The shares and warrants will be separately issued, but the shares and warrants will be issued and sold to purchasers in the ratio of one to one. Each Series E Warrant will have an exercise price of $ per share, will be exercisable upon issuance and will expire five years from the date of issuance. The warrants will be issued in book-entry form pursuant to a warrant agency agreement between us and American Stock Transfer and Trust Company, as warrant agent.

We are also offering to those purchasers, whose purchase of shares of common stock in this offering would result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding common stock following the consummation of this offering, the opportunity to purchase, if they so choose, in lieu of the shares of our common stock that would result in ownership in excess of 4.99% (or 9.99% at the election of each purchaser), 960 shares of Series C convertible preferred stock ("Series C Preferred Stock"), convertible at any time at the holder's option into a number of shares of common stock equal to $10,000 divided by $7.49 (the "Conversion Price") (or 1,335 shares of common stock for each share of Series C Preferred Stock converted), at an assumed public offering price of $10,000 per fixed combination of a share of Series C Preferred Stock and a Series E Warrant to purchase 1,335 shares of common stock (and the shares issuable from time to time upon exercise of the warrants and conversion of the preferred stock) pursuant to this prospectus.

Our common stock is listed on the Nasdaq Capital Market under the symbol "CLRB." On July 16, 2018, the last reported sale price of our common stock on the Nasdaq Capital Market was $7.49 per share. All shares of common stock, Series E Warrants and Series C Preferred Stock numbers are based on an assumed combined public offering price of $7.49 per share of common stock and warrant, at an assumed combined public offering price of $10,000 per share of Series C Preferred Stock and related warrants, and an assumed conversion price of $7.49 per share.

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 13 of this prospectus for more information.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Per Share of Common Stock and Series E Warrant	Per Share of Series C Preferred Stock and Series E Warrant	Total
Public offering price[(1)]	$	$	$
Underwriting discount[(2)(3)]	$	$	$
Proceeds, before expenses, to us	$	$	$

(1) The public offering price and underwriting discount corresponds to (i) a public offering price per share of common stock of $, (ii) a public offering price per warrant of $ and, (iii) a public offering price per share of Series C Preferred Stock of $.

(2) We have also agreed to reimburse the underwriters for certain expenses. See "Underwriting."

(3) We have granted a 45-day option to the underwriters to purchase additional shares of common stock and/or warrants (up to 15% of the number of shares of common stock (including the number of shares of common stock issuable upon conversion of shares of Series C Preferred Stock) and warrants sold in the primary offering) from us solely to cover over-allotments, if any. The shares of common stock and/or warrants issuable upon exercise of the underwriters' option are identical to those offered by this prospectus

and have been registered under the registration statement of which this prospectus forms a part.

The underwriters expect to deliver the securities to purchasers in the offering on or about , 2018.

Sole Book-Running Manager

Ladenburg Thalmann

Co-Manager

CIM Securities, LLC

The date of this prospectus is , 2018.

TABLE OF CONTENTS

	Page
FORWARD-LOOKING STATEMENTS	3
PROSPECTUS SUMMARY	4
RISK FACTORS	13
USE OF PROCEEDS	28
CAPITALIZATION	29
MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	30
DILUTION	31
BUSINESS	32
MANAGEMENT	47
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	50
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	51
DESCRIPTION OF SECURITIES	52
UNDERWRITING	57
LEGAL MATTERS	60
EXPERTS	60
WHERE YOU CAN FIND MORE INFORMATION	60
INCORPORATION OF DOCUMENTS BY REFERENCE	61
GLOSSARY OF CERTAIN SCIENTIFIC TERMS	62

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this prospectus in connection with the offer contained in this prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by us.

Neither the delivery of this prospectus nor any sale made hereunder will, under any circumstances, create an implication that there has been no change in our affairs since the date hereof. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities other than those specifically offered hereby or of any securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. In this prospectus, references to "Cellectar Biosciences, Inc.," "Cellectar Biosciences," "Cellectar," "the Company," "we," "us," and "our," refer to Cellectar Biosciences, Inc.

This prospectus has been prepared based on information provided by us and by other sources that we believe are reliable. This prospectus summarizes certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents, if any, for a more complete understanding of what we discuss in this prospectus. All of such documents are filed as exhibits to the registration statement of which this prospectus is a part. In making a decision to invest in the securities offered in this prospectus, you must rely on your own examination of us and the terms of the offering and securities offered in this prospectus, including the merits and risks involved.

We are not making any representation to you regarding the legality of an investment in the securities offered in this prospectus under any legal investment or similar laws or regulations. You should not consider any information in this prospectus to be legal, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in our securities.

You should read and consider the information in the documents to which we have referred you under the captions "Where You Can Find More Information" and "Incorporation of Documents by Reference" in this prospectus. You may rely only on the information contained in or incorporated by reference into this prospectus or to which we have referred you.

On July 16, 2018, we effected a reverse stock split at a ratio of 1-for-10. All share and per share information presented herein has been retroactively restated to reflect the reverse split.

Please refer to the Glossary of Certain Scientific Terms on page 62 of this prospectus for definitions of certain technical and scientific terms used throughout this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus, including the documents that we incorporate by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Examples of our forward-looking statements include:

- our current views with respect to our business strategy, business plan and research and development activities;
- the progress of our product development programs, including clinical testing and the timing of commencement and results thereof;
- our projected operating results, including research and development expenses;
- our ability to continue development plans for CLR 131, CLR 1700 series, CLR 1800 series, CLR 1900 series, CLR 2000 series, CLR 2100 series and CLR 2200 series;
- our ability to maintain orphan drug designation in the United States (the "U.S.") for CLR 131 as a therapeutic for the treatment of multiple myeloma, neuroblastoma, rhabdomyosarcoma and Ewing's sarcoma, and the expected benefits of orphan drug status;
- our ability to pursue strategic alternatives;
- our anticipated use of proceeds from this offering;
- our ability to advance our technologies into product candidates;
- our consumption of current resources and ability to obtain additional funding;
- our current view regarding general economic and market conditions, including our competitive strengths;
- assumptions underlying any of the foregoing; and
- any other statements that address events or developments that we intend or believe will or may occur in the future.

In some cases, you can identify forward-looking statements by terminology such as "expects," "anticipates," "intends," "estimates," "plans," "believes," "seeks," "may," "should," "could" or the negative of such terms or other similar expressions. Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Forward-looking statements also involve risks and uncertainties, many of which are beyond our control. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this prospectus.

You should read this prospectus and the documents that we reference herein and therein and have filed as exhibits to the registration statement, of which this prospectus is part, completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or such prospectus supplement. Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the information presented in this prospectus and any accompanying prospectus supplement, and particularly our forward-looking statements, by these cautionary statements.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our securities, you should carefully read this entire prospectus, including the documents to which we have referred you under the headings "Where You Can Find More Information" and "Incorporation of Documents by Reference" and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case, included elsewhere in this prospectus or incorporated herein by reference.

Overview

We are a clinical stage biopharmaceutical company focused on the discovery, development and commercialization of drugs for the treatment of cancer. Our core objective is to leverage our proprietary phospholipid drug conjugate™ ("PDCs™") delivery platform to develop PDCs that specifically target cancer cells to deliver improved efficacy and better safety as a result of fewer off-target effects. The PDC platform possesses the potential for the discovery and development of the next generation of cancer-targeting treatments, and we plan to develop PDCs independently and through research and development collaborations.

CLR 131 and PDC Platform

Our lead PDC candidate, CLR 131, provides targeted delivery of the cytotoxic (cell-killing) radioisotope iodine 131. CLR 131 is in a Phase 2 study in relapsed or refractory ("R/R") multiple myeloma ("R/RMM") and a range of other B-cell malignancies, and a Phase 1 clinical study for R/RMM. We are currently initiating a Phase 1 study for pediatric solid tumors and lymphomas and are planning a second Phase 1 study of CLR 131 in combination with external beam radiation for head and neck cancer ("HNC") at the University of Wisconsin Madison. Our pipeline also includes two preclinical PDC chemotherapeutic programs, CLR 1700 and 1900. CLR 1700 possess a Burton's tyrosine kinase ("BTK") inhibitor payload and is targeted for development in hematologic cancers, and CLR 1900 is being developed for solid tumors with a payload that inhibits mitosis (cell division), which is a validated pathway for cell apoptosis.

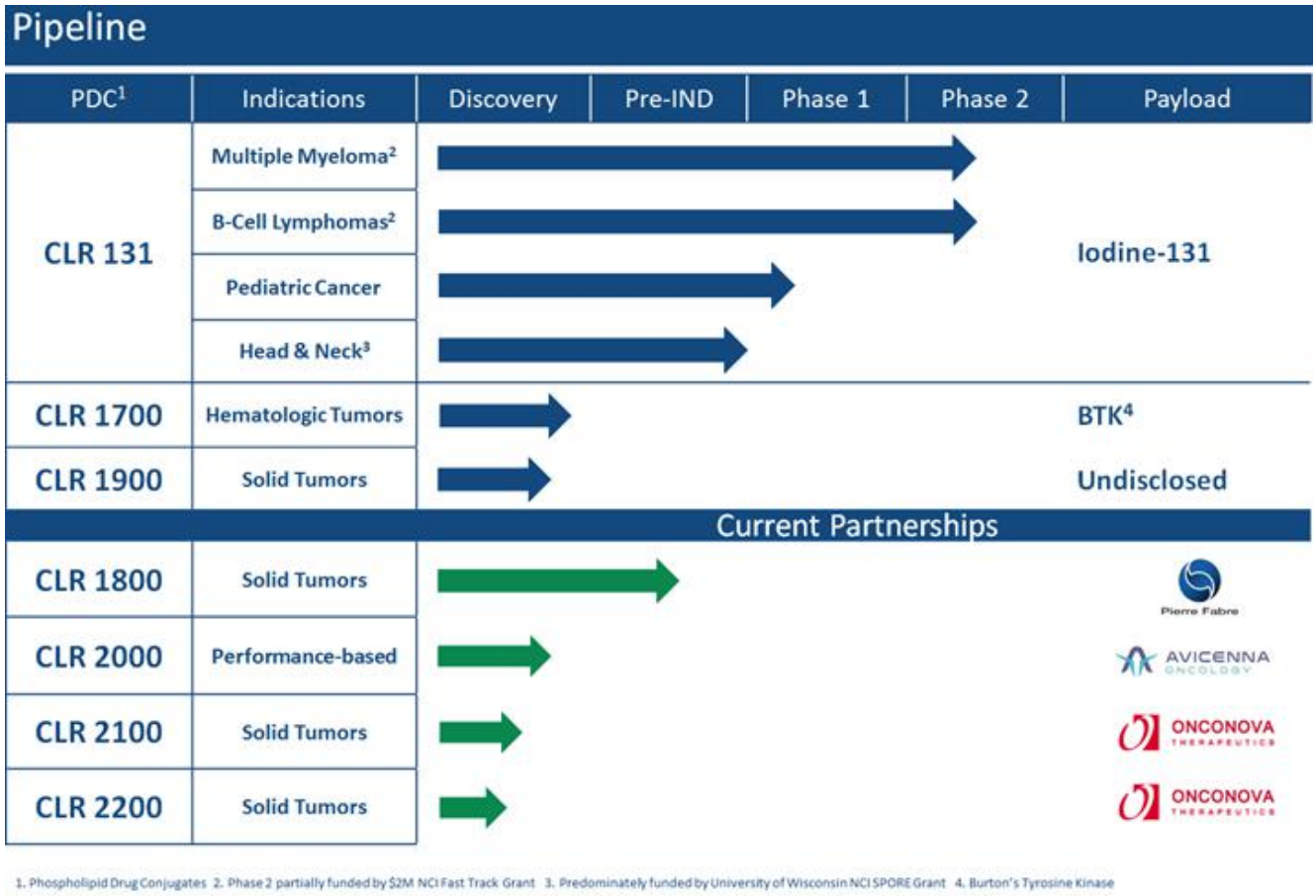
We have leveraged our PDC platform to establish three active collaborations featuring four unique payloads and mechanisms of action. Through research and development collaborations, our strategy is to generate near-term capital, supplement internal resources, gain access to novel molecules or payloads, accelerate product candidate development and broaden our proprietary and partnered product pipelines.

Our PDC platform provides selective delivery of a diverse range of oncologic payloads to cancerous cells, whether a hematologic cancer or solid tumor, the primary tumor, or a metastatic tumor and cancer stem cells. Our PDC platform takes advantage of a metabolic pathway utilized by all tumor cell types in all stages of the tumor "cycle." This allows the PDC molecules to gain access to the intracellular compartment of the tumor cells and for the PDCs to continue to accumulate over time, which enhances drug efficacy. The PDC platform's mechanism of entry does not rely upon specific cell surface epitopes or antigens as are required by other targeted delivery platforms. Specific cell surface epitopes are limited in number on the cell surface, undergo internalization and cycling upon binding, and are not present on all tumor cells of a particular cancer type. This means a subpopulation of tumor cells will always remain. In addition to the benefits provided by the mechanism of entry, PDCs offer the potential advantage of having the ability to be conjugated to molecules in numerous ways, thereby increasing the types of molecules selectively delivered via the PDC.

The PDC platform features include the capacity to link with almost any molecule and provide a significant increase in targeted oncologic payload delivery and the ability to target all tumor cells. As a result, we believe that we can generate PDCs to treat a broad range of cancers with the potential to improve the therapeutic index of oncologic drug payloads, enhance or maintain efficacy while reducing adverse events by minimizing drug delivery to healthy cells, and increasing delivery to cancerous cells and cancer stem cells.

We employ a drug discovery and development approach that allows us to efficiently design, research and advance drug candidates. Our iterative process allows us to rapidly and systematically produce multiple generations of incrementally improved targeted drug candidates.

Clinical Pipeline



CLR 131 is a small-molecule, cancer-targeting radiotherapeutic PDC designed to deliver cytotoxic radiation directly and selectively to cancer cells and cancer stem cells. CLR 131 is our lead therapeutic PDC product candidate and is currently being evaluated in both Phase 2 and Phase 1 clinical studies. The Investigational New Drug ("IND") application was accepted by the U.S. Food and Drug Administration (the "FDA") in March 2014. The Phase 2 study is evaluating CLR 131 as a potential therapy for R/RMM and was initiated in November of 2017. The primary goal of the study is to assess the compound's efficacy in a broad range of hematologic cancers. The Phase 1 study is assessing the compound's safety and tolerability in patients with R/RMM and was initiated in April 2015. This clinical study is a standard three-by-three dose escalation safety study. Multiple myeloma is an incurable cancer of the plasma cells and is the second most common form of hematologic cancers. This cancer type was selected for clinical, regulatory and commercial rationales, including multiple myeloma's highly radiosensitive nature and continued unmet medical need in the relapse/refractory setting, and has been determined to be a rare disease by the FDA based upon the current definition within the Orphan Drug Act. The primary goal of the Phase 1 study is to assess the compound's safety and tolerability in patients with R/RMM. Secondary objectives include the evaluation of therapeutic activity by assessing surrogate efficacy markers, which include M protein, free light chain ("FLC"), progression free survival ("PFS") and overall survival ("OS").

In December 2014, the FDA granted orphan drug designation for CLR 131 for the treatment of multiple myeloma. In March 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of neuroblastoma and the FDA subsequently granted a Rare Pediatric Disease Designation ("RPDD") for CLR 131. In May 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of rhabdomyosarcoma and the FDA subsequently granted an RPDD for CLR 131. In July 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of Ewing's sarcoma. The FDA previously accepted our IND application for a Phase 1 open-label, dose-escalating study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers including neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. We are currently initiating this Phase 1 study.

Phase 2 Study in Patients with R/R select B-Cell Malignancies

In July 2016, we were awarded a $2,000,000 National Cancer Institute Fast-Track Small Business Innovation Research grant to further advance the clinical development of CLR 131. The funds are supporting the Phase 2 study initiated in March 2017 to define the clinical benefits of CLR 131 in R/RMM and other niche hematologic malignancies with high unmet clinical need. These niche hematologic malignancies include Chronic Lymphocytic Leukemia, Small Lymphocytic Lymphoma, Marginal Zone Lymphoma, Lymphoplasmacytic Lymphoma and Diffuse Large B-Cell Lymphoma. The study will be conducted in approximately 10 top U.S. cancer centers in patients with orphan-designated relapse or refractory hematologic cancers. The study's primary endpoint is clinical benefit response, with additional endpoints of PFS, median OS and other markers of efficacy following a single 25.0 mCi/m^2 dose of CLR 131, with the option for a second 25.0 mCi/m^2 dose approximately 75-180 days later.

Phase 1 Study in Patients with R/R Multiple Myeloma

CLR 131 in combination with dexamethasone is currently under investigation in a Phase 1 trial in adult patients with R/RMM following treatment with both a proteasome inhibitor and an immunomodulatory agent. All patients have been heavily pretreated. To date, four dose cohorts have been examined: 12.5 mCi/m^2, 18.75 mCi/m^2, 25 mCi/m^2, and 31.25 mCi/m^2, all in combination with 40 mg dexamethasone weekly. 18 patients have been dosed to date and an independent Data Monitoring Committee has confirmed all four dose levels safe and tolerable. Of the five patients in the first cohort, four achieved stable disease (one patient progressed at Day 15 after administration and was taken off the study). Of the five patients that have been admitted to the second cohort, four achieved stable disease (one patient progressed at Day 41 after administration and was taken off study). Four patients were enrolled to the third cohort and all achieved stable disease. In September 2017, Cohort 4 results were announced and these results showed that a single 30 minute infusion of 31.25mCi/m^2 of CLR 131 was safe and well tolerated by the three patients in the cohort. Additionally, all three patients experienced clinical benefit with one patient achieving a partial response ("PR"). We are monitoring response rates via surrogate markers of efficacy including M protein and FLC. The International Myeloma Working Group defines a PR as a greater than or equal to 50% decrease in FLC levels (for patients in whom M protein is unmeasurable) or 50% decrease in M protein. The patient experiencing a PR had an 82% reduction in FLC. This patient did not produce M protein, received seven prior lines of treatment including radiation, stem cell transplantation and multiple triple combination treatments including one with daratumumab that was not tolerated. One patient experiencing stable disease attained a 44% reduction in M protein. We have recently converted the Phase 1a clinical data (single CLR 131 dose) to pooled data for presentation of the total performance of the results to date as the pooled data is more likely to be reflective of larger Phase 2/3 clinical studies. This is beneficial as it is a compilation of all the data and results in an N of 15, which gives the data more weight and a sense of maturity compared to reporting on individual cohorts with an N of 3-4 in each. As of February 2018, the preliminary pooled OS data from the first four cohorts was 15.0 months.

Based on the safety observed to date as well as various efficacy signals, including reductions in M protein and FLC and the fact that we have not yet reached median OS, we modified the protocol to begin a second part and a cohort 5, the main objective of which is to determine an optimal dose-range for CLR 131. Cohort 5 is actively enrolling and should be completed by the end of the second quarter of 2018. In this cohort, we split the 31.25 mCi/m^2 dose into two 30-minute infusions of 15.625 mCi/m^2 each given approximately one week apart.

Phase 1 Study in R/R Pediatric Patients with Select Solid Tumors, Lymphomas and Malignant Brain Tumors

On December 14, 2017, we filed an IND application with the Division of Oncology at the FDA for a proposed Phase 1 study of CLR 131 in children and adolescents with select rare and orphan designated cancers. The Phase 1 clinical trial of CLR 131 is an open-label, sequential-group, dose-escalation study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers including neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. Secondary objectives of the study are to identify the recommended Phase 2 dose of CLR 131 and to determine preliminary antitumor activity (treatment response) of CLR 131 in children and adolescents. In March 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of neuroblastoma, a rare pediatric cancer, in May 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of rhabdomyosarcoma and in July 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of Ewing's sarcoma. We are currently initiating this Phase 1 study.

The study will be initiated with the pediatric oncologists and Nuclear Medicine/Radiology Group at the University of Wisconsin Carbone Cancer Center ("UWCCC"). Investigators at UWCCC have demonstrated uptake of CLR 131 and other fluorescently and isotopically tagged PDCs across a wide range of childhood solid cancer cell lines, including Ewing's sarcoma, rhabdomyosarcoma, pediatric brain tumors such as high-grade gliomas, medulloblastoma and atypical teratoid rhabdoid tumor. In subsequent testing in mouse xenograft models of neuroblastoma, Ewing's sarcoma, rhabdomyosarcoma and osteosarcoma, CLR 131 provided significant benefits on tumor growth rates and survival.

Phase 1 Study in R/R Head and Neck Cancer

In August 2016, the UWCCC was awarded a five-year Specialized Programs of Research Excellence grant from the National Cancer Institute to improve treatments and outcomes for head and neck cancer, HNC, patients. HNC is the sixth most common cancer across the world with approximately 56,000 new patients diagnosed every year in the U.S. As a key component of this grant, the UWCCC researchers will test CLR 131 in various animal HNC models as well as initiating the first human clinical trial combining CLR 131 and external beam radiation in patients with recurrent HNC. The UWCCC is currently anticipated to initiate this clinical trial in the second half of 2018.

Preclinical Pipeline

- CLR 1700 Series is an internally developed PDC program leveraging a payload that inhibits BTK and is designed to treat a broad range of hematologic cancers. The payload provides further specificity by targeting a pathway within hematologic cancers that is significantly upregulated in comparison to normal tissue. We believe that this additional level of targeting will allow us to provide a new drug candidate that has the ability to significantly improve patient outcomes. Leveraging our iterative discovery and screening process, we have been able to accelerate the development of this program.

- CLR 1800 Series is a collaborative PDC program with Pierre Fabre that was entered into in December 2015 and extended in October 2017. Pierre Fabre is the third largest French pharmaceutical company with an extensive oncology research and development infrastructure. The objective of the collaboration is to leverage Cellectar's expertise in conjugation, linker chemistry and phospholipid ether chemistry to codesign a library of PDCs employing Pierre Fabre's chemotherapeutics. The newly developed PDCs may provide enhanced therapeutic indices to otherwise highly potent, nontargeted payloads through the targeted delivery to cancer cells provided by our proprietary phospholipid ether delivery platform. Significant progress has been achieved, including showing improved tolerability in animal models, and the program continues to rapidly advance with a number of PDC molecules being evaluated for candidate selection and progression to IND enabling studies.

- CLR 1900 Series is an internally developed proprietary PDC program leveraging a novel small molecule cytotoxic compound as the payload. The payload inhibits mitosis (cell division) and targets a key pathway required to inhibit rapidly dividing cells that results in apoptosis. We believe that this program could produce a product candidate targeted to select solid tumors. Currently, the program is in early preclinical development.

- CLR 2000 Series is a collaborative PDC program with Avicenna Oncology, or Avicenna, that we entered into in July 2017. Avicenna is a leading developer of antibody drug conjugates ("ADCs"). The objective of the research collaboration is to design and develop a series of PDCs utilizing Avicenna's proprietary cytotoxic payload. Although Avicenna is a leading developer of ADCs, this collaboration was sought as a means to overcome many of the challenges associated with ADCs, including those associated with the targeting of specific cell surface epitopes.

- CLR 2100 and 2200 Series are collaborative PDC programs with Onconova Therapeutics, Inc., or Onconova, that we entered into in September 2017. Onconova is a biotechnology company specializing in the discovery and development of novel small molecule cancer therapies. The collaboration is structured such that we will design and develop a series of PDCs utilizing different small molecules that Onconova was developing as payloads with the intent to show improved targeting and specificity to the tumor. At least one of the molecules was taken into Phase 1 clinical trials previously by Onconova. We would own all new intellectual property associated with the design of the new PDCs, and both companies will have the option to advance compounds.

We believe our PDC platform has potential to provide targeted delivery of a diverse range of oncologic payloads, as exemplified by the product candidates listed above, that may result in improvements upon current standard of care for the treatment of a broad range of human cancers.

Our shares are listed on the Nasdaq Capital Market under the symbol "CLRB." Before August 15, 2014, our shares were quoted on the OTCQX marketplace, and prior to February 12, 2014, they were quoted under the symbol "NVLT."

Key Risks and Uncertainties

We are subject to numerous risks and uncertainties, including the following:

- We will require additional capital in order to continue our operations and may have difficulty raising additional capital.

- We are a clinical-stage company with a going concern qualification to our financial statements and a history of losses, and we can provide no assurance as to our future operating results.

- We rely on a collaborative outsourced business model, and disruptions with these third-party collaborators may impede our ability to gain FDA approval and delay or impair commercialization of any products.

- Controls we or our third-party collaborators have in place to ensure compliance with all applicable laws and regulations may not be effective.

- We may incur unanticipated costs in connection with our shutdown of our manufacturing operations in Madison, Wisconsin.
- We rely on a small number of key personnel who may terminate their employment with us at any time, and our success will depend on our ability to hire additional qualified personnel.
- We cannot assure the successful development and commercialization of our compounds in development.
- Our proposed products and their potential applications are in an early stage of clinical and manufacturing/process development and face a variety of risks and uncertainties.
- Failure to complete the development of our technologies, to obtain government approvals, including required FDA approvals, or comply with ongoing governmental regulations could prevent, delay or limit introduction or sale of proposed products and result in failure to achieve revenues or maintain our ongoing business.
- Clinical trials involve a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.
- We may be required to suspend or discontinue clinical trials due to unexpected side effects or other safety risks that could preclude approval of our product candidates.
- We expect to rely on our patents as well as specialized regulatory designations such as orphan drug classification for our product candidates, but regulatory drug designations may not confer marketing exclusivity or other expected commercial benefits.
- The FDA has granted rare pediatric disease designation, RPDD, to CLR 131 for treatment of neuroblastoma and rhabdomyosarcoma; however, we may not be able to realize any value from such designation.
- We are exposed to product, clinical and preclinical liability risks that could create a substantial financial burden should we be sued.
- Acceptance of our products in the marketplace is uncertain and failure to achieve market acceptance will prevent or delay our ability to generate revenues.
- The market for our proposed products is rapidly changing and competitive, and new therapeutics, drugs and treatments that may be developed by others could impair our ability to develop our business or become competitive.
- We may face litigation from third parties claiming that our products infringe on their intellectual property rights, particularly because there is often substantial uncertainty about the validity and breadth of medical patents.
- If we are unable to adequately protect or enforce our rights to intellectual property or to secure rights to third-party patents, we may lose valuable rights, experience reduced market share, assuming any, or incur costly litigation to protect our intellectual property rights.
- 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, which could limit our ability to compete.
- We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.
- Due to continued changes in marketing, sales and distribution, we may be unsuccessful in our efforts to sell our proposed products, develop a direct sales organization, or enter into relationships with third parties.
- If we are unable to convince physicians of the benefits of our intended products, we may incur delays or additional expense in our attempt to establish market acceptance.
- If users of our products are unable to obtain adequate reimbursement from third-party payors, or if additional healthcare reform measures are adopted, it could hinder or prevent the commercial success of our product candidates.

- Our business and operations may be materially, adversely affected in the event of computer system failures or security breaches.
- Failure to maintain effective internal controls could adversely affect our ability to meet our reporting requirements.
- We have in the past received notices from Nasdaq of noncompliance with its listing rules, and delisting with Nasdaq could impact the price of our common stock and our ability to raise funds.
- Our stock price has experienced price fluctuations.
- Our common stock could be further diluted as the result of the issuance of additional shares of common stock, convertible securities, warrants or options.
- Provisions of our certificate of incorporation, by-laws, and Delaware law may make an acquisition of us or a change in our management more difficult.
- We have not paid dividends in the past and do not expect to pay dividends for the foreseeable future. Any return on investment may be limited to the value of our common stock.
- Our management team will have immediate and broad discretion over the use of the net proceeds from this offering, and you may not agree with our use of the net proceeds.
- You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.
- You may experience future dilution as a result of future equity offerings.
- The warrants issued in this offering may not have any value.
- A warrant does not entitle the holder to any rights as common stockholders until the holder exercises the warrant for shares of our common stock.
- The warrants are subject to an issuer call.
- There is no public market for the warrants or preferred stock being offered by us in this offering.

For more information regarding the material risks and uncertainties we face, please see "Risk Factors" beginning on page 13 of this prospectus.

Corporate Information

Our principal executive offices are located at 3301 Agriculture Drive, Madison, Wisconsin 53716. We maintain a website at www.cellectar.com. The information included or referred to on, or accessible through, our website does not constitute part of, and is not incorporated by reference into, this prospectus.

Recent Developments

At a special meeting held on July 12, 2018, our stockholders approved an amendment to our certificate of incorporation to effect a reverse split of our common stock at a ratio between 1:5 to 1:10 and authorized the Board to determine the ratio at which the reverse split would be. The Board authorized the ratio of the reverse split, and effective at the close of business on July 16, 2018, our certificate of incorporation was amended to effect a 1-for-10 reverse split of our common stock (the "2018 Reverse Split"). The number of shares of common stock that we are authorized to issue remains unchanged at 80,000,000. All share and per share numbers included in this prospectus give effect to the 2018 Reverse Split.

The Offering

Securities offered by us:	320,427 shares of our common stock, Series E Warrants to purchase up to 1,602,136 shares of common stock, and 960 shares of Series C Preferred Stock.
Description of Series E Warrants:	The shares and warrants will be separately transferable immediately upon issuance, but the shares and warrants will be issued and sold to purchasers in the ratio of one to one. Each warrant will have an exercise price of $ per share, will be exercisable upon issuance, and will expire five years from the date of issuance. The Series E Warrants are callable by us in certain circumstances. For additional information, see "Description of Securities—Series E Warrants to be Issued as Part of this Offering" on page 54 of this prospectus.

Description of Series C Preferred Stock:	Each share of Series C Preferred Stock is convertible at any time at the holder's option into a number of shares of common stock equal to $10,000 divided by the Conversion Price. Notwithstanding the foregoing, we will not effect any conversion of Series C Preferred Stock, to the extent that, after giving effect to an attempted conversion, the holder of shares of Series C Preferred Stock (together with such holder's affiliates and any persons acting as a group together with such holder or any of such holder's affiliates) would beneficially own a number of shares of our common stock in excess of 4.99% (or, at the election of a holder prior to the date of issuance, 9.99%) of the shares of our common stock then outstanding after giving effect to such exercise. The Series C Preferred Stock is callable by us in certain circumstances. For additional information, see "Description of Securities—Preferred Stock" on page 52 of this prospectus.
Overallotment Option:	The underwriters have the option to purchase additional shares of common stock, and/or warrants to purchase shares of common stock solely to cover overallotments, if any, at the price to the public less the underwriting discounts and commissions. The overallotment option may be used to purchase shares of common stock, or warrants, or any combination thereof, as determined by the underwriters, but such purchases cannot exceed an aggregate of 15% of the number of shares of common stock (including the number of shares of common stock issuable upon conversion of shares of Series C Preferred Stock) and warrants sold in the primary offering. The overallotment option is exercisable for 45 days from the date of this prospectus.
Shares of common stock outstanding before this offering:	1,800,325 shares
Shares of common stock to be outstanding after this offering:	2,120,752 shares
Shares of Series C Preferred to be outstanding after this offering:	960 shares
Use of proceeds:	We expect to use the net proceeds received from this offering to fund our research and development activities and for general corporate purposes. For a more complete description of our anticipated use of proceeds from this offering, see "Use of Proceeds."
Risk factors:	See "Risk Factors" beginning on page 13 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding whether to purchase our securities.
Nasdaq symbol for our common stock:	CLRB
No listing of Series C Preferred Stock or Series E Warrants:	We do not intend to apply for listing of the shares of Series C Preferred Stock or the Series E Warrants on any securities exchange or trading system.

The number of shares of our common stock outstanding before and after this offering is based on 1,800,325 shares of common stock outstanding as of July 16, 2018, and excludes, as of that date:

- an aggregate of 57,526 shares of common stock issuable upon the exercise of outstanding stock options issued to employees, directors and consultants;
- an aggregate of 1,178,747 additional shares of common stock reserved for issuance under outstanding warrants having expiration dates between August 20, 2019, and October 14, 2024, and exercise prices ranging from $15.00 to $468 per share; and
- 2,883,845 shares of our common stock that may be issued upon the conversion of shares of Series C Preferred Stock and the exercise of the Series E Warrants issued in this offering.

Unless otherwise noted, the information in this prospectus reflects and assumes the following:

- no exercise of outstanding options and warrants; and
- no exercise of the underwriters' overallotment option to purchase additional shares of common stock and/or warrants.

Summary Historical Financial Information

The following table summarizes our financial data. We derived the following summary of our statements of operations data for the three months ended March 31, 2018 and 2017 and the summary of our balance sheet data as of March 31, 2018 from our unaudited consolidated financial statements, for the applicable periods, which have been incorporated by reference in this prospectus. We derived the following summary of our statements of operations data for the years ended December 31, 2017 and 2016, and the summary of our balance sheet data as of December 31, 2017 and 2016, from our audited consolidated financial statements, for the applicable periods, which have been incorporated by reference in this prospectus. The summary of our financial data set forth below should be read together with our financial statements and the related notes to those statements referred to under the heading "Documents Incorporated by Reference."

	Three Months Ended March 31,		Year Ended December 31,	
	2018	2017	2017	2016
Statement of Operations Data:				
Costs and expenses:				
Research and development	$ 2,124,060	$ 1,856,880	$ 9,465,666	$ 4,750,414
General and administrative	1,329,467	955,356	4,135,304	4,699,338
Total costs and expenses	3,453,527	2,812,236	13,600,970	9,449,752
Loss from operations	(3,453,527)	(2,812,236)	(13,600,970)	(9,449,752)
Other income:				
Gain (loss) on revaluation of derivative warrants	(26,950)	(82,475)	22,075	3,261,529
Interest income (expense), net	4,654	3,387	16,605	7,897
Total other income, net	(22,296)	(79,088)	38,680	3,269,426
Net loss	$ (3,475,823)	$ (2,891,324)	$ (13,562,290)	$ (6,180,326)
Deemed dividend on preferred stock			(1,448,945)	(3,179,981)
Net loss attributable to common stockholders	--	--	(15,011,235)	(9,360,307)
Basic and diluted net loss per common share	$ (2.07)	$ (2.41)	$ (10.70)	$ (21.44)
Shares used in computing basic and diluted net loss per common share	1,680,819	1,201,028	1,403,132	436,661

	March 31, 2018 (Unaudited)	December 31,	
		2017	2016
Balance Sheet Data:			
Current assets	$ 7,645,175	$ 10,939,417	$ 12,193,188
Working capital	5,537,309	8,824,629	10,560,312
Total assets	9,561,345	12,871,464	15,324,580
Long-term debt, including current portion	--	--	86,591
Total stockholders' equity	7,452,077	10,754,463	13,539,872

RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the following risk factors, together with the other information about these risks contained in this prospectus, as well as the other information contained in this prospectus generally, before deciding to buy our securities. Any of the risks we describe below could adversely affect our business, financial condition, operating results, or prospects. The market price for our securities could decline if one or more of these risks and uncertainties develop into actual events and you could lose all or part of your investment. Additional risks and uncertainties that we do not yet know of, or that we currently think are immaterial, may also impair our business operations. You should also refer to the other information contained in this prospectus, including our financial statements and the related notes.

Risks Related to Our Business and Industry

We will require additional capital in order to continue our operations and may have difficulty raising additional capital.

We expect that we will continue to generate operating losses for the foreseeable future. At March 31, 2018, our consolidated cash balance was approximately $6.8 million. We believe our cash balance at March 31, 2018, is adequate to fund operations at budgeted levels into the first quarter of 2019. We will require additional funds to conduct research and development, establish and conduct clinical and preclinical trials, establish commercial-scale manufacturing arrangements and provide for the marketing and distribution of our products. Our ability to execute our operating plan depends on our ability to obtain additional funding via the sale of equity and/or debt securities, a strategic transaction or otherwise. We plan to actively pursue financing alternatives. However, there can be no assurance that we will obtain the necessary funding in the amounts we seek or that it will be available on a timely basis or upon terms acceptable to us. If we obtain capital by issuing debt or preferred stock, the holders of such securities would likely obtain rights that are superior to those of holders of our common stock.

Our capital requirements and our ability to meet them depend on many factors, including:

- the number of potential products and technologies in development;
- continued progress and cost of our research and development programs;
- progress with preclinical studies and clinical trials;
- the time and costs involved in obtaining regulatory clearance;
- costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims;
- costs of developing sales, marketing and distribution channels and our ability to sell our drugs;
- costs involved in establishing manufacturing capabilities for clinical trial and commercial quantities of our drugs;
- competing technological and market developments;
- claims or enforcement actions with respect to our products or operations;
- market acceptance of our products;
- costs for recruiting and retaining management, employees and consultants;
- our ability to manage computer system failures or security breaches;
- costs for educating physicians regarding the application and use of our products;
- whether we are able to maintain our listing on a national exchange;
- uncertainty and economic instability resulting from terrorist acts and other acts of violence or war; and
- the condition of capital markets and the economy generally, both in the U.S. and globally.

We may consume available resources more rapidly than currently anticipated, resulting in the need for additional funding sooner than expected. We may seek to raise any additional funds through the issuance of any combination of common stock, preferred stock, warrants and debt financings or by executing collaborative arrangements with corporate partners or other sources, any of which may be dilutive to existing stockholders or have a material effect on our current or future business prospects. If we cannot secure adequate financing when needed, we may be required to delay, scale back or eliminate one or more of our research and development programs or to enter into license or other arrangements with third parties to commercialize products or technologies that we would otherwise seek to develop and commercialize ourselves. In the event that additional funds are obtained through arrangements with collaborative partners or other sources, we may have to relinquish economic and/or proprietary rights to some of our technologies or products under development that we would otherwise seek to develop or commercialize by ourselves. In such an event, our business, prospects, financial condition and results of operations may be adversely affected.

We are a clinical-stage company with a going concern qualification to our financial statements and a history of losses, and we can provide no assurance as to our future operating results.

We are a clinical-stage company and have experienced net losses and negative cash flows from operating activities since inception, and we expect such losses and negative cash flows to continue for the foreseeable future. Whether or not we achieve profitability will depend on our success in developing, manufacturing and marketing our product candidates. Our primary activity to date has been research and development and conducting clinical trials. Development of our product candidates requires a process of preclinical and clinical testing during which our product candidates could fail. We do not expect to have any products on the market for several years. We currently have no product revenues and may not succeed in developing or commercializing any products that will generate product or licensing revenues. We may not be able to enter into agreements with companies experienced in the manufacturing and marketing of therapeutic drugs and, to the extent that we are unable to do so, we may not be able to market any product candidates.

As of March 31, 2018, we had working capital of approximately $5.5 million and stockholders' equity of approximately $7.5 million. For the period from our inception in November 2002 until the business combination with Novelos Therapeutics, Inc. on April 8, 2011, and thereafter through December 31, 2017, we incurred aggregate net losses of approximately $84.3 million. The net loss for the year ended December 31, 2017, was approximately $13.6 million. We may never achieve profitability.

Our financial statements as of December 31, 2017, were prepared under the assumption that we will continue as a going concern. The independent registered public accounting firm that audited our 2017 financial statements, in its report, included an explanatory paragraph referring to our recurring losses since inception and expressed substantial doubt in our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our ability to continue as a going concern depends on our ability to obtain additional equity or debt financing, attain further operating efficiencies, reduce expenditures, and ultimately generate revenue.

We rely on a collaborative outsourced business model, and disruptions with these third-party collaborators may impede our ability to gain FDA approval and delay or impair commercialization of any products.

We are in the preclinical and clinical trial phases of product development and commercialization. We have ceased manufacturing, are closing manufacturing operations located at our corporate headquarters, and implementing a collaboration outsourcing model to more efficiently manage costs. We rely, and will increasingly rely, on contracts with third parties to use their facilities to conduct our research, development and manufacturing.

We have engaged Centre for Probe Development and Commercialization ("CPDC"), a validated Current Good Manufacturing Practices ("CGMPs") manufacturing organization specializing in radiopharmaceuticals, as our exclusive source to supply drug product for our ongoing research and clinical trials, including our Phase 1 and Phase 2 studies of CLR 131. In addition, we are in the process of expanding capacity for a Phase 3 study through our relationship with CPDC. We rely exclusively on contract research organizations to conduct research and development. Any inability of CPDC or other collaborators to fulfill the requirements of their agreements with us may delay or impair our ability to gain FDA approval and commercialization of our drug delivery technology and products.

Our reliance on third-party collaborators may expose us to the risk of not being able to directly oversee the activities of these parties. Furthermore, these collaborators, whether foreign or domestic, may experience regulatory compliance difficulties, mechanical shutdowns, employee strikes, or other unforeseeable acts that may delay fulfillment of their agreements with us. Failure of any of these collaborators to provide the required services in a timely manner or on commercially reasonable terms could materially delay the development and approval of our products, increase our expenses, and materially harm our business, prospects, financial condition and results of operations.

We believe that we have a good working relationship with our third-party collaborators. However, should the situation change, we may be required to relocate these activities on short notice, and we do not currently have access to alternate facilities to which we could relocate our research, development and/or manufacturing activities. The cost and time to establish or locate an alternate research, development and/or manufacturing facility to develop our technology would be substantial and would delay obtaining FDA approval and commercializing our products.

Furthermore, if our products are approved for commercial sale, we will need to work with our existing third-party collaborators to ensure sufficient capacity, or engage additional parties with the capacity, to commercially manufacture our products in accordance with FDA and other regulatory requirements. There can be no assurance that we would be able to successfully establish any such capacity or identify suitable manufacturing partners on acceptable terms.

Controls we or our third-party collaborators have in place to ensure compliance with all applicable laws and regulations may not be effective.

We and our third-party collaborators are subject to federal, state and local laws and regulations governing the storage, use and disposal of hazardous materials and waste products. Current or future regulations may impair our research, development, manufacturing and commercialization efforts. At our facility in Madison, Wisconsin, research and development, manufacturing and administration of our drugs involved the controlled use of hazardous materials, including chemicals and radioactive materials such as radioactive isotopes. We believe that our safety procedures for the storage, use and disposal of these materials has been in compliance with the standards prescribed by federal, state and local regulations. However, we cannot completely eliminate the risk of accidental contamination or injury from these materials. If there were to be an accident, we could be held liable for any damages that result, which could exceed our financial resources. We currently maintain insurance coverage, with limits of up to $2,500,000 depending on the nature of the claim, for damages resulting from the hazardous materials we use; however, future claims may exceed the amount of our coverage. Also, we do not have insurance coverage for pollution cleanup and removal. In connection with the shutdown of our manufacturing, research and development activities in Madison, Wisconsin, we are currently working with Wisconsin state agencies to transition our manufacturer's license and the radioactive materials license to a distribution license only.

The inability of our third-party collaborators to maintain the required licenses and permits for any reason will negatively impact our manufacturing, research and development activities. In addition, we may be required to indemnify third-party collaborators against certain liabilities arising out of any failure by them to comply with such regulations and/or laws. If we or our third party collaborators fail to comply with any of these regulations and/or laws, a range of consequences could result, including the suspension or termination of clinical trials, failure to obtain approval of a product candidate, restrictions on our products or manufacturing processes, withdrawal of our products from the market, significant fines, exclusion from government healthcare programs, or other sanctions or litigation.

We may incur unanticipated costs in connection with our shutdown of our manufacturing operations in Madison, Wisconsin.

In January 2018, we began implementing shutdown of our manufacturing operations at our corporate headquarters in Madison, Wisconsin, and terminated our manufacturing staff in 2018. In connection with this shutdown, we are responsible for decommissioning activities. Should the actual costs to fulfill these obligations exceed these estimated costs, our financial condition and results of operations may be adversely affected.

We rely on a small number of key personnel who may terminate their employment with us at any time, and our success will depend on our ability to hire additional qualified personnel.

Our success depends to a significant degree on the continued services of our executive officers, including our Chief Executive Officer, James V. Caruso. Our management and other employees may voluntarily terminate their employment with us at any time, and there can be no assurance that these individuals will continue to provide services to us. Our success will depend on our ability to attract and retain other highly skilled personnel. We may be unable to recruit such personnel on a timely basis, if at all. The loss of services of key personnel, or the inability to attract and retain additional qualified personnel, could result in delays in development or approval of our products, loss of sales and diversion of management resources.

We cannot assure the successful development and commercialization of our compounds in development.

At present, our success is dependent on one or more of the following to occur: the successful development of CLR 131 for the treatment of a hematologic or solid tumor cancer including multiple myeloma and B-Cell lymphomas or solid tumor cancer types; the development of new PDCs, specifically new products developed from our PDC program, and the advancement of our PDC agents through research and development; and/or commercialization partnerships.

We are a biopharmaceutical company focused on the discovery, development and commercialization of drugs for the treatment of cancer. We leverage our PDC platform to specifically target treatments to cancer cells. The PDC platform possesses the potential for the discovery and development of the next generation of cancer-targeting agents. The PDC platform features include the capacity to link with almost any molecule, the delivery of a significant increase in targeted oncologic payload, and the ability to target all tumor cells. As a result, we believe that we can generate PDCs to treat a broad range of cancers with the potential to improve the therapeutic index of oncologic drug payloads, enhance or maintain efficacy while reducing adverse events by minimizing drug delivery to healthy cells, and increase delivery to cancerous cells and cancer stem cells.

Our proposed products and their potential applications are in an early stage of clinical and manufacturing/process development and face a variety of risks and uncertainties, including the following:

- Future clinical trial results may show that our cancer-targeting and delivery technologies are not well-tolerated by patients at their effective doses or are not efficacious.

- Future clinical trial results may be inconsistent with testing results obtained to-date.

- Even if our cancer-targeting and delivery technologies are shown to be safe and effective for their intended purposes, we may face significant or unforeseen difficulties in obtaining or manufacturing sufficient quantities at reasonable prices or at all.

- Our ability to complete the development and commercialization of our cancer-targeting and delivery technologies for their intended use is substantially dependent upon our ability to raise sufficient capital or to obtain and maintain experienced and committed partners to assist us with obtaining clinical and regulatory approvals for, and the manufacturing, marketing and distribution of, our products.

- Even if our cancer-targeting and delivery technologies are successfully developed, approved by all necessary regulatory authorities, and commercially produced, there is no guarantee that there will be market acceptance of our products.

- Our competitors may develop therapeutics or other treatments that are superior or less costly than our own with the result that our product candidates, even if they are successfully developed, manufactured and approved, may not generate sufficient revenues to offset the development and manufacturing costs of our product candidates.

If we are unsuccessful in dealing with any of these risks, or if we are unable to successfully advance the development of our cancer-targeting and delivery technologies for some other reason, our business, prospects, financial condition and results of operations may be adversely affected.

Failure to complete the development of our technologies, obtain government approvals, including required FDA approvals, or comply with ongoing governmental regulations could prevent, delay or limit introduction or sale of proposed products and result in failure to achieve revenues or maintain our ongoing business.

Our research and development activities and the manufacture and marketing of our intended products are subject to extensive regulation for safety, efficacy and quality by numerous government authorities in the U.S. and abroad. Before receiving approval to market our proposed products by the FDA, we will have to demonstrate that our products are safe and effective for the patient population for the diseases that are to be treated. Clinical trials, manufacturing and marketing of drugs are subject to the rigorous testing and approval process of the FDA and equivalent foreign regulatory authorities. The Federal Food, Drug, and Cosmetic Act and other federal, state and foreign statutes and regulations govern and influence the testing, manufacturing, labeling, advertising, distribution and promotion of drugs and medical devices. As a result, clinical trials and regulatory approval can take many years to accomplish and require the expenditure of substantial financial, managerial and other resources.

In addition to the required regulatory approval described above, in order to be commercially viable, we must successfully research, develop, manufacture, introduce, market and distribute our technologies. This includes meeting a number of critical developmental milestones, including:

- demonstrating benefit from delivery of each specific drug for specific medical indications;
- demonstrating through preclinical and clinical trials that each drug is safe and effective; and
- demonstrating that we have established viable FDA CGMPs capable of potential scale-up.

The timeframe necessary to achieve these developmental milestones may be long and uncertain, and we may not successfully complete these milestones for any of our intended products in development.

In addition to the risks previously discussed, our technology is subject to developmental risks that include the following:

- uncertainties arising from the rapidly growing scientific aspects of drug therapies and potential treatments;
- uncertainties arising as a result of the broad array of alternative potential treatments related to cancer and other diseases; and
- expense and time associated with the development and regulatory approval of treatments for cancer and other diseases.

In order to conduct the clinical trials that are necessary to obtain approval by the FDA to market a product, it is necessary to receive clearance from the FDA to conduct such clinical trials. The FDA can halt clinical trials at any time for safety reasons or because we or our clinical investigators do not follow the FDA's requirements for conducting clinical trials. If any of our trials are halted, we will not be able to obtain FDA approval until and unless we can address the FDA's concerns. If we are unable to receive clearance to conduct clinical trials for a product, we will not be able to achieve any revenue from that product in the U.S., as it is illegal to sell any drug for use in humans in the U.S. without FDA approval.

Even if we do ultimately receive FDA approval for any of our products, these products will be subject to extensive ongoing regulation, including regulations governing manufacturing, labeling, packaging, testing, dispensing, prescription and procurement quotas, record keeping, reporting, handling, shipment and disposal of any such drug. Failure to obtain and maintain required registrations or to comply with any applicable regulations could further delay or preclude development and commercialization of our drugs and subject us to enforcement action.

Clinical trials involve a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

In order to obtain regulatory approval for the commercialization of our product candidates, we must conduct, at our own expense, extensive clinical trials to demonstrate safety and efficacy of these product candidates. Clinical testing is expensive, it can take many years to complete, and its outcome is uncertain. Failure can occur at any time during the clinical trial process.

We may experience delays in clinical testing of our product candidates. We do not know whether planned clinical trials will begin on time, need to be redesigned, or be completed on schedule, if at all. Clinical trials can be delayed for a variety of reasons, including delays in obtaining regulatory approval to commence a trial, reaching agreement on acceptable clinical trial terms with prospective sites, obtaining institutional review board approval to conduct a trial at a prospective site, recruiting patients to participate in a trial, or obtaining sufficient supplies of clinical trial materials. Many factors affect patient enrollment, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, competing clinical trials, and new drugs approved for the conditions we are investigating. Prescribing physicians will also have to decide to use our product candidates over existing drugs that have established safety and efficacy profiles or other drugs undergoing development in clinical trials. Any delays in completing our clinical trials will increase our costs, slow down our product development and approval process, and delay our ability to generate revenue.

In addition, the results of preclinical studies and early clinical trials of our product candidates do not necessarily predict the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through initial clinical testing. The data collected from clinical trials of our product candidates may not be sufficient to support the submission of a new drug application or to obtain regulatory approval in the U.S. or elsewhere. Because of the uncertainties associated with drug development and regulatory approval, we cannot determine if or when we will have an approved product for commercialization or will achieve sales or profits.

Our clinical trials may not demonstrate sufficient levels of efficacy necessary to obtain the requisite regulatory approvals for our drugs, and our proposed drugs may not be approved for marketing.

We may be required to suspend or discontinue clinical trials due to unexpected side effects or other safety risks that could preclude approval of our product candidates.

Our clinical trials may be suspended at any time for a number of reasons. For example, we may voluntarily suspend or terminate our clinical trials if at any time we believe that they present an unacceptable risk to the clinical trial patients. In addition, regulatory agencies may order the temporary or permanent discontinuation of our clinical trials at any time if they believe that the clinical trials are not being conducted in accordance with applicable regulatory requirements or that they present an unacceptable safety risk to the clinical trial patients.

Administering any product candidates to humans may produce undesirable side effects. These side effects could interrupt, delay or halt clinical trials of our product candidates and could result in the FDA or other regulatory authorities denying further development or approval of our product candidates for any or all targeted indications. Ultimately, some or all of our product candidates may prove to be unsafe for human use. Moreover, we could be subject to significant liability if any volunteer or patient suffers, or appears to suffer, adverse health effects as a result of participating in our clinical trials.

We expect to rely on our patents as well as specialized regulatory designations such as orphan drug classification for our product candidates, but regulatory drug designations may not confer marketing exclusivity or other expected commercial benefits.

We expect to file for orphan drug designation or other regulatory designations (fast track, break-through, priority review, etc.) as appropriate for our product candidates. Orphan drug status confers seven years of marketing exclusivity under the Federal Food, Drug, and Cosmetic Act in the U.S., and up to ten years of marketing exclusivity in Europe for a particular product in a specified indication. We have been granted orphan drug designation in the U.S. for CLR 131 as a therapeutic for the treatment of multiple myeloma, neuroblastoma, rhabdomyosarcoma and Ewing's sarcoma. While we have been granted this orphan designation, we will not be able to rely on it to exclude other companies from manufacturing or selling products using the same principal molecular structural features for the same indication beyond these timeframes without our patent portfolio. For any product candidate for which we have been or will be granted orphan drug designation in a particular indication, it is possible that another company also holding orphan drug designation for the same product candidate will receive marketing approval for the same indication before we do. If that were to happen, our applications for that indication may not be approved until the competing company's period of exclusivity expires. Even if we were the first to obtain marketing authorization for an orphan drug indication, there are circumstances under which a competing product may be approved for the same indication during the seven-year period of marketing exclusivity, such as if the later product is shown to be clinically superior to the orphan product or deemed a different product than ours. Further, the seven-year marketing exclusivity would not prevent competitors from obtaining approval of the same product candidate as ours for indications other than those in which we have been granted orphan drug designation, or for other indications if not for our patent portfolio, or for the use of other types of products in the same indications as our orphan product. Furthermore, although the orphan drug designation and exclusivity are in effect right now, the FDA has the authority to modify this assessment at any time.

The FDA has granted rare pediatric disease designation, RPDD, to CLR 131 for treatment of neuroblastoma and rhabdomyosarcoma; however, we may not be able to realize any value from such designation.

Our CLR 131 compound has received RPDD designation from the FDA for the treatment of neuroblastoma and rhabdomyosarcoma. The FDA defines a "rare pediatric disease" as a disease that affects fewer than 200,000 individuals in the U.S. primarily under the age of 18 years old. Under the FDA's Rare Pediatric Disease Priority Review Voucher program, upon the approval of a new drug application ("NDA") or a biologics license application ("BLA") for the treatment of a rare pediatric disease, the sponsor of such application would be eligible for a Rare Pediatric Disease Priority Review Voucher that can be used to obtain priority review for a subsequent NDA or BLA. There is no assurance we will receive a Rare Pediatric Disease Priority Review Voucher or that it will result in a faster development process, review or approval for a subsequent marketing application. Further, this program has been subject to criticism, including by the FDA, and it is possible that even if we obtain approval for CLR 131 and qualify for such a Priority Review Voucher, the program may no longer be in effect at the time of approval. Also, although Priority Review Vouchers may be sold or transferred to third parties, there is no guaranty that we will be able to realize any value if we were to sell a Priority Review Voucher.

We are exposed to product, clinical and preclinical liability risks that could create a substantial financial burden should we be sued.

Our business exposes us to potential product liability and other liability risks that are inherent in the testing, manufacturing and marketing of pharmaceutical products. In addition, the use in our clinical trials of pharmaceutical products that we, or our current or potential collaborators, may develop and then subsequently sell, may cause us to bear a portion of, or all, product liability risks. While we carry an insurance policy covering up to $5,000,000 per occurrence and $5,000,000 in the aggregate for liability incurred in connection with such claims should they arise, there can be no assurance that our insurance will be adequate to cover all situations. Moreover, there can be no assurance that such insurance, or additional insurance if required, will be available or, if available, will be available on commercially reasonable terms. Furthermore, our current and potential partners with whom we have collaborative agreements, or our future licensees, may not be willing to indemnify us against these types of liabilities and may not themselves be sufficiently insured or have a net worth sufficient to satisfy any product liability claims. A successful product liability claim or series of claims brought against us could have a material adverse effect on our business, prospects, financial condition and results of operations.

Acceptance of our products in the marketplace is uncertain and failure to achieve market acceptance will prevent or delay our ability to generate revenues.

Our future financial performance will depend, at least in part, on the introduction and customer acceptance of our proposed products. Even if approved for marketing by the necessary regulatory authorities, our products may not achieve market acceptance. The degree of market acceptance will depend on a number of factors including:

- receiving regulatory clearance of marketing claims for the uses that we are developing;
- establishing and demonstrating the advantages, safety and efficacy of our technologies;
- pricing and reimbursement policies of government and third-party payors such as insurance companies, health maintenance organizations and other health plan administrators;
- attracting corporate partners, including pharmaceutical companies, to assist in commercializing our intended products; and
- marketing our products.

Physicians, patients, payors or the medical community, in general, may be unwilling to accept, use or recommend any of our products. If we are unable to obtain regulatory approval or commercialize and market our proposed products as planned, we may not achieve any market acceptance or generate revenue.

The market for our proposed products is rapidly changing and competitive, and new therapeutics, drugs and treatments that may be developed by others could impair our ability to develop our business or become competitive.

The pharmaceutical and biotechnology industries are subject to rapid and substantial technological change. Developments by others may render our technologies and proposed products noncompetitive or obsolete, or we may be unable to keep pace with technological developments or other market factors. Technological competition from pharmaceutical and biotechnology companies, universities, governmental entities and others diversifying into the field is intense and expected to increase. Most of these entities have significantly greater research and development capabilities and budgets than we do, as well as substantially more marketing, manufacturing, financial and managerial resources. These entities represent significant competition for us. Acquisitions of, or investments in, competing pharmaceutical or biotechnology companies by large corporations could increase our competitors' financial, marketing, manufacturing and other resources.

Our resources are limited, and we may experience management, operational or technical challenges inherent in our activities and novel technologies. Competitors have developed, or are in the process of developing, technologies that are, or in the future may be, the basis for competition. Some of these technologies may accomplish therapeutic effects similar to those of our technology, but through different means. Our competitors may develop drugs and drug delivery technologies that are more effective than our intended products and, therefore, present a serious competitive threat to us.

The potential widespread acceptance of therapies that are alternatives to ours may limit market acceptance of our products even if they are commercialized. Many of our targeted diseases and conditions can also be treated by other medication or drug delivery technologies. These treatments may be widely accepted in medical communities and have a longer history of use. The established use of these competitive drugs may limit the potential for widespread acceptance of our technologies and products if commercialized.

We may face litigation from third parties claiming our products infringe on their intellectual property rights, particularly because there is often substantial uncertainty about the validity and breadth of medical patents.

We may be exposed to future litigation by third parties based on claims that our technologies, products or activities infringe on the intellectual property rights of others or that we have misappropriated the trade secrets of others. This risk is exacerbated by the fact that the validity and breadth of claims covered in medical technology patents, and the breadth and scope of trade-secret protection, involve complex legal and factual questions for which important legal principles are unresolved. Any litigation or claims against us, whether valid or not, could result in substantial costs, place a significant strain on our financial and managerial resources, and harm our reputation. License agreements that we may enter into in the future would likely require that we pay the costs associated with defending this type of litigation. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease selling, incorporating or using any of our technologies and/or products that incorporate the challenged intellectual property, which would adversely affect our ability to generate revenue;

- obtain a license from the holder of the infringed intellectual property right, which license may be costly or may not be available on reasonable terms, if at all; or

- redesign our products, which would be costly and time-consuming.

If we are unable to adequately protect or enforce our rights to intellectual property or to secure rights to third-party patents, we may lose valuable rights, experience reduced market share, assuming any, or incur costly litigation to protect our intellectual property rights.

Our ability to obtain licenses to patents, maintain trade-secret protection, and operate without infringing the proprietary rights of others will be important to commercializing any products under development. Therefore, any disruption in access to the technology could substantially delay the development of our technology.

The patent positions of biotechnology and pharmaceutical companies, such as ours, for products that involve licensing agreements are frequently uncertain and involve complex legal and factual questions. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued or in subsequent legal proceedings. Consequently, our patent applications and any issued and licensed patents may not provide protection against competitive technologies or may be held invalid if challenged or circumvented. To the extent we license patents from third parties, the early termination of any such license agreement would result in the loss of our rights to use the covered patents, which could severely delay, inhibit or eliminate our ability to develop and commercialize compounds based on the licensed patents. Our competitors may also independently develop products similar to ours or design around or otherwise circumvent patents issued or licensed to us. In addition, the laws of some foreign countries may not protect our proprietary rights to the same extent as U.S. law.

We also rely on trade secrets, technical know-how and continuing technological innovation to develop and maintain our competitive position. Although we generally require our employees, consultants, advisors and collaborators to execute appropriate confidentiality and assignment-of-inventions agreements, our competitors may independently develop substantially equivalent proprietary information and techniques, reverse engineer our information and techniques, or otherwise gain access to our proprietary technology. We may be unable to meaningfully protect our rights in trade secrets, technical know-how and other nonpatented technology.

We may have to resort to litigation to protect our rights for certain intellectual property or to determine the scope, validity or enforceability of our intellectual property rights. Enforcing or defending our rights would be expensive, could cause diversion of our resources, and may not prove successful. Any failure to enforce or protect our rights could cause us to lose the ability to exclude others from using our technology to develop or sell competing products.

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, which could limit our ability to compete.

We operate in the highly technical field of research and development of small-molecule drugs and rely, in part, on trade-secret protection in order to protect our proprietary trade secrets and unpatented know-how. However, trade secrets are difficult to protect, and we cannot be certain that our competitors will not develop the same or similar technologies on their own. We have taken steps, including entering into confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors, to protect our trade secrets and unpatented know-how. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party's relationship with us. Also, we typically obtain agreements from these parties that inventions conceived by them in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us. Enforcing a claim that a party has illegally obtained, and is using our trade secrets or know-how, is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the U.S. may be less willing to protect trade secrets or know-how. The failure to obtain or maintain trade-secret protection could adversely affect our competitive position.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that we, or these employees, have used or disclosed trade secrets or other proprietary information of their former employers, either inadvertently or otherwise. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Due to continued changes in marketing, sales and distribution, we may be unsuccessful in our efforts to sell our proposed products, develop a direct sales organization, or enter into relationships with third parties.

We have not established marketing, sales or distribution capabilities for our proposed products. Until such time as our proposed products are further along in the development process, we will not devote any meaningful time and resources to this effort. At the appropriate time, we will determine whether we will develop our own sales and marketing capabilities or enter into agreements with third parties to sell our products.

We have limited experience in developing, training or managing a sales force. If we choose to establish a direct sales force, we may incur substantial additional expenses in developing, training and managing such an organization. We may be unable to build a sales force on a cost-effective basis or at all. In addition, we will compete with many other companies that currently have extensive marketing and sales operations. Our marketing and sales efforts may be unable to compete against these other companies. We may be unable to establish a sufficient sales and marketing organization on a cost-effective or timely basis, if at all.

If we choose to enter into agreements with third parties to sell our proposed products, we may be unable to establish or maintain third-party relationships on a commercially reasonable basis, if at all. In addition, these third parties may have similar or more established relationships with our competitors.

We may be unable to engage qualified distributors. Even if engaged, these distributors may:

- fail to adequately market our products;
- fail to satisfy financial or contractual obligations to us;
- offer, design, manufacture or promote competing products; or
- cease operations with little or no notice.

If we fail to develop sales, marketing and distribution channels, we would experience delays in product sales and incur increased costs, which would have a material adverse effect on our business, prospects, financial condition and results of operation.

If we are unable to convince physicians of the benefits of our intended products, we may incur delays or additional expense in our attempt to establish market acceptance.

Achieving use of our products in the target market of cancer diagnosis and treatment may require physicians to be informed regarding these products and their intended benefits. The time and cost of such an educational process may be substantial. Inability to successfully carry out this physician education process may adversely affect market acceptance of our proposed products. We may be unable to educate physicians, in sufficient numbers, in a timely manner regarding our intended proposed products to achieve our marketing plans and product acceptance. Any delay in physician education may materially delay or reduce demand for our proposed products. In addition, we may expend significant funds towards physician education before any acceptance or demand for our proposed products is created, if at all.

If users of our products are unable to obtain adequate reimbursement from third-party payors, or if additional healthcare reform measures are adopted, it could hinder or prevent the commercial success of our product candidates.

The continuing efforts of government and insurance companies, health maintenance organizations and other payors of healthcare costs to contain or reduce costs of healthcare may adversely affect our ability to generate future revenues and achieve profitability, including by limiting the future revenues and profitability of our potential customers, suppliers and collaborative partners. For example, in certain foreign markets pricing or profitability of prescription pharmaceuticals are subject to government control. The U.S. government is implementing, and other governments have shown significant interest in pursuing, healthcare reform. Any government-adopted reform measures could adversely affect the pricing of healthcare products and services in the U.S. or internationally and the amount of reimbursement available from governmental agencies or other third-party payors. The continuing efforts of the U.S. and foreign governments, insurance companies, managed care organizations, and other payors of healthcare services to contain or reduce healthcare costs may adversely affect our ability to set prices for our products, should we be successful in commercializing them, and this would negatively affect our ability to generate revenues and achieve and maintain profitability.

New laws, regulations and judicial decisions, or new interpretations of existing laws, regulations and decisions, that relate to healthcare availability, methods of delivery or payment for healthcare products and services, or sales, marketing or pricing of healthcare products and services may also limit our potential revenue and may require us to revise our research and development programs. The pricing and reimbursement environment may change in the future and become more challenging for several reasons, including policies advanced by the current or future executive administrations in the U.S., new healthcare legislation, or fiscal challenges faced by government health administration authorities. Specifically, in both the U.S. and some foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. In the U.S., changes in the federal healthcare policy were enacted in 2010 and are being implemented. Some reforms could result in reduced reimbursement rates for our product candidates, which would adversely affect our business strategy, operations and financial results. Our ability to commercialize our products will depend in part on the extent to which appropriate reimbursement levels for the cost of our products and related treatment are obtained by governmental authorities, private health insurers, and other organizations such as health maintenance organizations ("HMOs"). Third-party payors are increasingly challenging the prices charged for medical drugs and services. Also, the trend toward managed healthcare in the U.S. and the concurrent growth of organizations such as HMOs that could control or significantly influence the purchase of healthcare services and drugs, as well as legislative proposals to reform healthcare or change government insurance programs, may all result in lower prices for or rejection of our drugs. The cost containment measures that healthcare payors and providers are instituting, and the effect of any healthcare reform, could materially harm our ability to operate profitably.

Our business and operations may be materially adversely affected in the event of computer system failures or security breaches.

Despite the implementation of security measures, our internal computer systems, and those of our third-party manufacturers, contract research organizations and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, fire, terrorism, war and telecommunication and electrical failures. If such an event were to occur and interrupt our operations, it could result in a material disruption in our business. For example, the loss of clinical trial data from ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, loss of trade secrets, inappropriate disclosure of confidential or proprietary information, including protected health information or personal data of employees or former employees, lack of access to our clinical data, or disruption of the manufacturing process, we could incur liability and the further development of our drug candidates could be delayed. We may also be vulnerable to cyber-attacks or other malfeasance by hackers. This type of breach of our cybersecurity may compromise our confidential and financial information, adversely affect our business, or result in legal proceedings. Further, these cybersecurity breaches may inflict reputational harm upon us that may result in decreased market value and erode public trust.

Failure to maintain effective internal controls could adversely affect our ability to meet our reporting requirements.

We are required to establish and maintain appropriate internal controls over financial reporting. Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require an annual assessment of internal controls over financial reporting and for certain issuers an attestation of this assessment by the issuer's independent registered public accounting firm. The standards to assess that our internal controls over financial reporting are effective are evolving and complex, require significant documentation and testing, and may require remediation if they are not met. We expect to incur significant expenses and to devote resources to Section 404 compliance on an ongoing basis. It is difficult for us to predict how long it will take or costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. As a result, we may not be able to complete the assessment and remediation process on a timely basis. In addition, although attestation requirements by our independent registered public accounting firm are not presently applicable to us, we could become subject to these requirements in the future, and we may encounter problems or delays in completing the implementation of any resulting changes to internal controls over financial reporting.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. Failure to maintain effective internal controls could adversely affect our public disclosures regarding our business, prospects, financial condition or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting or disclosure of management's assessment of our internal controls over financial reporting our business and results of operations could be harmed, we could fail to meet our reporting obligations, and there could be a material adverse effect on our common stock price.

Risks Related to Our Equity Securities

We have in the past received notices from Nasdaq of noncompliance with its listing rules, and delisting with Nasdaq could impact the price of our common stock and our ability to raise funds.

On January 21, 2016, we received a notice from Nasdaq of noncompliance with its listing rules regarding the requirement that our securities maintain a minimum bid price of $1 per share. Based upon the closing bid price for the 30 consecutive business days preceding the notice, we no longer met this requirement. However, the rules also provided us a period of 180 calendar days in which to regain compliance. On March 4, 2016, we effected a reverse stock split at a ratio of 1-for-10 that, among other things, resulted in an increase in the bid price adequate to allow us to regain compliance with the minimum bid price requirement. On March 21, 2016, Nasdaq notified us that we had regained compliance with the minimum bid price requirement.

On August 14, 2015, we received a notice from Nasdaq of noncompliance with its continuing listing rules, namely that our stockholders' equity of $2,373,371 at June 30, 2015, as reported in our Form 10-Q for the quarter then ended, was less than the $2,500,000 minimum. The failure to meet continuing compliance standards subjects our common stock to delisting. We submitted a plan to Nasdaq to regain compliance, which was approved by Nasdaq, that required a number of actions to be completed by February 10, 2016, including the filing of a registration statement with the SEC for an underwritten public offering of equity and the closing of that offering. The registration statement was timely filed; however, we did not complete the offering by the anticipated date. Nasdaq issued a second notice of noncompliance on February 11, 2016, which we appealed. At a hearing on March 31, 2016, we requested, and Nasdaq subsequently granted, an extension of time to effect transactions to allow us to regain compliance and to report the same. On April 20, 2016, we closed an underwritten offering, and on May 16, 2016, Nasdaq issued a determination that we had evidenced compliance with all requirements for continued listing on The Nasdaq Capital Market and, accordingly, the listing qualifications matter was closed.

We have not received any other notices of noncompliance with Nasdaq listing rules. However, any future failure to comply with Nasdaq's listing rules and any resulting delisting from the Nasdaq would reduce the visibility, liquidity and price of our common stock and could limit our ability to raise funds in the future.

Our stock price has experienced price fluctuations.

There can be no assurance that the market price for our common stock will remain at its current level, and a decrease in the market price could result in substantial losses for investors. The market price of our common stock may be significantly affected by one or more of the following factors:

- announcements or press releases relating to the biopharmaceutical sector or to our own business or prospects;
- regulatory, legislative or other developments affecting us or the healthcare industry generally;
- sales by holders of restricted securities pursuant to effective registration statements or exemptions from registration;

- market conditions specific to biopharmaceutical companies, the healthcare industry and the stock market generally; and

- our ability to maintain our listing on the Nasdaq exchange.

Our common stock could be further diluted as the result of the issuance of additional shares of common stock, convertible securities, warrants or options.

In the past, we have issued common stock, convertible securities (such as convertible preferred stock and notes) and warrants in order to raise capital. We have also issued equity as compensation for services and incentive compensation for our employees and directors. We have shares of common stock reserved for issuance upon the exercise of certain of these securities and may increase the shares reserved for these purposes in the future. Our issuance of additional common stock, convertible securities, options and warrants could dilute our common stock, affect the rights of our stockholders, reduce the market price of our common stock, result in adjustments to exercise prices of outstanding warrants (resulting in these securities becoming exercisable for, as the case may be, a greater number of shares of our common stock), or obligate us to issue additional shares of common stock to certain of our stockholders.

Provisions of our certificate of incorporation, by-laws, and Delaware law may make an acquisition of us or a change in our management more difficult.

Certain provisions of our certificate of incorporation and by-laws could discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which an investor might otherwise receive a premium for its shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock or warrants, thereby depressing the market price of our common stock. Stockholders who wish to participate in these transactions may not have the opportunity to do so.

Furthermore, these provisions could prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions:

- provide for the division of the Board into three classes as nearly equal in size as possible with staggered three-year terms and further limit the removal of directors and the filling of vacancies;

- authorize our Board to issue without stockholder approval blank-check preferred stock that, if issued, could operate as a "poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that is not approved by our Board;

- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit stockholder action by written consent;

- establish advance notice requirements for stockholder nominations to our Board or for stockholder proposals that can be acted on at stockholder meetings;

- limit who may call stockholder meetings; and

- require the approval of the holders of 75% of the outstanding shares of our capital stock entitled to vote in order to amend certain provisions of our certificate of incorporation and by-laws.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a prescribed period of time.

We have not paid dividends in the past and do not expect to pay dividends for the foreseeable future. Any return on investment may be limited to the value of our common stock.

No cash dividends have been paid on our common stock. We do not expect to pay cash dividends in the near future. Payment of dividends would depend upon our profitability at the time, cash available for those dividends, and other factors as our Board may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on an investor's investment will occur only if our stock price appreciates.

Risks Related to this Offering

Our management team will have immediate and broad discretion over the use of the net proceeds from this offering, and you may not agree with our use of the net proceeds.

The net proceeds from this offering will be immediately available to our management to use at its discretion. We currently intend to use the net proceeds from this offering to fund our research and development activities, general corporate purposes, and possibly for acquisitions of other companies, products or technologies, although no such acquisitions are currently contemplated. See "Use of Proceeds." We have not allocated specific amounts of the net proceeds from this offering for any of the foregoing purposes. Accordingly, our management will have significant discretion and flexibility in applying the net proceeds of this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for us or our stockholders. The failure of our management to use such funds effectively could have a material adverse effect on our business, prospects, financial condition and results of operation.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

You will incur immediate and substantial dilution as a result of this offering. After giving effect to the sale by of the securities offered in this offering, at an assumed public offering price of $7.49 per share and warrant, and after deducting the underwriters' discounts and commissions and other estimated offering expenses payable by us, investors in this offering can expect an immediate dilution of $2.46 per share, or 33%, at the assumed public offering price of $7.49 per share and warrant, assuming no exercise of the warrants. In addition, in the past, we issued options and warrants to acquire shares of common stock. To the extent these options are ultimately exercised, you will sustain future dilution.

You may experience future dilution as a result of future equity offerings.

In order to raise additional capital, in the future we may offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price in this offering. We may sell shares or other securities in any other offering at a price that is less than the price paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing stockholders. The price at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price paid by investors in this offering.

The warrants issued in this offering may not have any value.

Each warrant will have an exercise price equal to $ and will expire on the five year anniversary of the date they first become exercisable. In the event our common stock price does not exceed the exercise price of the warrants during the period when the warrants are exercisable, the warrants may not have any value.

A warrant does not entitle the holder to any rights as common stockholders until the holder exercises the warrant for shares of our common stock.

Until you acquire shares of our common stock upon exercise of your warrants, the warrants will not provide you any rights as a common stockholder. Upon exercise of your warrants, you will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs on or after the exercise date.

The warrants are subject to an issuer call.

If at any time after the initial exercise date, (i) the volume weighted average price for each of thirty consecutive trading days, or Measurement Period, exceeds 300% of the exercise price (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and the like after the initial exercise date), (ii) the average daily volume for such Measurement Period exceeds $400,000 per trading day and, (iii) the warrant holder is not in possession of any material non-public information which was provided by the Company or its affiliates, then the Company may, within one trading day of the end of such Measurement Period, call for cancellation of all or any portion of the warrants for which an exercise notice has not yet been delivered for consideration equal to $0.001 per warrant share. The Company's right to call the warrants shall be exercised ratably among the holders based on the then outstanding warrants. You may be unable to reinvest your proceeds from the call in an investment with a return that is as high as the return on the warrants would have been if they had not been called.

There is no public market for the warrants or the preferred stock being offered by us in this offering.

There is no established public trading market for the warrants or the preferred stock being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the warrants or the preferred stock on any national securities exchange or other nationally recognized trading system, including The Nasdaq Capital Market. Without an active market, the liquidity of the warrants and the preferred stock will be limited.

USE OF PROCEEDS

Based on an assumed public offering price of $7.49 per share of common stock and warrant, we estimate that the net proceeds to us from the sale of the securities that we are offering, assuming gross proceeds of $12 million and no exercise of the overallotment option, will be approximately $10.77 million, after deducting underwriting discounts and commissions and estimated offering expenses. In addition, if all of the warrants offered pursuant to this prospectus are exercised in full for cash, we will receive approximately an additional $12 million in cash.

We expect to use any proceeds received from this offering as follows:

- research and development activities, including the further development of CLR 131, and the research advancement of our PDC platform, including product candidates, CLR 1700, CLR 1800, CLR 1900, CLR 2000, CLR 2100, CLR 2200 series.

- general corporate purposes, such as human resource acquisition to support organizational priorities, general and administrative expenses, capital expenditures, working capital, repayment of debt, prosecution and maintenance of our intellectual property, and the potential investment in technologies, products or collaborations that complement our business.

Even if we sell all of the securities subject to this offering, we will still need to obtain additional financing in the future in order to fully fund these product candidates through the regulatory approval process. We may seek such additional financing through public or private equity or debt offerings or other sources, including collaborative or other arrangements with corporate partners, and through government grants and contracts. There can be no assurance we will be able to obtain additional financing. Although we currently anticipate that we will use the net proceeds of this offering as described above, there may be circumstances when a reallocation of funds is necessary. The amounts and timing of our actual expenditures will depend upon numerous factors, including the progress of our development and commercialization efforts, the progress of our clinical studies, whether or not we enter into strategic collaborations or partnerships, and our operating costs and expenditures. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering.

The costs and timing of drug development and regulatory approval, particularly conducting clinical studies, are highly uncertain, subject to substantial risks, and can often change. Accordingly, we may change the allocation of use of these proceeds as a result of contingencies such as the progress and results of our clinical studies and other development activities, the establishment of collaborations, our manufacturing requirements, and regulatory or competitive developments.

Pending the application of the net proceeds as described above or otherwise, we may invest the proceeds in short-term, investment-grade, interest-bearing securities or guaranteed obligations of the U.S. government or other securities.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization, each as of March 31, 2018:

- on an actual basis; and
- on a pro forma basis, as adjusted to give effect to the issuance of the securities offered hereby at an assumed combined public offering price of $7.49 per share of common stock and Series E Warrant, which is the last reported sale price of our common stock on the Nasdaq Capital Market on July 16, 2018, after deducting the estimated underwriting discounts and commissions and estimated offering expenses.

You should consider this table in conjunction with our financial statements and the notes to those financial statements incorporated by reference in this prospectus. The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

	As of March 31, 2018 (Unaudited)	
	Actual	Pro Forma, As Adjusted
Cash and cash equivalents	$ 6,820,163	$ 17,592,726
Deferred rent	88,964	88,964
Capital lease obligations	4,521	4,521
Total debt obligations	93,485	93,485
Stockholders' equity:		
Preferred stock, par value $0.00001 per share: 7,000 shares authorized; 11.5 actual; 971.5 pro forma	637,017	637,017
Common stock, par value $0.00001 per share: 80,000,000 shares authorized; 1,710,167 actual; 2,120,856 pro forma	17	21
Additional paid-in capital	94,640,182	105,412,741
Accumulated deficit	(87,825,139)	(87,825,139)
Total stockholders' equity	7,452,077	18,224,640
Total capitalization	$ 7,545,562	$ 18,318,125

The information set forth above assumes no exercise by the underwriter of its over-allotment option and excludes, as of that date:

- an aggregate of 50,939 shares of common stock issuable upon the exercise of outstanding stock options issued to employees, directors and consultants;
- an aggregate of 1,178,747 additional shares of common stock reserved for issuance under outstanding warrants having expiration dates between August 20, 2019, and October 14, 2024, and exercise prices ranging from $15.00 to $468.00 per share; and
- 2,883,845 shares of our common stock that may be issued upon the conversion of shares of Series C Preferred Stock and the exercise of the Series E Warrants issued in this offering.

MARKET FOR COMMON EQUITY

Our common stock is quoted under the CLRB ticker symbol on the Nasdaq Capital Market.

The following table provides, for the periods indicated, the high and low intraday sale prices for our common stock as reported by Nasdaq. Historical stock prices have been adjusted to give effect to a 1-for-10 reverse split of our common stock effective at the close of business on July 16, 2018:

	High	Low
2018:		
Third Quarter (through July 16, 2018)	$ 8.20	$ 5.70
Second Quarter	12.90	6.10
First Quarter	14.40	10.60
2017:		
Fourth Quarter	20.40	10.80
Third Quarter	20.60	14.00
Second Quarter	23.40	15.00
First Quarter	30.70	12.10
2016:		
Fourth Quarter	29.10	11.20
Third Quarter	35.70	20.60
Second Quarter	50.50	10.00
First Quarter	123.00	32.50

On July 16, 2018, there were 324 holders of record of our common stock. This number does not include stockholders for whom shares were held in a “nominee” or “street” name.

We have not declared or paid any cash dividends on our common stock and do not anticipate declaring or paying any cash dividends in the foreseeable future. We currently expect to retain future earnings, if any, for the continued development of our business.

Our transfer agent and registrar is American Stock Transfer and Trust Company, 6201 15th Avenue, Brooklyn, NY 11219.

DILUTION

Our net tangible book value as of March 31, 2018, was approximately $5.9 million, or $3.45 per share of common stock, based upon 1,710,167 shares outstanding. Net tangible book value per share is determined by dividing such number of outstanding shares of common stock into our net tangible book value, which is our total tangible assets, less total liabilities, excluding the derivative liability of $132,000 at that date.

After giving effect to the assumed sale of the securities in this offering at the assumed public offering price of $7.49 per share of common stock, and assuming the conversion of all of the shares of Series C Preferred Stock to common stock, but excluding the exercise of the underwriters' overallotment option and after deducting underwriting discounts and commission and other estimated offering expenses payable by us, our adjusted net tangible book value at March 31, 2018, would have been approximately $16.7 million, or $5.03 per share. This represents an immediate increase in net tangible book value of approximately $1.58 per share to our existing stockholders, and an immediate dilution of $2.46 per share to investors purchasing securities in the offering.

The following table illustrates the per share dilution to investors purchasing securities in the offering:

Assumed public offering price per share of common stock		$ 7.49
Net tangible book value per share as of March 31, 2018	$ 3.45	
Increase per share attributable to the sale of securities to investors	$ 1.58	
Adjusted net tangible book value per share after the offering		$ 5.03
Dilution per share to investors in this offering		$ 2.46

The dilution information set forth in the table above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The foregoing illustration does not reflect potential dilution from the exercise of outstanding options or warrants to purchase shares of our common stock. The foregoing illustration also does not reflect the dilution that would result from the exercise of the warrants sold in the offering. The dilution information set forth in the table above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The information set forth above is based on 1,710,167 shares of common stock outstanding as of March 31, 2018 and excludes, as of that date:

- an aggregate of 50,939 shares of common stock issuable upon the exercise of outstanding stock options issued to employees, directors and consultants;
- an aggregate of 1,178,747 additional shares of common stock reserved for issuance under outstanding warrants having expiration dates between August 20, 2019, and October 14, 2024, and exercise prices ranging from $15.00 to $468.00 per share; and
- 1,602,136 shares of our common stock that may be issued upon the exercise of the Series E Warrants issued in this offering.

BUSINESS

Business Overview

We are a clinical stage biopharmaceutical company focused on the discovery, development and commercialization of drugs for the treatment of cancer. Our core objective is to leverage our proprietary phospholipid drug conjugate™ ("PDCs™") delivery platform to develop PDCs that specifically target cancer cells to deliver improved efficacy and better safety as a result of fewer off-target effects. The PDC platform possesses the potential for the discovery and development of the next generation of cancer-targeting treatments, and we plan to develop PDCs independently and through research and development collaborations.

Our lead PDC candidate, CLR 131, provides targeted delivery of the cytotoxic (cell-killing) radioisotope iodine 131. CLR 131 is in a Phase 2 study in relapsed or refractory ("R/R") multiple myeloma ("R/RMM") and a range of other B-cell malignancies, and a Phase 1 clinical study for R/RMM. We are currently initiating a Phase 1 study for pediatric solid tumors and lymphomas and plan to initiate a second Phase 1 study of CLR 131 in combination with external beam radiation for head and neck cancer ("HNC") at the University of Wisconsin Madison. Our pipeline also includes two preclinical PDC chemotherapeutic programs, CLR 1700 and 1900. CLR 1700 possess a Burton's tyrosine kinase ("BTK") inhibitor payload and is targeted for development in hematologic cancers, and CLR 1900 is being developed for solid tumors with a payload that inhibits mitosis (cell division), which is a validated pathway for cell apoptosis.

We have leveraged our PDC platform to establish three active collaborations featuring four unique payloads and mechanisms of action. Through research and development collaborations, our strategy is to generate near-term capital, supplement internal resources, gain access to novel molecules or payloads, accelerate product candidate development, and broaden our proprietary and partnered product pipelines.

Our PDC platform provides selective delivery of a diverse range of oncologic payloads to cancerous cells, whether a hematologic cancer or solid tumor, the primary tumor, or a metastatic tumor and cancer stem cells. Our PDC platform takes advantage of a metabolic pathway utilized by all tumor cell types in all stages of the tumor "cycle." This allows the PDC molecules to gain access to the intracellular compartment of the tumor cells and for the PDCs to continue to accumulate over time, which enhances drug efficacy. The PDC platform's mechanism of entry does not rely upon specific cell surface epitopes or antigens as are required by other targeted delivery platforms. Specific cell surface epitopes are limited in number on the cell surface, undergo internalization and cycling upon binding, and are not present on all tumor cells of a particular cancer type. This means a subpopulation of tumor cells will always remain. In addition to the benefits provided by the mechanism of entry, PDCs offer the potential advantage of having the ability to be conjugated to molecules in numerous ways, thereby increasing the types of molecules selectively delivered via the PDC.

The PDC platform features include the capacity to link with almost any molecule, provide a significant increase in targeted oncologic payload delivery and the ability to target all tumor cells. As a result, we believe that we can generate PDCs to treat a broad range of cancers with the potential to improve the therapeutic index of oncologic drug payloads, enhance or maintain efficacy while reducing adverse events by minimizing drug delivery to healthy cells, and increasing delivery to cancerous cells and cancer stem cells.

We employ a drug discovery and development approach that allows us to efficiently design, research and advance drug candidates. Our iterative process allows us to rapidly and systematically produce multiple generations of incrementally improved targeted drug candidates.

Clinical Pipeline

CLR 131 is a small-molecule, cancer-targeting radiotherapeutic PDC designed to deliver cytotoxic radiation directly and selectively to cancer cells and cancer stem cells. CLR 131 is our lead therapeutic PDC product candidate and is currently being evaluated in both Phase 2 and Phase 1 clinical studies. The Investigational New Drug ("IND") application was accepted by the FDA in March 2014. The Phase 2 study is evaluating CLR 131 as a potential therapy for R/RMM and was initiated in November of 2017. The primary goal of the study is to assess the compound's efficacy in a broad range of hematologic cancers. The Phase 1 study is assessing the compound's safety and tolerability in patients with R/RMM and was initiated in April 2015. This clinical study is a standard three-by-three dose escalation safety. Multiple myeloma is an incurable cancer of the plasma cells and is the second most common form of hematologic cancers. This cancer type was selected for clinical, regulatory and commercial rationales, including multiple myeloma's highly radiosensitive nature and continued unmet medical need in the relapse/refractory setting, and has been determined to be a rare disease by the FDA based upon the current definition within the Orphan Drug Act. The primary goal of the Phase 1 study is to assess the compound's safety and tolerability in patients with R/RMM. Secondary objectives include the evaluation of therapeutic activity by assessing surrogate efficacy markers, which include M protein, free light chain ("FLC"), progression free survival ("PFS") and overall survival ("OS").

In December 2014, the FDA granted orphan drug designation for CLR 131 for the treatment of multiple myeloma. In March 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of neuroblastoma and the FDA subsequently granted a RPDD for CLR 131. In May 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of rhabdomyosarcoma and the FDA subsequently granted an RPDD for CLR 131. In July 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of Ewing's sarcoma. The FDA previously accepted our IND application for a Phase 1 open-label, dose-escalating study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers including neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. We are currently initiating a Phase 1 clinical study evaluating CLR 131 for the potential treatment of pediatric patients with Ewing's sarcoma, rhabdomyosarcoma, osteosarcoma, neuroblastoma, high grade glioma and lymphomas.

Phase 2 Study in Patients with R/R select B-Cell Malignancies

In July 2016, we were awarded a $2,000,000 National Cancer Institute Fast-Track Small Business Innovation Research grant to further advance the clinical development of CLR 131. The funds are supporting the Phase 2 study initiated in March 2017 to define the clinical benefits of CLR 131 in R/RMM and other niche hematologic malignancies with high unmet clinical need. These niche hematologic malignancies include Chronic Lymphocytic Leukemia, Small Lymphocytic Lymphoma, Marginal Zone Lymphoma, Lymphoplasmacytic Lymphoma and Diffuse Large B-Cell Lymphoma. The study will be conducted in approximately 10 top U.S. cancer centers in patients with orphan-designated relapse or refractory hematologic cancers. The study's primary endpoint is clinical benefit response, with additional endpoints of PFS, median OS and other markers of efficacy following a single 25.0 mCi/m^2 dose of CLR 131, with the option for a second 25.0 mCi/m^2 dose approximately 75-180 days later.

Phase 1 Study in Patients with R/R Multiple Myeloma

CLR 131 in combination with dexamethasone is currently under investigation in a Phase 1 trial in adult patients with R/RMM following treatment with both a proteasome inhibitor and an immunomodulatory agent. All patients have been heavily pretreated. To date, four dose cohorts have been examined: 12.5 mCi/m^2, 18.75 mCi/m^2, 25 mCi/m^2, and 31.25 mCi/m^2, all in combination with 40 mg dexamethasone weekly. 18 patients have been dosed to date and an independent Data Monitoring Committee has confirmed all four dose levels safe and tolerable. Of the five patients in the first cohort, four achieved stable disease (one patient progressed at Day 15 after administration and was taken off the study). Of the five patients that have been admitted to the second cohort, four achieved stable disease (one patient progressed at Day 41 after administration and was taken off study). Four patients were enrolled to the third cohort and all achieved stable disease. In September 2017, Cohort 4 results were announced and these results showed that a single 30 minute infusion of 31.25mCi/m^2 of CLR 131 was safe and well tolerated by the three patients in the cohort. Additionally, all three patients experienced clinical benefit with one patient achieving a partial response ("PR"). We are monitoring response rates via surrogate markers of efficacy including M protein and FLC. The International Myeloma Working Group defines a PR as a greater than or equal to 50% decrease in FLC levels (for patients in whom M protein is unmeasurable) or 50% decrease in M protein. The patient experiencing a PR had an 82% reduction in FLC. This patient did not produce M protein, received seven prior lines of treatment including radiation, stem cell transplantation and multiple triple combination treatments including one with daratumumab that was not tolerated. One patient experiencing stable disease attained a 44% reduction in M protein. We have recently converted the Phase 1a clinical data (single CLR 131 dose) to pooled data for presentation of the total performance of the results to date as the pooled data is more likely to be reflective of larger Phase 2/3 clinical studies. This is beneficial as it is a compilation of all the data and results in an N of 15, which gives the data more weight and a sense of maturity compared to reporting on individual cohorts with an N of 3-4 in each. As of February 2018, the preliminary pooled OS data from the first four cohorts was 15.0 months.

Based on the safety observed to date as well as various efficacy signals, including reductions in M protein and FLC and the fact that we have not yet reached median OS, we modified the protocol to begin a second part and a cohort 5, the main objective of which is to determine an optimal dose-range for CLR 131. Cohort 5 is actively enrolling and should be completed by the end of the second quarter of 2018. In this cohort, we split the 31.25 mCi/m^2 dose into two 30-minute infusions of 15.625 mCi/m^2 each given approximately one week apart.

Phase 1 Study in R/R Pediatric Patients with select Solid Tumors, Lymphomas and Malignant Brain Tumors

On December 14, 2017, we filed an IND application with the Division of Oncology at the FDA for a proposed Phase 1 study of CLR 131 in children and adolescents with select rare and orphan designated cancers. The Phase 1 clinical trial of CLR 131 is an open-label, sequential-group, dose-escalation study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers such as neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. Secondary objectives of the study are to identify the recommended Phase 2 dose of CLR 131 and to determine preliminary antitumor activity (treatment response) of CLR 131 in children and adolescents. In March 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of neuroblastoma, in May 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of rhabdomyosarcoma, and in July 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of Ewing's sarcoma, all rare pediatric cancers. Additionally the FDA granted rare pediatric disease designation for CLR 131 for the treatment of neuroblastoma and rhabdomyosarcoma. We are currently initiating a Phase 1 clinical study evaluating CLR 131 for the potential treatment of pediatric patients with Ewing's sarcoma, rhabdomyosarcoma, osteosarcoma, neuroblastoma, high grade glioma and lymphomas.

The study will be initiated with the pediatric oncologists and Nuclear Medicine/Radiology Group at the University of Wisconsin Carbone Cancer Center ("UWCCC"). Investigators at UWCCC have demonstrated uptake of CLR 131 and other fluorescently and isotopically tagged PDCs across a wide range of childhood solid cancer cell lines, including Ewing's sarcoma, rhabdomyosarcoma, pediatric brain tumors such as high-grade gliomas, medulloblastoma and atypical teratoid rhabdoid tumor. In subsequent testing in mouse xenograft models of neuroblastoma, Ewing's sarcoma, rhabdomyosarcoma and osteosarcoma, CLR 131 provided significant benefits on tumor growth rates and survival.

Phase 1 Study in R/R Head and Neck Cancer

In August 2016, the UWCCC was awarded a five-year Specialized Programs of Research Excellence grant from the National Cancer Institute to improve treatments and outcomes for head and neck cancer, HNC, patients. HNC is the sixth most common cancer across the world with approximately 56,000 new patients diagnosed every year in the U.S. As a key component of this grant, the UWCCC researchers will test CLR 131 in various animal HNC models as well as initiating the first human clinical trial combining CLR 131 and external beam radiation in patients with recurrent HNC. The UWCCC is currently anticipated to initiate this clinical trial in the second half of 2018.

Preclinical Pipeline

- CLR 1700 Series is an internally developed PDC program leveraging a payload that inhibits BTK and is designed to treat a broad range of hematologic cancers. The payload provides further specificity by targeting a pathway within hematologic cancers that is significantly upregulated in comparison to normal tissue. We believe that this additional level of targeting will allow us to provide a new drug candidate that has the ability to significantly improve patient outcomes. Leveraging our iterative discovery and screening process, we have been able to accelerate the development of this program.

- CLR 1800 Series is a collaborative PDC program with Pierre Fabre that was entered into in December 2015 and extended in October 2017. Pierre Fabre is the third largest French pharmaceutical company with an extensive oncology research and development infrastructure. The objective of the collaboration is to leverage Cellectar's expertise in conjugation, linker chemistry and phospholipid ether chemistry to codesign a library of PDCs employing Pierre Fabre's chemotherapeutics. The newly developed PDCs may provide enhanced therapeutic indices to otherwise highly potent, nontargeted payloads through the targeted delivery to cancer cells provided by our proprietary phospholipid ether delivery platform. Significant progress has been achieved, including showing improved tolerability in animal models, and the program continues to rapidly advance with a number of PDC molecules being evaluated for candidate selection and progression to IND enabling studies.

- CLR 1900 Series is an internally developed proprietary PDC program leveraging a novel small molecule cytotoxic compound as the payload. The payload inhibits mitosis (cell division) and targets a key pathway required to inhibit rapidly dividing cells that results in apoptosis. We believe that this program could produce a product candidate targeted to select solid tumors. Currently, the program is in early preclinical development.

- CLR 2000 Series is a collaborative PDC program with Avicenna Oncology, or Avicenna, that we entered into in July 2017. Avicenna is a leading developer of antibody drug conjugates (ADCs). The objective of the research collaboration is to design and develop a series of PDCs utilizing Avicenna's proprietary cytotoxic payload. Although Avicenna is a leading developer of ADCs, this collaboration was sought as a means to overcome many of the challenges associated with ADCs, including those associated with the targeting of specific cell surface epitopes.

- CLR 2100 and 2200 Series are collaborative PDC programs with Onconova Therapeutics, Inc., or Onconova, that we entered into in September 2017. Onconova is a biotechnology company specializing in the discovery and development of novel small molecule cancer therapies. The collaboration is structured such that we will design and develop a series of PDCs utilizing different small molecules that Onconova was developing as payloads with the intent to show improved targeting and specificity to the tumor. At least one of the molecules was taken into Phase 1 clinical trials previously by Onconova. We would own all new intellectual property associated with the design of the new PDCs, and both companies will have the option to advance compounds.

We believe our PDC platform has potential to provide targeted delivery of a diverse range of oncologic payloads, as exemplified by the product candidates listed above, that may result in improvements upon current standard of care for the treatment of a broad range of human cancers.

Technology Overview

Our product candidates are based on a cancer-targeting delivery platform of optimized phospholipid ether ("PLE") analogs (PLE proprietary delivery vehicle) that interact with lipid rafts. Lipid rafts are specialized regions of a cell's membrane phospholipid bilayer that contain high concentrations of cholesterol and sphingolipids and serve to organize cell surface and intracellular signaling molecules. As a result of enrichment of lipid rafts in cancer cells, including cancer stem cells, our product candidates provide selective targeting preferentially over normal healthy cells. The cancer-targeting PLE delivery vehicle was deliberately designed to be combined with therapeutic, diagnostic and imaging molecules. For example, iodine can be attached via a very stable covalent bond resulting in distinct products differing only with respect to the isotope of iodine they contain; CLR 131 contains radioactive iodine-131 and nonradioactive molecules, including cytotoxic compounds, can also be attached to the delivery vehicle.

We are focused on exploring the creation of additional PDCs ranging from newly discovered to well-characterized chemotherapeutic payloads under our CLR hemotherapeutic PDC program. The objective of our PDC program is to develop PDC chemotherapeutics through conjugation of our delivery vehicle and nontargeted anticancer agents to improve therapeutic indices and expand potential indications through the targeted delivery of chemotherapeutic payloads. Initial PDC product candidates include our CLR 1700, 1800, 1900, 2000, 2100 and 2200 series of conjugated compounds currently being researched independently and through partnerships. All are small-molecule, cancer-targeting chemotherapeutics in preclinical research. To date, multiple cancer-targeting product profiles have been generated from a single chemical core structure that is the foundation of our technology platform. We also believe that additional cytotoxic PDCs may be developed possessing enhanced therapeutic indices versus the original, nontargeted cytotoxic payload as a monotherapy.

Malignant tumor targeting, including targeting of cancer stem cells, has been demonstrated *in vivo*. Mice without intact immune systems, and inoculated with Panc-1 (pancreatic carcinoma) cells, were injected with CLR 1502, 24 or 96 hours prior to imaging. *In vivo* optical imaging showed pronounced accumulation of CLR 1502 in tumors versus nontarget organs and tissues. Similarly, positron emission tomography ("PET") imaging of tumor-bearing animals (colon, glioma, triple negative breast and pancreatic tumor xenograft models) administered the imaging agent CLR 124 clearly showed selective uptake and retention by both primary tumors and metastases, including cancer stem cells. PET/CT analysis following co-injection of CLR 131 (for therapy) and CLR 124 (for imaging) revealed time-dependent tumor responses and disappearance over nine days in a cancer xenograft model. We believe that the capability of our technology to target and be selectively retained by cancer stem cells *in vivo* was demonstrated by treating glioma stem cell-derived orthotopic tumor-bearing mice with another fluorescent-labeled PDC (CLR 1501), and then removing the tumor and isolating cancer stem cells, which continued to display CLR 1501 labeling even after three weeks in cell culture.

The basis for selective tumor targeting of our compounds lies in differences between the plasma membranes of cancer cells as compared to those of most normal cells. Data suggests that lipid rafts serve as portals of entry for PDCs such as CLR 131 and our multiple series of drug conjugates. The marked selectivity of our compounds for cancer cells versus noncancer cells is due to the fact that cancer cells maintain an overabundance of lipid rafts and have stabilized these microdomains within the plasma membrane as compared to normal cells. For example, following cell entry via lipid rafts, CLR 131 is transported into the cytoplasm, where it traffics along the Golgi apparatus and is distributed to various perinuclear organelles (mitochondria, endoplasmic reticulum) but not the nucleus. The pivotal role played by lipid rafts is underscored by the fact that disruption of lipid raft architecture significantly suppresses uptake of our PDC delivery vehicle into cancer cells.

Products in Development

CLR 131

CLR 131 is a small-molecule, cancer-targeting molecular radiotherapeutic PDC that we believe has the potential to be the first radiotherapeutic agent to use PLEs to target cancer cells. CLR 131 is comprised of our proprietary PLE, 18-(p-[I-131]iodophenyl) octadacyl phosphocholine, acting as a cancer-targeting delivery and retention vehicle, covalently labeled with iodine-131, a cytotoxic (cell-killing) radioisotope with a half-life of eight days that is already in common use to treat thyroid, pediatric tumors and other cancer types, including non-Hodgkin's lymphoma. It is this "intracellular radiation" mechanism of cancer cell killing, coupled with delivery to a wide range of malignant tumor types, which we believe provides CLR 131 with anticancer activity. Selective uptake and retention has been demonstrated in cancer stem cells compared with normal cells, offering the prospect of longer lasting anticancer activity.

Preclinical experiments in tumor models have demonstrated selective killing of cancer cells along with a safe and tolerable product profile. CLR 131's antitumor/survival-prolonging activities have been demonstrated in more than a dozen models, including breast, prostate, lung, brain, pancreatic, ovarian, uterine, renal and colorectal cancers as well as melanoma and multiple myeloma. In all but two models, a single administration of a well-tolerated dose of CLR 131 was sufficient to demonstrate efficacy. Moreover, efficacy was also seen in a model employing human uterine sarcoma cells that have known resistance to many standard chemotherapeutic drugs. CLR 131 was also tested in combination with a standard efficacious dose of gemcitabine in a pancreatic cancer model. Single doses of CLR 131 or gemcitabine given alone were equally efficacious, while the combination therapy was significantly more efficacious than either treatment alone (additive). While single doses of CLR 131 have been effective and well-tolerated in multiple preclinical animal models, CLR 131 has been shown to provide a statistically significant improvement in efficacy and survival when provided in a multi-dose format and remains well-tolerated. In each study, the dose of CLR 131 was ~100 μCi, which is approximately 50-fold less than the maximum tolerated dose of CLR 131 determined in a six-month rat radiotoxicity study.

Extensive IND-enabling, FDA's Good Laboratory Practices (GLP) regulations *in vivo* and *in vitro* preclinical pharmacokinetic/distribution, toxicology and drug safety studies were successfully completed in 2007 through 2009 using nonpharmacological concentrations/doses of PLE consistent with its role as a delivery/retention vehicle in CLR 131. Tissue distribution studies supported prediction of acceptable human organ exposures and body clearance for CLR 131. Importantly, and in sharp distinction from biological products labeled with iodine-131, the small-molecule CLR 131 showed very minimal variation in excretion kinetics and tissue distribution among individuals within species or across a 500-fold variation in dose. Single- and repeat-dose animal toxicology studies indicated very high margins of safety with our PLE delivery and retention vehicle, even when administered at 80-200x over the amount required to deliver the anticipated maximum human therapy dose of CLR 131.

In 2009, we filed an IND with the FDA to study CLR 131 in humans. In February 2010, we completed a Phase 1 dosimetry trial with a single intravenous dose of 10 mCi/m^2 CLR 131 in eight patients with R/R advanced solid tumors. Single doses of CLR 131 were well-tolerated, and the reported adverse events were all considered minimal, manageable and either not dose limiting or not related to CLR 131. There were no serious adverse events reported. Analysis of total body imaging and blood and urine samples collected over 42 days following injection indicated that doses of CLR 131 expected to be therapeutically effective could be administered without harming vital organs. Two subjects (one with colorectal cancer metastasized to lung and another with prostate cancer) had tumors that were imaged with 3D nuclear scanning (SPECT/CT) on day six after administration of CLR 131. Uptake of CLR 131 into tumor tissue (but not adjacent normal tissue or bone marrow) was clearly demonstrated in both subjects. Confirming animal studies, pharmacokinetic analyses demonstrated a prolonged half-life of radioactivity in the plasma after CLR 131 administration (approximately 200 hours) and that there was no significant variation in excretion or radiation dosimetry among subjects. The trial established an initial dose of 12.5 mCi/m^2, for the Phase 1b escalating-dose trial that commenced in January 2012.

The primary objective of the multicenter Phase 1b dose-escalation trial in patients with a range of advanced solid tumors was to define the maximum tolerated dose of CLR 131. In addition, the Phase 1b trial was intended to evaluate overall tumor response (using standard RESIST 1.1 criteria) and safety. In September 2012, we announced that we had successfully completed the second cohort in this Phase 1b dose-escalation trial. Dose escalation in four cohorts subsequently occurred with refractory cancer patients receiving single doses of 25 mCi/m^2, 31.25 mCi/m^2 or 37.5 mCi/m^2.

Tumor treatment with radioactive isotopes has been used as a fundamental cancer therapeutic for decades. The goals of targeted cancer therapy — selective delivery of effective doses of isotopes that destroy tumor tissue, sparing of surrounding normal tissue, and nonaccumulation in vital organs such as the liver and kidneys — remain goals of new therapies as well. We believe our isotope delivery technology has the potential to achieve these goals. To date, CLR 131 has been shown in animal models to reliably and near-universally accumulate in cancer cells, including cancer stem cells, and because the therapeutic properties of iodine-131 are well known, we believe the risk of nonefficacy in human clinical trials is less than that of other cancer therapies at this stage of development, although no assurance can be given.

In view of CLR 131's selective uptake and retention in a wide range of solid tumors and in cancer stem cells, its single-agent efficacy in animal models and its nonspecific mechanism of cancer-killing (radiation), we are initially developing CLR 131 as a monotherapy for cancer indications with significant unmet medical need. While a number of indications were evaluated as the initial target treatment, multiple myeloma was selected principally because it is an incurable hematologic disease that is highly radiosensitive, with significant unmet medical need in the relapse or refractory clinical setting, and is designated as an orphan disease. As a result, this may provide an accelerated regulatory pathway due to CLR 131's unique benefits such as a novel mechanism of action, ease of administration, and positive benefit/risk profile potential in various high unmet cancer populations. The IND application for multiple myeloma was accepted by the FDA in September 2014. In December 2014, the FDA granted orphan drug designation for CLR 131 for the treatment of multiple myeloma. We initiated our Phase 1 study of CLR 131 for the treatment of R/RMM in April 2015 and have provided periodic clinical updates. CLR 131 is being evaluated as a monotherapy and will subsequently be explored as a combination therapy with chemotherapeutic agents and immunomodulatory agents and in combination with external beam radiotherapy. CLR 131 is being evaluated in a Phase 2 clinical study examining R/RMM patients as well as selected other B-cell hematological malignancies. Patients will receive a 25 mCi/m^2 dose infused over approximately 30 minutes with the option of a second 25 mCi/m^2 dose 75-180 days later based on physician assessment. This study is partially funded through a $2,000,000 National Cancer Institute Fast-Track Small Business Innovation Research award granted in July 2016.

In September 2017, the CLR 131 Phase 1 Cohort 4 results were announced. These results showed that a single 30-minute infusion of 31.25mCi/m^2 of CLR 131 was safe and well-tolerated by the three patients in the cohort. We are also monitoring signals of efficacy, including surrogate markers M protein and FLC. The International Myeloma Working Group defines a PR as a greater than or equal to a 50% decrease in FLC levels (for patients in whom M protein is unmeasurable) or a 50% decrease in M protein. Additionally, all three patients in the cohort experienced clinical benefit with one patient achieving a PR and two patients achieving stable disease. One patient experiencing stable disease attained a 44% reduction in M protein. The patient experiencing a PR had an 82% reduction in FLC. This patient did not produce M protein and received seven prior lines of treatment including radiation, stem cell transplantation and multiple combination treatments (including one with daratumumab that was not tolerated). Median OS for the study has not been reached at the time of this document and data is still being collected for the Phase 1 study and will not be considered final until the end of the study. As of November 3, 2017, patients in Cohort 1 who received a single 12.5mCi/m^2 dose experienced a median OS of 26.4 months with all patients remaining alive. Median OS for Cohorts 2 and 3 also continue to mature with patients experiencing OS of 15.6 months and 10 months, respectively as of November 3, 2017. We initiated a Phase 2 clinical study using Cohort 3's dose of 25.0 mCi/m^2 with the option of a second 25 mCi/m^2 dose 75-180 days later based on physician assessment. We may modify this dose based on safety and efficacy signals from the Phase 1 study's ongoing Cohort 5 multi-dose regimen.

On December 14, 2017, we filed an IND application with the Division of Oncology at the FDA for a proposed Phase 1 study of CLR 131 in children and adolescents with select rare and orphan designated cancers. The Phase 1 clinical trial of CLR 131 is an open-label, sequential-group, dose-escalation study to evaluate the safety and tolerability of a single intravenous administration of CLR 131 in up to 30 children and adolescents with cancers including neuroblastoma, sarcomas, lymphomas (including Hodgkin's lymphoma) and malignant brain tumors. Secondary objectives of the study are to identify the recommended Phase 2 dose of CLR 131 and to determine preliminary antitumor activity (treatment response) of CLR 131 in children and adolescents. The study will be initiated with the pediatric oncologists and Nuclear Medicine/Radiology Group at UWCCC. Investigators at UWCCC have demonstrated uptake of CLR 131 and other fluorescently and isotopically tagged PDCs across a wide range of childhood solid cancer cell lines, including Ewing's sarcoma, rhabdomyosarcoma, pediatric brain tumors such as high-grade gliomas, medulloblastoma and atypical teratoid rhabdoid tumor. In subsequent testing in mouse xenograft models of neuroblastoma, Ewing's sarcoma, rhabdomyosarcoma and osteosarcoma, CLR 131 provided significant benefits on tumor growth rates and survival. In March 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of neuroblastoma, in May 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of rhabdomyosarcoma and in July2018, the FDA granted orphan drug designation for CLR 131 for the treatment of Ewing's sarcoma, all rare pediatric cancers. Additionally the FDA granted rare pediatric disease designation for CLR 131 for the treatment of neuroblastoma and rhabdomyosarcoma. We are currently initiating a Phase 1 clinical study evaluating CLR 131 for the potential treatment of pediatric patients with Ewing's sarcoma, rhabdomyosarcoma, osteosarcoma, neuroblastoma, high grade glioma and lymphomas.

CLR 1700 Series

CLR 1700 Series is an internally developed PDC program leveraging a payload that inhibits BTK and is designed to treat a broad range of hematologic cancers. The payload provides further specificity by targeting a pathway within hematologic cancers that is significantly upregulated in comparison to normal tissue. We believe that this additional level of targeting will allow us to provide a new drug candidate that has the ability to significantly improve patient outcomes. Leveraging our iterative discovery and screening process, we have been able to accelerate the development of this program.

CLR 1800 Series

CLR 1800 Series is a collaborative PDC program with Pierre Fabre that was entered into in December 2015 and extended in October 2017. Pierre Fabre is the third largest French pharmaceutical company with an extensive oncology research and development infrastructure. The objective of the collaboration is to leverage Cellectar's expertise in conjugation, linker chemistry and phospholipid ether chemistry to codesign a library of PDCs employing Pierre Fabre's chemotherapeutics. The newly developed PDCs may provide enhanced therapeutic indices to otherwise highly potent, nontargeted payloads through the targeted delivery to cancer cells provided by our proprietary phospholipid ether delivery platform. Significant progress has been achieved, including showing improved tolerability in animal models, and the program continues to rapidly advance with a number of PDC molecules being evaluated for candidate selection and progression to IND enabling studies.

CLR 1900 Series

CLR 1900 Series is an internally developed proprietary PDC program leveraging a novel small molecule cytotoxic compound as the payload. The payload inhibits mitosis (cell division) and targets a key pathway required to inhibit rapidly dividing cells that results in apoptosis. We believe that this program could produce a product candidate targeted to select solid tumors. Currently, the program is in early preclinical development.

CLR 2000 Series

CLR 2000 Series is a collaborative PDC program with Avicenna Oncology, or Avicenna, that we entered into in July 2017. Avicenna is a leading developer of antibody ADCs. The objective of the research collaboration is to design and develop a series of PDCs utilizing Avicenna's proprietary cytotoxic payload. Although Avicenna is a leading developer of ADCs, this collaboration was sought as a means to overcome many of the challenges associated with ADCs, including those associated with the targeting of specific cell surface epitopes.

CLR 2100 and 2200 Series

CLR 2100 and 2200 Series are collaborative PDC programs with Onconova Therapeutics, Inc., or Onconova, that we entered into in September 2017. Onconova is a biotechnology company specializing in the discovery and development of novel small molecule cancer therapies. The collaboration is structured such that we will design and develop a series of PDCs utilizing different small molecules that Onconova was developing as payloads with the intent to show improved targeting and specificity to the tumor. At least one of the molecules was taken into Phase 1 clinical trials previously by Onconova. We would own all new intellectual property associated with the design of the new PDCs, and both companies will have the option to advance compounds.

Market Overview

Our target market is broad and represents the market for the treatment of cancer. The American Cancer Society estimated that approximately 1.69 million new cancer cases were expected to be diagnosed in the U.S. in 2016 and approximately 596,000 people were expected to die of cancer, which is the equivalent of about 1,630 per day. The global market for cancer drugs reached $107 billion in annual sales (June 2015), and could reach $150 billion by 2020, according to a report dated June 2016 by the IMS Institute for Healthcare Informatics, a unit of drug data provider IQVIA. This growth will be driven by emerging targeted therapies, which are expected to change the cancer treatment landscape (Cowen Report), and an increased use of cancer drug combination regimens.

Multiple Myeloma

According to the National Cancer Institute Surveillance, Epidemiology, and End Results ("SEER") database, multiple myeloma is the second most common hematologic cancer with a U.S. incidence rate and a relapse or refractory patient population of 10,000 to 15,000. The Global Data Report for 2015 estimated the multiple myeloma dollar market size to be $8.9 billion in 2014 and forecasted an increase to $22.4 billion by 2023. The increase in drug sales over this period will be mainly driven by the increasing incidence of multiple myeloma in each of the seven key markets with the U.S. market remaining the largest potential market.

Chronic Lymphocytic Lymphoma and Small Lymphocytic Lymphoma/Lymphoplasmacytic Lymphoma/Mantle Cell Lymphoma/Marginal Zone Lymphoma

According to the National Cancer Institute SEER data base, chronic lymphocytic lymphoma and small lymphocytic lymphoma represents about 47,000 cases per year in the U.S. Lymphoplasmacytic lymphoma is one of the rarer forms of lymphoma, with approximately 5,000 new cases per year in the U.S. Meanwhile, mantel cell and marginal zone lymphomas combined represent approximately 22,000 patients per year. The incidence rate in these diseases significantly increases with an aging population (majority of patients over the age of 60). According to a Datamonitor report from 2016, the markets for these conditions are expected to grow at a compound annual growth rate of nearly 5.5% in the U.S. and 7.6% in Europe until 2024, with combined sales of approximately $2 billion.

Diffuse Large B-Cell Lymphoma

Diffuse large B-cell lymphoma (DLBCL) is an aggressive (fast-growing) lymphoma that can arise in lymph nodes or outside of the lymphatic system in the gastrointestinal tract, testes, thyroid, skin, breast, bone or brain. DLBCL is one of the most common forms of lymphoma with an incidence of approximately 57,000 patients per year (National Cancer Institute SEER data base). Datamonitor reports that the DLBCL market will expand at a compound annual growth rate of approximately 2.9%.

Neuroblastoma

Neuroblastoma, a neoplasm of the sympathetic nervous system, is the most common extracranial solid tumor of childhood, accounting for approximately 7.8% of childhood cancers in the U.S. The National Cancer Institute states the incidence is about 10.54 cases per 1 million per year in children younger than 15 years and 90% are younger than five years at diagnosis. Over 650 new cases are diagnosed each year in North America. Approximately 50% of patients present with metastatic disease requiring systemic treatment. Clinical consequences include abdominal distension, proptosis, bone pain, pancytopenia, fever and paralysis. Although the prognosis is favorable in children under one year of age with an 86% to 95% five-year survival, in children aged one to 14 years the five-year survival ranges from 34% to 68%.

Rhabdomyosarcoma

Rhabdomyosarcoma, a malignant tumor of mesenchymal origin, is the most common soft tissue sarcoma in children, accounting for approximately 40% of childhood soft tissue sarcomas in the U.S. The annual incidence is about 4.5 cases per 1 million in children younger than 15 years and more than 50% are younger than 10 years at diagnosis. Rhabdomyosarcoma has a 64% five-year survival in a pediatric population, with at least one-third of all patients experiencing disease progression or relapse. The median progression-free survival following the first recurrence or progression is approximately nine months.

Pediatric High-Grade Glioma

Pediatric high-grade gliomas represent a rare and orphan pediatric tumor that has limited treatment options. High-grade gliomas are usually defined as tumors of glial origin with the most common pediatric high-grade gliomas being anaplastic astrocytoma and glioblastoma multiform. The Central for Brain Tumor Registry of the U.S. estimates the incidence at approximately 3,600 pediatric patients per year.

Ewing's Sarcoma

Ewing's sarcoma is the second most common bone malignancy among children and adolescents. The incidence is about 3 cases per 1 million per year in children younger than age 20. Approximately 30-40% of patients develop metastases or local recurrence, and the long-term survival rate for refractory or recurrent disease is approximately 22-24%.

Manufacturing

In January 2018, we initiated the planned shutdown of our radiopharmaceutical manufacturing facility in Madison, Wisconsin. This facility was designed to provide pilot and small-scale production of our lead clinical program CLR 131. In December 2017, we successfully transferred the manufacturing of CLR 131 to Centre for Probe Development and Commercialization, CPDC, a validated CGMP manufacturing organization specializing in radiopharmaceuticals, as our exclusive source to supply drug product for our ongoing research and clinical trials, including our Phase 1 and Phase 2 studies of CLR 131. We believe that CPDC and our other third-party manufacturers have the ability to supply large-scale clinical and commercial-scale material. Our third-party manufacturing partners have been inspected and approved to supply clinical and commercial radiopharmaceutical material by the FDA and the European Medicines Agency.

CLR 131 drug product is made via a five-step synthetic scheme. The release specifications for the drug product have been established and validated. Through process improvements, we have been able to achieve a longer expiry dating for the compound extending finished product shelf-life to further facilitate distribution outside the U.S.

The drug substance base molecule is a dry powder produced via a six-step synthetic scheme. The release specifications for the drug substance have been established and validated. We have successfully executed large-scale production of the drug substance via a contract manufacturing organization that has been inspected and approved by the FDA and the European Medicines Agency. We have also demonstrated 60-month stability for the drug substance in desiccated and refrigerated forms at small scale and are replicating this at large scale.

Sales and Marketing

We plan to pursue and evaluate all available options to develop, launch and commercialize our compounds. These options presently include entering into an agreement for a contract sales organization or partnering arrangement with one or more biotechnology or pharmaceutical company with strong product development and commercialization expertise and distribution infrastructure in the U.S., Europe and/or Japan. While we currently do not plan to build our own commercial organization for the launch and commercialization of our compounds, we may reconsider that in the future.

Competition for Our Clinical-Stage Compounds

Currently, several classes of approved products with various mechanisms of action exist, including immune-modulating agents, proteasome inhibitors, histone deacetylase inhibitors, monoclonal antibodies, corticosteroids and traditional chemotherapeutics for the treatment of liquid and solid tumors. While a number of indications were evaluated as the initial target treatment for CLR 131, multiple myeloma and hematologic cancers were selected for initial clinical development principally because of their highly radiosensitive nature, single- or multi-dose treatment, and novel mechanism of action relative to all existing classes of approved drugs. As a result, we believe CLR 131 is a therapeutic option in the relapse or refractory setting either as a monotherapy or in combination with currently approved agents, some of which are radiosensitizing and maintain a differential adverse event profile from that of CLR 131.

Intellectual Property

Our core technology platform is based on research conducted at the University of Michigan in 1994, where phospholipid ether (PLE) analogs were initially designed, synthesized, radiolabeled and evaluated. This research was transferred to the University of Wisconsin—Madison between 1998 and the subsequent founding of our company in 2002 to further develop and commercialize the technology. We obtained exclusive rights to the related technology patents owned by University of Michigan in 2003 and continued development of the PDC platform while obtaining ownership of numerous additional patents and patent applications (with various expiry until 2034 without extensions). We have established a broad U.S. and international intellectual property rights portfolio around our proprietary cancer-targeting PLE technology platform, including CLR 131, and our PDC programs.

PDC Chemotherapeutic Programs

In November 2015, we converted our previously filed provisional patent application for Phospholipid-Ether Analogs as Cancer Targeting Drug Vehicles to nonprovisional U.S. and international Patent Cooperation Treaty ("PCT") patent applications, which were published by the U.S. Patent & Trade Office ("USPTO") in May of 2016. These patent applications further protect composition of matter and method of use for PDCs developed with our proprietary PLE delivery vehicle conjugated with any existing or future cytotoxic agents, including chemotherapeutics for targeted delivery to cancer cells and cancer stem cells. Additional cytotoxic PDC compounds are covered by pending patent applications directed to the composition of matter and method of use for cancer therapy and provide intellectual property protection in the U.S. and up to 148 additional countries. These applications, if granted, offer protection extending through at least 2035 in the U.S. and key international markets.

CLR 131

We have taken a broad approach to creating market exclusivity for CLR 131 both within the U.S, and globally, including all major markets. This approach includes numerous patents, patent applications and regulatory filings to provide maximum market exclusivity. Our patent portfolio for CLR 131 includes all of the typical filings as well as unique methods of use, methods of manufacturing, use in combinations, use to treat cancer stem cells, novel formulations, etc. In addition to our patents, we were granted orphan designation for CLR 131 for the treatment of multiple myeloma by the FDA in December 2014 and expect to file additional orphan designations for other rare diseases. We continue to evaluate CLR 131 in additional hematologic and solid tumor orphan designated indications. Our patents have varied expiration dates, with some potentially being extended on a country-by-country basis. In March 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of neuroblastoma, in May 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of rhabdomyosarcoma and in July 2018, the FDA granted orphan drug designation for CLR 131 for the treatment of Ewing's sarcoma, all rare pediatric cancers. Additionally the FDA granted rare pediatric disease designation for CLR 131 for the treatment of neuroblastoma and rhabdomyosarcoma. We are currently initiating a Phase 1 clinical study evaluating CLR 131 for the potential treatment of pediatric patients with Ewing's sarcoma, rhabdomyosarcoma, osteosarcoma, neuroblastoma, high grade glioma and lymphomas.

We expect to continue to file patent applications and acquire licenses to other patents covering methods of use, composition of matter, formulation, method of manufacture, and other patentable claims related to CLR 131 and new PDCs. These patent applications will be filed in key commercial markets worldwide. The issued patents will generally expire between 2025 and 2035, unless extended, most likely under clinical development extensions.

In addition to the above noted patents/applications directed to CLR 131 and our PDC pipeline portfolio, we own other patents/applications directed to different forms of PLE, methods of use and methods of manufacturing of PLE.

Separate from any patent protection and following product approval by regulatory authorities, data exclusivity may be available for various compounds for up to 10 years on a country-by-country basis (e.g., up to five years in the U.S. and up to ten years in Europe).

Licenses/Collaborations

On September 18, 2017, we entered into an arrangement with Onconova Therapeutics, Inc. ("Onconova"). Under this arrangement, Onconova will provide us a selection of its proprietary compounds. We will use our proprietary technology to perform research studies on these compounds with the goal of developing new conjugates. We agreed to perform the studies within 24 months. We granted Onconova an exclusive option to acquire a royalty-bearing license for each conjugate developed. In the event an executed license agreement for a particular conjugate is not obtained, then Onconova's exclusive option will terminate for such conjugate.

On July 9, 2017, we entered into an arrangement with Avicenna Oncology GMBH ("Avicenna"). Under this arrangement, Avicenna will provide us a selection of its proprietary toxins. We will use our proprietary conjugation capabilities to proceed with the conjugation in order to obtain PDCs. We will process various *in vitro* and *in cellulo* screening against such PDCs to develop new conjugates. We granted Avicenna an option to acquire an exclusive license to our intellectual property for each conjugate developed. In the event the parties cannot reach agreement on the terms of a definitive agreement despite good-faith negotiations, Avicenna's exclusive option terminates as to such conjugate. Avicenna also granted to us an option to acquire an exclusive license to its intellectual property for the material provided. In the event the parties do not reach agreement on the terms of a definitive agreement, our exclusive option terminates as to the material of Avicenna.

On December 14, 2015, we entered into an arrangement with Pierre Fabre. Under this arrangement, Pierre Fabre provided us a selection of its proprietary cytotoxics for use in a series of in vitro and in vivo screening studies to evaluate the potential to create new PDCs in combination with our proprietary phospholipid ether delivery platform technology. We are entitled to all intellectual property associated with the PDCs developed as part of the research collaboration. Based upon the results of these screening studies, the parties jointly elected to extend the collaboration with the express intent to advance several PDCs into preclinical studies. If it is determined that these molecules should be further advanced to IND enabling studies, we will enter into discussions with Pierre Fabre regarding their interest in exercising the option granted to them in the agreement for further advancement of the PDCs or for Cellectar to acquire an option to in-license the Pierre Fabre materials and advance the compounds. Pierre Fabre currently holds a right of first refusal as it relates to any molecules we develop under the agreement which is exercisable by Pierre Fabre within 60 days of notification by us regarding our intent to enter into a business relationship with a third party as it relates to any of the PDCs. Pierre Fabre's right to option any PDC and the results of the studies continues for four years past the termination of any jointly agreed upon extension.

Research and Development

Our primary activity to date has been research and development. The research has historically been conducted at our facility in Madison, Wisconsin, which has now ceased operations, and through third-party laboratories and academic universities. The clinical development has been completed primarily through contract research organizations at hospitals and academic centers. We have established a collaboration outsourcing model to leverage third-party expertise, accelerate project timelines, improve productivity, and manage costs. Our research and development expenses were approximately $9,466,000 and $4,750,000 for the years ended December 31, 2017 and 2016, respectively.

Regulation

The production, distribution and marketing of products employing our technology, and our development activities, are subject to extensive governmental regulation in the U.S. and in other countries. In the U.S., we are subject to the Federal Food, Drug, and Cosmetic Act, as amended, and the regulations of the FDA, as well as to other federal, state and local statutes and regulations, including the federal, state and local laws and regulations governing the storage, use and disposal of hazardous materials, including radioactive isotopes. These laws, and similar laws outside the U.S., govern the clinical and preclinical testing, manufacture, safety, effectiveness, approval, labeling, distribution, sale, import, export, storage, record-keeping, reporting, advertising and promotion of drugs. Product development and approval within this regulatory framework, if successful, will take many years and involve the expenditure of substantial resources. Violations of regulatory requirements at any stage may result in various adverse consequences, including the delay in approving or refusal to approve a product by the FDA or other health authorities. Violations of regulatory requirements also may result in enforcement actions, which include civil money penalties, injunctions, seizure of regulated product, and civil and criminal charges. The following paragraphs provide further information on certain legal and regulatory issues with a particular potential to affect our operations or future marketing of products employing our technology.

Research, Development, and Product Approval Process

The research, development and approval process in the U.S. and elsewhere is intensive and rigorous and generally takes many years to complete. The typical process required by the FDA before a therapeutic drug may be marketed in the U.S. includes:

- preclinical laboratory and animal tests performed under the FDA's GLP regulations;
- submission to the FDA of an IND application, which must become effective before human clinical trials may commence;
- human clinical studies performed under the FDA's Good Clinical Practices regulations, to evaluate the drug's safety and effectiveness for its intended uses;
- FDA review of whether the facility in which the drug is manufactured, processed, packed or held meets standards designed to assure the product's continued quality; and
- submission of a marketing application to the FDA, and approval of the application by the FDA.

Preclinical Testing

During preclinical testing, studies are performed with respect to the chemical and physical properties of candidate formulations. These studies are subject to GLP requirements. Biological testing is typically done in animal models to demonstrate the activity of the compound against the targeted disease or condition and to assess the apparent effects of the new product candidate on various organ systems as well as its relative therapeutic effectiveness and safety.

Submission of IND

An IND must be submitted to the FDA and become effective before studies in humans may commence. The IND must include a sufficient amount of data and other information concerning the safety and effectiveness of the compound from laboratory, animal and human clinical testing, manufacturing, product quality and stability, and proposed product labeling.

Clinical Trials

Clinical trial programs in humans generally follow a three-phase process. Typically, Phase 1 studies are conducted in small numbers of healthy volunteers or, on occasion, in patients afflicted with the target disease. Phase 1 studies are conducted to determine the metabolic and pharmacological action of the product candidate in humans and the side effects associated with increasing doses, and if possible, to gain early evidence of effectiveness. In Phase 2, studies are generally conducted in larger groups of patients having the target disease or condition in order to validate clinical endpoints and to obtain preliminary data on the effectiveness of the product candidate and optimal dosing. This phase also helps determine further the safety profile of the product candidate. In Phase 3, large-scale clinical trials are generally conducted in patients having the target disease or condition to provide sufficient data for the statistical proof of effectiveness and safety of the product candidate as required by U.S. regulatory agencies.

In the case of products for certain serious or life-threatening diseases, the initial human testing may be done in patients with the disease rather than in healthy volunteers. Because these patients are already afflicted with the target disease or condition, it is possible that such studies will also provide results traditionally obtained in Phase 2 studies. These studies are often referred to as "Phase 1/2" studies. However, even if patients participate in initial human testing and a Phase 1/2 study is carried out, the sponsor is still responsible for obtaining all the data usually obtained in both Phase 1 and Phase 2 studies.

U.S. law requires that studies conducted to support approval for product marketing be "adequate and well controlled." In general, this means that either a placebo or a product already approved for the treatment of the disease or condition under study must be used as a reference control. Studies must also be conducted in compliance with good clinical practice requirements, and informed consent must be obtained from all study subjects. The clinical trial process for a new compound can take ten years or more to complete. The FDA may prevent clinical trials from beginning or may place clinical trials on hold at any point in this process if, among other reasons, it concludes that study subjects are being exposed to an unacceptable health risk. Trials may also be prevented from beginning or may be terminated by institutional review boards, which must review and approve all research involving human subjects. Side effects or adverse events that are reported during clinical trials can delay, impede or prevent marketing authorization. Similarly, adverse events that are reported after marketing authorization can result in additional limitations being placed on a product's use and, potentially, withdrawal of the product from the market.

Submission of New Drug Application

Following the completion of clinical trials, the data is analyzed to determine whether the trials successfully demonstrated safety and effectiveness and whether a product approval application may be submitted. In the U.S., if the product is regulated as a drug, a new drug application, or NDA, must be submitted and approved before commercial marketing may begin. The NDA must include a substantial amount of data and other information concerning the safety and effectiveness of the compound from laboratory, animal and human clinical testing, manufacturing, product quality and stability, and proposed product labeling.

Each domestic and foreign manufacturing establishment, including any contract manufacturers we may decide to use, must be listed in the NDA and must be registered with the FDA. The application generally will not be approved until the FDA conducts a manufacturing inspection, approves the applicable manufacturing process, and determines that the facility is in compliance with CGMP requirements.

Under the Prescription Drug User Fee Act, as amended, the FDA receives fees for reviewing an NDA and supplements thereto, as well as annual fees for commercial manufacturing establishments and for approved products. These fees can be significant. For fiscal year 2018, the NDA review fee alone is $2,421,495, although certain limited deferral, waivers and reductions may be available.

Each NDA submitted for FDA approval is usually reviewed for administrative completeness and reviewability within 45 to 60 days following submission of the application. If deemed complete, the FDA will "file" the NDA, thereby triggering substantive review of the application. The FDA can refuse to file any NDA that it deems incomplete or not properly reviewable. The FDA has established performance goals for the review of NDAs—six months for priority applications and ten months for standard applications. However, the FDA is not legally required to complete its review within these periods, and these performance goals may change over time.

Moreover, the outcome of the review, even if generally favorable, typically is not an actual approval but an "action letter" that describes additional work that must be done before the application can be approved. The FDA's review of an application may involve review and recommendations by an independent FDA advisory committee. Even if the FDA approves a product, it may limit the approved therapeutic uses for the product as described in the product labeling, require that warning statements be included in the product labeling, require that additional studies be conducted following approval as a condition of the approval, impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a risk management plan, or otherwise limit the scope of any approval.

Post NDA Regulation

Significant legal and regulatory requirements also apply after FDA approval to market under an NDA. These include, among other things, requirements related to adverse event and other reporting, product advertising and promotion, manufacturing process, and ongoing adherence to CGMP requirements, as well as the need to submit appropriate new or supplemental applications and obtain FDA approval for certain changes to the approved product labeling. The FDA also enforces the requirements of the Prescription Drug Marketing Act which, among other things, imposes various requirements in connection with the distribution of product samples to physicians.

The regulatory framework applicable to the production, distribution, marketing and/or sale of our product pipeline may change significantly from the current descriptions provided herein in the time that it may take for any of our products to reach a point at which an NDA is approved.

Overall research, development and approval times depend on a number of factors, including the period of review at FDA, the number of questions posed by the FDA during review, how long it takes to respond to the FDA's questions, the severity or life-threatening nature of the disease in question, the availability of alternative treatments, the availability of clinical investigators and eligible patients, the rate of enrollment of patients in clinical trials, and the risks and benefits demonstrated in the clinical trials.

Other U.S. Regulatory Requirements

In the U.S., the research, manufacturing, distribution, sale and promotion of drug and biological products are potentially subject to regulation by various federal, state and local authorities in addition to the FDA, including the Centers for Medicare and Medicaid Services, other divisions of the U.S. Department of Health and Human Services (e.g., the Office of Inspector General), the U.S. Department of Justice and individual U.S. Attorney offices within the Department of Justice, and state and local governments. For example, sales, marketing and scientific/educational grant programs must comply with the antifraud and abuse provisions of the Social Security Act, the False Claims Act, the privacy provision of the Health Insurance Portability and Accountability Act, and similar state laws, each as amended. Pricing and rebate programs must comply with the Medicaid rebate requirements of the Omnibus Budget Reconciliation Act of 1990 and the Veterans Health Care Act of 1992, each as amended. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. All of these activities are also potentially subject to federal and state consumer protection, unfair competition, and other laws.

The research and development, manufacturing and administration of our drugs involve the controlled use of hazardous materials, including chemicals and radioactive materials, such as radioactive isotopes. Therefore, these activities are subject to federal, state and local laws and regulations governing the storage, use and disposal of these materials and some waste products, requiring both a manufacturer's license and a radioactive materials license with state agencies.

Moreover, we are now, and may become subject to, additional federal, state and local laws, regulations and policies relating to safe working conditions, laboratory practices, the experimental use of animals, and/or the use, storage, handling, transportation and disposal of human tissue, waste and hazardous substances, including radioactive and toxic materials and infectious disease agents used in conjunction with our research work.

Foreign Regulatory Requirements

We, and any future collaborative partners, may be subject to widely varying foreign regulations that may be quite different from those of the FDA governing clinical trials, manufacture, product registration and approval, and pharmaceutical sales. Whether or not FDA approval has been obtained, we or any future collaboration partners must obtain a separate approval for a product by the comparable regulatory authorities of foreign countries prior to the commencement of product marketing in these countries. In certain countries, regulatory authorities also establish pricing and reimbursement criteria. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. In addition, under current U.S. law, there are restrictions on the export of products not approved by the FDA, depending on the country involved and the status of the product in that country.

Reimbursement and Pricing Controls

In many of the markets where we, or any future collaborative partners, would commercialize a product following regulatory approval, the prices of pharmaceutical products are subject to direct price controls by law and to drug reimbursement programs with varying price control mechanisms. Public and private health care payors control costs and influence drug pricing through a variety of mechanisms, including through negotiating discounts with the manufacturers and the use of tiered formularies and other mechanisms that provide preferential access to certain drugs over others within a therapeutic class. Payors also set other criteria to govern the uses of a drug that will be deemed medically appropriate and therefore reimbursed or otherwise covered. In particular, many public and private health care payors limit reimbursement and coverage to the uses of a drug that are either approved by the FDA or supported by other appropriate evidence (for example, published medical literature) and appear in a recognized drug compendium. Drug compendia are publications that summarize the available medical evidence for particular drug products and identify which uses of a drug are supported or not supported by the available evidence, whether or not such uses have been approved by the FDA. For example, in the case of Medicare coverage for physician-administered oncology drugs, the Omnibus Budget Reconciliation Act of 1993, with certain exceptions, prohibits Medicare carriers from refusing to cover unapproved uses of an FDA-approved drug if the unapproved use is supported by one or more citations in the American Hospital Formulary Service Drug Information, the American Medical Association Drug Evaluations, or the U.S. Pharmacopoeia Drug Information. Another commonly cited compendium, for example under Medicaid, is the DRUGDEX Information System.

Employees

As of July 16, 2018, we had 9 full-time employees.

Legal Proceedings

We are a party to proceedings in the ordinary course of business; however, we do not anticipate that the outcome of such matters and disputes will materially affect our financial statements.

Corporate Information

We were formerly known as Novelos Therapeutics, Inc., and incorporated in Delaware in June 1996. On April 8, 2011, we entered into a business combination with Cellectar, Inc., a privately held Wisconsin corporation that designed and developed products to detect, treat and monitor a wide variety of human cancers. On February 11, 2014, we changed our name to Cellectar Biosciences, Inc. Our common stock is listed on the Nasdaq Capital Market under the symbol “CLRB.”

Our principal executive offices are located at 3301 Agriculture Drive, Madison, Wisconsin 53716, and our telephone number is (608) 441-8120. Our corporate website address is www.cellectar.com. Information contained on or accessible through our website is not a part of this registration statement.

MANAGEMENT

Our executive officers and directors are as follows:

Name	Age	Position
James V. Caruso	59	President, Chief Executive Officer and Director
Jarrod Longcor	45	Chief Business Officer
John E. Friend II, MD	48	Vice President and Chief Medical Officer
Brian Posner	56	Vice President and Chief Financial Officer
Douglas J. Swirsky[(1)(2)]	48	Chairman of the Board and Director
Stephen A. Hill, B.M. B.Ch., M.A., F.R.C.S. [(1)(2)]	60	Director
John Neis[(1)(3)]	63	Director
Stefan D. Loren, PhD[(2)(3)]	54	Director
Frederick W. Driscoll[(3)]	67	Director

(1) Member of the Compensation Committee.
(2) Member of the Nominating and Corporate Governance Committee.
(3) Member of the Audit Committee.

The following biographical descriptions are based on information furnished by the respective individual.

James V. Caruso. Mr. Caruso was appointed our President and Chief Executive Officer and a director in June 2015. He came to us from Hip Innovation Technology, a medical device company, where he was a founder and served as Executive Vice President and Chief Operating Officer from August 2010 to June 2015, and he currently serves on its board. Prior to his time at Hip Innovation Technology, he was Executive Vice President and Chief Commercial Officer of Allos Therapeutics, Inc., an oncology company acquired by Spectrum Pharmaceuticals, from June 2006 to August 2010. He was also Senior Vice President, Sales and Marketing, from June 2002 to May 2005, at Bone Care International, Inc., a specialty pharmaceutical company that was acquired by Genzyme Corporation. In addition, Mr. Caruso has held key positions at several well-known pharmaceutical companies, including Novartis, where he was Vice President of Neuroscience Specialty Sales, BASF Pharmaceuticals-Knoll, where we was Vice President, Sales, and Bristol-Myers Squibb Company, serving in several senior roles. Mr. Caruso earned a Bachelor of Science degree in finance from the University of Nevada. Mr. Caruso's extensive experience in the biotechnology industry and his recent experience as our Chief Executive Officer make him a highly qualified member of our Board.

Jarrod Longcor. Mr. Longcor was appointed Chief Business Officer of Cellectar in September 2017. He previously served as Senior Vice President of Corporate Development and Operations since July 2016. Mr. Longcor brings years of pharmaceutical and biotech experience to Cellectar and was previously the Chief Business Officer for Avillion LLP. In this role, he was responsible for executing the company's unique co-development partnership strategy. Prior to Avillion, Mr. Longcor was the Vice President of Corporate Development for Rib-X Pharmaceuticals, Inc. (now Melinta Therapeutics), where he was responsible for identifying and concluding several critical collaborations for the company, including a major discovery collaboration with Sanofi Aventis valued over $700 million. Prior to Rib-X, Mr. Longcor held key positions in several small-to- midsized biotech companies, where he was responsible for business development, strategic planning and operations. Mr. Longcor earned a BS from Dickinson College, an MS from Boston University School of Medicine, and an MBA from Saint Joseph's University's Haub School of Business.

John E. Friend II, MD. Dr. Friend was appointed Vice President and Chief Medical Officer of Cellectar in April 2017. Dr. Friend has 15 years of global drug development expertise and general management experience in oncology, inflammation, endocrine/metabolism, and pain fields. From March 2010 to April 2017, he was the Senior Vice President, Research & Development (and later Sr. VP Medical and Scientific Affairs) at Helsinn Therapeutics, where he built the clinical, medical and regulatory affairs team to lead multiple global franchises from early development to market expansion. Prior to this time, Dr. Friend held executive responsibility for clinical research, medical affairs, pharmacovigilance and risk management at various pharmaceutical companies, including Akros Pharma, Actavis, Alpharma, Hospira and Abbott. Dr. Friend holds a degree in Chemistry from Southern Methodist University and received his medical degree from the University of Medicine and Dentistry of New Jersey (now Rutgers, Robert Wood Johnson Medical School).

Brian Posner. Mr. Posner was appointed our Vice President and Chief Financial Officer in April 2018. Mr. Posner has more than 30 years of diversified management experience, at both public and private companies. Most recently, he served as Chief Financial Officer, Treasurer and Secretary of Alliqua BioMedical, Inc., a regenerative technologies company, from September 2013 to March 2018. Prior to that, he served as Chief Financial Officer of Ocean Power Technologies, Inc., a publicly traded renewable energy company specializing in wave power technology, from June 2010 to August 2013, and Chief Financial Officer of Power Medical Interventions, Inc., a publicly traded medical device company, from January 2009 until its sale to Covidien Plc in September 2009. From June 1999 to December 2008, Mr. Posner served in a series of positions of increasing responsibility with Pharmacopeia, Inc., a clinical development stage biopharmaceutical company, culminating in his service as Executive Vice President and Chief Financial Officer from May 2006 to December 2008. Mr. Posner also worked at Phytomedics, Inc., and as Regional Chief Financial Officer of Omnicare, Inc. Mr. Posner earned an MBA in Managerial Accounting from Pace University's Lubin School of Business and a BA in Accounting from Queens College.

Douglas J. Swirsky. Mr. Swirsky was appointed as a director of Cellectar in April 2017 and Chairman of our Board in August 2017. Mr. Swirsky serves as President and Chief Financial Officer of Rexahn Pharmaceuticals, a position he was appointed to in January 2018. Mr. Swirsky previously served as President and Chief Executive Officer of GenVec, Inc., a clinical-stage biopharmaceutical company, from 2014 to June 2017. From 2006 through 2014, Mr. Swirsky served as Senior Vice President, Chief Financial Officer, Treasurer and Corporate Secretary of GenVec. Prior to joining GenVec in September 2006, Mr. Swirsky worked at Stifel Nicolaus, where he served as a Managing Director and the Head of Life Sciences Investment Banking. Mr. Swirsky previously held investment banking positions at UBS, PaineWebber, Morgan Stanley, and Legg Mason. His experience also includes positions in public accounting and consulting. Mr. Swirsky received his undergraduate degree in business administration from Boston University and his MBA from the Kellogg School of Management at Northwestern University. Mr. Swirsky is a Certified Public Accountant and a CFA Institute charterholder. Mr. Swirsky is a member of the board of directors of Fibrocell Science, Inc. and Pernix Therapeutics Holdings, Inc. Within the past five years, Mr. Swirsky has also served on the board of PolyMedix, Inc. and GenVec, Inc. Our Board concluded that Mr. Swirsky should serve as a director because of his distinguished career in financial services and corporate management, including his investment banking experience and his experience serving as a principal executive officer and principal financial officer.

Stephen A. Hill. Dr. Hill has been a member of the Board since 2007 and served as its Chairman from 2007 until 2015. Dr. Hill was appointed Chief Executive Officer of Faraday Pharmaceuticals, Inc. in September 2015. Dr. Hill was the President and Chief Executive Officer of Targacept Inc. from December 2012 until the company merged with Catalyst Biosciences, Inc. in August 2015, and he remains a director of the new company. Dr. Hill was the President and Chief Executive Officer of 21CB, a nonprofit initiative of the University of Pittsburgh Medical Center designed to provide the U.S. government with a domestic solution for its biodefense and infectious disease biologics portfolio, from March 2011 until December 2011. Dr. Hill served as the President and Chief Executive Officer of Solvay Pharmaceuticals, Inc. from April 2008 until its acquisition by Abbott Laboratories in 2010. Prior to joining Solvay, Dr. Hill had served as ArQule's President and Chief Executive Officer since April 1999. Prior to his tenure at ArQule, Dr. Hill was the Head of Global Drug Development at F. Hoffmann-La Roche Ltd. from 1997 to 1999. Dr. Hill joined Roche in 1989 as Medical Adviser to Roche Products in the United Kingdom. He held several senior positions at Roche, including Medical Director, where he was responsible for clinical trials of compounds across a broad range of therapeutic areas, including CNS, HIV, cardiovascular, metabolic and oncology products. Subsequently, he served as Head of International Drug Regulatory Affairs at Roche headquarters in Basel, Switzerland, where he led the regulatory submissions for seven major new chemical entities. Dr. Hill also was a member of Roche's Portfolio Management, Research, Development and Pharmaceutical Division Executive Boards. Prior to Roche, Dr. Hill served seven years with the National Health Service in the United Kingdom in General and Orthopedic Surgery. Dr. Hill has served on the board of directors of Lipocine, Inc. since January 2014 and Catalyst since August 2015. Dr. Hill is a Fellow of the Royal College of Surgeons of England and holds his scientific and medical degrees from St. Catherine's College at Oxford University. Dr. Hill chairs the Compensation Committee. Dr. Hill's extensive experience in a broad range of senior management positions with companies in the life sciences sector makes him a highly qualified member of our Board.

John Neis. John Neis is a Managing Director of Venture Investors LLC, where he leads the firm and heads the firm's health care practice. He also serves on the boards of directors of privately held Deltanoid Pharmaceuticals, Inc., Prevacept Infection Control, Inc., Delphinus Medical Technologies, Inc., and TAI Diagnostics, Inc. He serves on the Board of the Wisconsin Technology Council, the science and technology advisor to Wisconsin's Governor and Legislature. He also serves on the Weinert Applied Ventures Program Advisory Board in the School of Business and chairs the Tandem Press Advisory Board in the School of Education at the University of Wisconsin—Madison. He is current President and a Director of the Wisconsin Venture Capital Association. He holds a BS in finance from the University of Utah, and received an MS in marketing and finance from the University of Wisconsin—Madison. He is a Chartered Financial Analyst. Mr. Neis's extensive experience leading emerging companies and his financial experience makes him a highly qualified member of our Board.

Stefan D. Loren, Ph.D. Dr. Loren began serving as a director of Cellectar in June 2015. Dr. Loren is the founder of Loren Capital Strategy (LCS), a strategic consulting and investment firm focused on life science companies since February 2014. Prior to LCS, he headed the life science practice of Westwicke Partners, a healthcare-focused consulting firm from July 2008 to February 2014. Prior to joining Westwicke, he worked as an Analyst/Portfolio Manager with Perceptive Advisors, a health care hedge fund, and MTB Investment Advisors, a long-term oriented family of equity funds. His focus areas included biotechnology, specialty pharmaceuticals, life science tools, and health care service companies. Prior to moving to the buy side, Dr. Loren was Managing Director, Health Care Specialist/Desk Analyst for Legg Mason, where he discovered, evaluated and communicated investment opportunities in the health care area to select clients. In addition, he assisted both advising management teams on strategic options. He started his Wall Street career as a sell-side analyst at Legg Mason covering biotechnology, specialty pharmaceuticals, life science tools, pharmaceuticals, and chemistry outsourcing companies. In his research career, Dr. Loren was an early member of Abbott Laboratories Advanced Technologies Division, analyzing and integrating new technological advances in Abbott's pharmaceutical research. Before industry, he was a researcher at The Scripps Research Institute, working with Nobel Laureate K. Barry Sharpless on novel synthetic routes to chiral drugs. Dr. Loren received a doctorate in Organic Chemistry from the University of California at Berkeley and an undergraduate degree in chemistry from University of California San Diego. His scientific work has been featured in Scientific American, Time, Newsweek, and Discover, as well as other periodicals and journals. Dr. Loren is Chair of the Nominating and Corporate Governance Committee. Dr. Loren's extensive experience in the biotechnology and financial industries makes him a highly qualified member of our Board.

Frederick W. Driscoll. Mr. Driscoll was appointed as a director of Cellectar in April 2017. Mr. Driscoll served as Chief Financial Officer at Flexion Therapeutics from 2013 to 2017, spearheading an initial public offering in 2014. Prior to joining Flexion, he was Chief Financial Officer at Novavax, Inc., a publicly traded biopharmaceutical company from 2009 to 2013. From 2008 to 2009, Mr. Driscoll served as Chief Executive Officer of Genelabs Technologies, Inc., a publicly traded biopharmaceutical and diagnostics company later acquired by GlaxoSmithKline. He previously served as Genelabs' Chief Financial Officer from 2007 to 2008. From 2000 to 2006, Mr. Driscoll served as Chief Executive Officer at OXiGENE, Inc., a biopharmaceutical company. Mr. Driscoll has also served as Chairman of the Board and Audit Committee Chair at OXiGENE and as a member of the Audit Committee for Cynapsus, which was sold to Sunovion Pharmaceuticals in 2016. Mr. Driscoll earned a Bachelor's degree in accounting and finance from Bentley University. Mr. Driscoll is a member of the board of directors of Abpro Therapeutics, MEI Pharma and NantKwest. Mr. Driscoll chairs the Audit Committee and our Board concluded that Mr. Driscoll should serve as a director because of his significant corporate management and board experience at multiple biotechnology companies as well as his strong financial background.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

At the close of business on July 16, 2018, there were 1,800,325 shares of our common stock outstanding. The following table provides information regarding beneficial ownership of our common stock as of July 16, 2018:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- each of our directors;
- each executive officer named in the summary compensation table; and
- all of our current directors and executive officers as a group.

The address of each executive officer and director is c/o Cellectar Biosciences, Inc., 3301 Agriculture Drive, Madison, Wisconsin 53716, except as otherwise indicated. The persons named in this table have sole voting and investment power for the shares listed, except as otherwise indicated. In these cases, the information respecting voting and investment power has been provided to us by the security holder. The identification of natural persons having voting or investment power over securities held by a beneficial owner listed in the table below does not constitute an admission of beneficial ownership of any such natural person. Shares included in the "Right to Acquire" column consist of shares that may be purchased through the exercise of options or warrants that are exercisable within 60 days of July 16, 2018.

Name and Address of Beneficial Owner	Outstanding	Right to Acquire	Total	Percentage
James V. Caruso	21,354	17,812	39,166	2.11%
Jarrod Longcor	6,700	5,624	12,324	*
John E. Friend II, MD	10,000	—	10,000	*
Brian Posner	—	—	—	—
Frederick W. Driscoll	—	333	333	*
Stephen A. Hill	992	2,876	3,868	*
Stefan D. Loren, Ph.D.	—	2,683	2,683	*
John Neis[(1)]	62,610	27,226	89,836	4.84%
Douglas Swirsky	—	333	333	*
All directors and officers as a group (9 persons)	101,656	56,887	158,543	8.54%

* Less than 1%

(1) Consists of shares of common stock held by Venture Investors Early Stage Fund IV Limited Partnership. VIESF IV GP LLC is the general partner of Venture Investors Early Stage Fund IV Limited Partnership. The investment decisions of VIESF IV GP LLC and Venture Investors LLC are made collectively by five managers, including Mr. Neis. Each such manager and Mr. Neis disclaim such beneficial ownership except to the extent of his pecuniary interest therein. The address of Mr. Neis is c/o Venture Investors LLC, 505 South Rosa Road, #201, Madison, Wisconsin 53719. Shares in the "Right to Acquire" column consist of 24,423 shares of common stock issuable upon the exercise of warrants held by Venture Investors Early Stage Fund IV Limited and common stock issuable upon options to purchase 2,808 shares of common stock issued to Mr. Neis in his capacity as director. Shares in the "Right to Acquire" column consist of shares of common stock issuable upon the exercise of warrants at exercise prices ranging from $15.00 to $468.00 per share expiring between August 20, 2019, and November 29, 2021. Certain warrants held by the stockholder provide that the number of shares of common stock to be obtained upon exercise cannot exceed the number of shares that, when combined with all other shares of our common stock and securities beneficially owned by it, would result in it owning more than 4.99% of our outstanding common stock; *provided*, *however* that this limitation may be increased to 9.99% by the stockholder upon 61 days' prior notice to us. Due to this limitation, 24,418 shares of common stock issuable upon exercise of these warrants have been included and 35,076 shares of common stock issuable upon exercise of such warrants have been excluded from the "Right to Acquire" column of this table.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We do not have a written policy for the review, approval or ratification of transactions with related parties or conflicted transactions. When such transactions arise, they are referred to the Audit Committee or the Board of Directors for consideration. During 2017, there were no related party transactions.

DESCRIPTION OF SECURITIES

The following summary description of our common stock is based on the provisions of our Second Amended and Restated Certificate of Incorporation, as amended, which we refer to as our certificate of incorporation or charter, our by-laws, and the applicable provisions of the Delaware General Corporation Law, which we refer to as the DGCL. This description may not contain all of the information that is important to you and is subject to, and is qualified in its entirety by reference to, our certificate of incorporation, our by-laws and the applicable provisions of the DGCL. For information on how to obtain copies of our certificate of incorporation and by-laws, see "Where You Can Find More Information."

Authorized and Outstanding Capital Stock

Our authorized capital stock consists of 80,000,000 shares of common stock, $0.00001 par value per share and 7,000 shares of preferred stock, $0.00001 par value per share. Our certificate of incorporation, as amended, authorizes us to issue shares of our preferred stock from time to time in one or more series without stockholder approval, each such series to have rights and preferences, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, as our Board may determine. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of holders of any preferred stock that we may issue in the future. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for others to acquire, or of discouraging others from attempting to acquire, a majority of our outstanding voting stock.

As of July 16, 2018, there were 1,800,325 shares of common stock outstanding. All outstanding shares of our common stock are duly authorized, validly issued, fully paid and nonassessable.

Common Stock

Voting. Holders of our common stock are entitled to one vote per share held of record on all matters to be voted upon by our stockholders. Our common stock does not have cumulative voting rights. Persons who hold a majority of the outstanding common stock entitled to vote on the election of directors can elect all of the directors who are eligible for election.

Dividends. Subject to preferences that may be applicable to the holders of any outstanding shares of our preferred stock, the holders of our common stock are entitled to receive such lawful dividends as may be declared by our Board.

Liquidation and Dissolution. In the event of our liquidation, dissolution or winding up, and subject to the rights of the holders of any outstanding shares of our preferred stock, the holders of shares of our common stock will be entitled to receive pro rata all of our remaining assets available for distribution to our stockholders.

Other Rights and Restrictions. Our charter prohibits us from granting preemptive rights to any of our stockholders.

Preferred Stock

Series A Preferred Stock and Series B Preferred Stock

Our Board has designated 68 shares of our preferred stock as Series A Convertible Preferred Stock ("Series A Preferred Stock"), none of which is currently outstanding. The preferences and rights of the Series A Preferred Stock are set forth in a Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock.

Our Board has designated 42 shares of our preferred stock as Series B Convertible Preferred Stock ("Series B Preferred Stock"), none of which are currently issued and outstanding. The preferences and rights of the Series B Preferred Stock are set forth in a Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock.

Series C Preferred Stock to be Issued as Part of this Offering

Our Board has designated shares of our preferred stock as Series C Convertible Preferred Stock ("Series C Preferred Stock"), none of which are currently issued and outstanding. The preferences and rights of the Series C Preferred Stock are as set forth in a Certificate of Designation (the "Series C Certificate of Designation") filed as an exhibit to the registration statement of which this prospectus is a part.

Pursuant to a transfer agency agreement between us and American Stock Transfer & Trust Company, LLC, as transfer agent, the Series C Preferred Stock will be issued in book-entry form and initially will be represented only by one or more global certificates deposited with The Depository Trust Company, or DTC, and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC.

The following is a summary of the material terms of the Series C Preferred Stock.

Voting. Except as otherwise required by law, the Series C Preferred Stock will have no voting rights. However, as long as any shares of Series C Preferred Stock are outstanding, we may not, without the affirmative vote of the holders of a majority of the then-outstanding shares of Series C Preferred Stock: (a) alter or change adversely the powers, preferences or rights given to the Series C Preferred Stock or alter or amend the Series C Certificate of Designation; (b) amend our certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of Series C Preferred Stock; (c) increase the number of authorized shares of preferred stock, or (d) enter into any agreement with respect to any of the foregoing.

Dividends. Except for stock dividends or distributions for which adjustments are to be made to the conversion rate of the Series C Preferred Stock, holders of Series C Preferred Stock will be entitled to receive, and we will be required to pay, dividends on shares of Series C Preferred Stock equal (on an as-if-converted-to-common-stock basis without regard to conversion limitations) to and in the same form as dividends actually paid on shares of the common stock when, as and if such dividends are paid on shares of the common stock. No other dividends will be paid on shares of Series C Preferred Stock.

Liquidation. Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of the Series C Preferred Stock will be entitled to receive out of our assets, whether capital or surplus, the same amount that a holder of common stock would receive if the Series C Preferred Stock were fully converted (disregarding for such purposes any conversion limitations) to common stock, which amounts will be paid *pari passu* with all holders of common stock.

Conversion. Each share of Series C Preferred Stock will be convertible, at any time and from time to time, at the option of the holder thereof, into that number of shares of common stock determined by dividing the stated value of such share of Series C Preferred Stock by the Series C Conversion Price. The stated value of one share of Series C Preferred Stock is initially $10,000 and the assumed "Series C Conversion Price" is $7.49, subject to adjustment for stock splits, stock dividends, distributions, subdivisions and combinations.

Conversion Limitation. A holder will not have the right to convert any shares of Series C Preferred Stock if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, at the election of the purchaser prior to the date of issuance, 9.99%) of the number of shares of our common stock outstanding immediately after giving effect to the conversion, as such percentage ownership is determined in accordance with the terms of the Series C Certificate of Designation. Any holder may increase or decrease such percentage to any other percentage, but in no event above 9.99%, provided that any increase of such percentage will not be effective until 61 days after notice of such increase from the holder to us.

Exchange Listing. We do not plan to list the Series C Preferred Stock on the Nasdaq Capital Market, any other national securities exchange or any other nationally recognized trading system.

Fundamental Transactions. In the event of a fundamental transaction, as described in the Series C Certificate of Designation, and generally including any reorganization, recapitalization or reclassification of our common stock, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding common stock, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding common stock, the holders of the Series C Preferred Stock will be entitled to receive upon conversion of the Series C Preferred Stock the kind and amount of securities, cash or other property that the holders would have received had they converted the Series C Preferred Stock immediately prior to such fundamental transaction.

Redemption. Subject to certain exceptions, at any time after the issuance of the Series C Preferred Stock, subject to the preferred stock beneficial ownership limitation, we will have the right to cause each holder of the Series C Preferred Stock to convert all or part of such holder's Series C Preferred Stock in the event that (i) the volume weighted average price of our common stock for 30 consecutive trading days (the "Measurement Period") exceeds 300 % of the conversion price of the preferred stock issued in this offering (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and similar transactions), (ii) the average daily trading volume for such Measurement Period exceeds $400,000 per trading day and (iii) the holder is not in possession of any information that constitutes or might constitute, material non-public information which was provided by the Company and subject to the Preferred Beneficial Ownership Limitation. Our right to cause each holder of the Series C Preferred Stock to convert all or part of such holder's Series C Preferred Stock shall be exercised ratably among the holders of the then outstanding Series C Preferred Stock.

Series E Warrants to be Issued as Part of this Offering

The warrants offered in this offering will be issued in the form of Series E Warrant filed as an exhibit to the registration statement of which this prospectus is a part. You should review a copy of the form of warrant for a complete description of the terms and conditions applicable to the warrants. The following is a brief summary of the Series E Warrant and is subject in all respects to the provisions contained in the form of warrant. Pursuant to a warrant agency agreement between us and American Stock Transfer and Trust Company, as warrant agent, the Series E Warrant will be issued in book-entry form and initially will be represented by one or more global certificates deposited with The Depository Trust Company, or DTC, and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC. We do not plan to list the Series E Warrants on the Nasdaq Capital Market, any other national securities exchange or any other nationally recognized trading system.

No fractional shares of common stock will be issued in connection with the exercise of a Series E Warrant. As to any fraction of a share which a holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the exercise price or round up to the next whole share. A Series E Warrant may be transferred by a holder, upon surrender of the warrant, properly endorsed (by the holder executing an assignment in the form attached to the warrant). Prior to the exercise of any warrants to purchase common stock, holders of the warrants will not have any of the rights of holders of the common stock purchasable upon exercise, including the right to vote, except as set forth therein.

Each Series E Warrant represents the right to purchase one share of common stock at an exercise price equal to $, subject to adjustment as described below. Each Series E Warrant may be exercised on or after the closing date of this offering through and including the close of business on the fifth anniversary of the date of issuance. Each Series E Warrant will have a cashless exercise right in the event that the shares of common stock underlying such warrants are not covered by an effective registration statement at the time of such exercise.

The Series E Warrants are callable by us in certain circumstances. Subject to certain exceptions, in the event that while the warrants are outstanding and: (i) the Measurement Period exceeds 300% of initial Exercise Price (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and similar transactions); (ii) the average daily trading volume for such Measurement Period exceeds $400,000 per trading day; and (iii) the holder is not in possession of any information that constitutes or might constitute, material nonpublic information that was provided by us, then we may, within one trading day of the end of such Measurement Period, upon notice (a "Call Notice"), call for cancellation of all or any portion of the Series E Warrants for which a notice of exercise has not yet been delivered for consideration equal to $0.001 per share. Any portion of a Series E Warrant subject to such Call Notice for which a notice of exercise will not have been received by the Call Date (as hereinafter defined) will be canceled at 6:30 p.m. (New York City time) on the tenth trading day after the date the Call Notice is sent by us (such date and time, the "Call Date"). Our right to call the Series E Warrants will be exercised ratably among the holders based on each holder's initial purchase of warrants from us.

The exercise price and the number of shares underlying the Series E Warrants are subject to appropriate adjustment in the event of stock splits, stock dividends on our common stock, stock combinations or similar events affecting our common stock. In addition, in the event we consummate a merger or consolidation with or into another person or other reorganization event in which our common shares are converted or exchange for securities, cash or other property, or we sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of our assets or we or another person acquire 50% or more of our outstanding common shares, then following such event, the holders of the warrants will be entitled to receive upon exercise of the warrants the same kind and amount of securities, cash or property which the holders would have received had they exercised the warrants immediately prior to such fundamental transaction. Any successor to us or surviving entity will assume the obligations under the warrants. Further, as more fully described in the warrants, in the event of certain fundamental transactions where the exercise price of the warrant exceeds the value of the common stock, the holders of the warrants will be entitled to receive consideration in an amount equal to the Black-Scholes value of the warrants as of the date of such transaction, payable in the same kind and amount of consideration as that received by the holders of common stock.

The Series E Warrants are not exercisable by their holder to the extent (but only to the extent) that such holder or any of its affiliates would beneficially own in excess of 4.99% (or, at the election of the purchaser prior to the date of issuance, 9.99%), of our common stock.

Anti-Takeover Effect of Certain Charter and By-Law Provisions

Provisions of our charter and by-laws could make it more difficult to acquire us by means of a merger, tender offer, proxy contest, open market purchases, removal of incumbent directors and otherwise. These provisions, which are summarized below, are expected to discourage types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because negotiation of these proposals could result in an improvement of their terms.

Authorized but Unissued Stock. We have shares of common stock and preferred stock available for future issuance, in some cases, without stockholder approval. We may issue these additional shares for a variety of corporate purposes, including public offerings to raise additional capital, corporate acquisitions, stock dividends on our capital stock or equity compensation plans. The existence of unissued and unreserved common stock and preferred stock may enable our Board to issue shares to persons friendly to current management or to issue preferred stock with terms that could render more difficult or discourage a third-party attempt to obtain control of us, thereby protecting the continuity of our management. In addition, if we issue preferred stock, the issuance could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation.

Amendments to By-laws. Our certificate of incorporation and by-laws authorize the Board to amend, repeal, alter or rescind the by-laws at any time without stockholder approval. Allowing the Board to amend our by-laws without stockholder approval enhances Board control over our by-laws.

Classification of Board; Removal of Directors; Vacancies. Our certificate of incorporation provides for the division of the Board into three classes as nearly equal in size as possible with staggered three-year terms; that directors may be removed only for cause by the affirmative vote of the holders of two-thirds of our shares of capital stock entitled to vote; and that any vacancy on the Board, however occurring, including a vacancy resulting from an enlargement of the Board, may be filled only by the vote of a majority of the directors then in office. The limitations on the removal of directors and the filling of vacancies could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, control of us. Our certificate of incorporation requires the affirmative vote of the holders of at least 75% of our shares of capital stock issued and outstanding and entitled to vote to amend or repeal any of these provisions.

Notice Periods for Stockholder Meetings. Our by-laws provide that for business to be brought by a stockholder before an annual meeting of stockholders, the stockholder must give written notice to the corporation not less than 90 nor more than 120 days prior to the one-year anniversary of the date of the annual meeting of stockholders of the previous year; provided, however, that in the event that the annual meeting of stockholders is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder must be received not later than the close of business on the tenth day following the day on which the corporation's notice of the date of the meeting is first given or made to the stockholders or disclosed to the general public, whichever occurs first.

Stockholder Action; Special Meetings. Our certificate of incorporation provides that stockholder action may not be taken by written action in lieu of a meeting and provides special meetings of the stockholders may be called only by our president or Board. These provisions could have the effect of delaying until the next stockholders' meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities. These provisions may also discourage another person or entity from making a tender offer for our common stock, because that person or entity, even if it acquired a majority of our outstanding voting securities, would be able to take action as a stockholder only at a duly called stockholders' meeting, and not by written consent. Our certificate of incorporation requires the affirmative vote of the holders of at least 75% of our shares of capital stock issued and outstanding and entitled to vote to amend or repeal the provisions relating to prohibition on action by written consent and the calling of a special meeting of stockholders.

Nominations. Our by-laws provide that nominations for election of directors may be made only by: (i) the Board or a committee appointed by the Board; or (ii) a stockholder entitled to vote on director election, if the stockholder provides notice to the Secretary of the corporation presented not less than 90 days nor more than 120 days prior to the anniversary of the last annual meeting (subject to the limited exceptions set forth in the by-laws). These provisions may deter takeovers by requiring that any stockholder wishing to conduct a proxy contest have its position solidified well in advance of the meeting at which directors are to be elected and by providing the incumbent Board with sufficient notice to allow it to put an election strategy in place.

Nasdaq Capital Market Listing

Our common stock is listed for trading and quotation on the Nasdaq Capital Market under the trading symbol "CLRB." Certain warrants to purchase shares of our common stock expiring on August 20, 2019, are listed on the Nasdaq Capital Market under the trading symbol "CLRBW," and certain warrants to purchase shares of our common stock expiring on November 29, 2021, are listed on the Nasdaq Capital Market under the trading symbol "CLRBZ."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company.

UNDERWRITING

We have entered into an underwriting agreement dated , 2018, with Ladenburg Thalmann & Co. Inc., as the representative of the underwriters (the "representative") named below and the sole book-running manager of this offering. Subject to the terms and conditions of the underwriting agreement, the underwriters have agreed to purchase the number of our securities set forth opposite its name below.

Underwriter	Shares of Common Stock	Shares of Series C Preferred Stock	Series E Warrants
Ladenburg Thalmann & Co. Inc.			
CIM Securities, LLC			
Total			

A copy of the underwriting agreement has been filed as an exhibit to the registration statement of which this prospectus is part.

We have been advised by the underwriters that they propose to offer the shares of common stock, shares of preferred stock and warrants directly to the public at the public offering price set forth on the cover page of this prospectus. Any securities sold by the underwriters to securities dealers will be sold at the public offering price less a selling concession not in excess of per share and per warrant.

The underwriting agreement provides that the underwriters' obligation to purchase the securities we are offering is subject to conditions contained in the underwriting agreement.

No action has been taken by us or the underwriters that would permit a public offering of the shares and warrants in any jurisdiction where action for that purpose is required. None of our securities included in this offering may be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sales of any of the securities offering hereby be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons who receive this prospectus are advised to inform themselves about, and to observe any restrictions relating to, this offering of securities and the distribution of this prospectus. This prospectus is neither an offer to sell nor a solicitation of any offer to buy the shares and warrants in any jurisdiction where that would not be permitted or legal.

The underwriters have advised us that they do not intend to confirm sales to any accounts over which they exercise discretionary authority.

Underwriting Discount and Expenses

The following table summarizes the underwriting discount and commission to be paid to the underwriters by us.

	Per Share of Common Stock	Per Share of Series C Preferred Stock	Per Series E Warrant	Total
Public offering price[(1)]	$	$	$	$
Underwriting discount to be paid to the underwriters by us (7.5%)	$	$	$	$
Proceeds to us (before expenses)	$	$	$	$

(1) The public offering price and underwriting discount corresponds to (i) a public offering price per share of common stock of $, (ii) a public offering price per warrant of $ and, (iii) a public offering price per share of Series C Preferred Stock of $.

(2) We estimate the total expenses payable by us for this offering to be approximately $, which amount includes: (i) the underwriting discount of $ ($ if the underwriters' over-allotment option is exercised in full); (ii) reimbursement of the accountable expenses of the representative equal to $, including the legal fees of the representative being paid by us; and (iii) other estimated company expenses of approximately $, which includes legal, accounting, printing costs and various fees associated with the registration and listing of our shares. In no event will the aggregated expenses of the representative reimbursed exceed $.

The securities we are offering are being offered by the underwriters subject to certain conditions specified in the underwriting agreement.

Over-allotment Option

We have granted to the underwriters an option, exercisable not later than 45 days after the date of this prospectus, to purchase up to a number of additional shares of common stock equal to 15% of the number of shares of common stock and shares of common stock underlying the Series C Preferred Stock sold in the primary offering and/or up to a number of additional warrants to purchase shares of common stock equal to 15% of the number of warrants sold in the primary offering, in any combination. Any shares so purchased will be sold at a price per share equal to the public offering price, less the underwriting discount. Any warrants so purchased will be sold at a price per warrant equal to the public offering price less the underwriting discount. The underwriters may exercise the option solely to cover over-allotments, if any, made in connection with this offering. If any additional shares of common stock and/or warrants are purchased pursuant to the over-allotment option, the underwriters will offer these shares of common stock and/or warrants on the same terms as those on which the other securities are being offered hereby. The over-allotment option may be used to purchase shares of common stock or warrants, or any combination thereof, as determined by the representative.

Determination of Offering Price

Our common stock is currently traded on the Nasdaq Capital Market under the symbol “CLRB.” On July 16, 2018, the closing price of our common stock was $7.49 per share.

The public offering price of the securities offered by this prospectus will be determined by negotiation between us and the underwriters. Among the factors considered in determining the public offering price of the shares were:

- our history and our prospects;
- the industry in which we operate;
- our past and present operating results;
- the previous experience of our executive officers; and
- the general condition of the securities markets at the time of this offering

The offering price stated on the cover page of this prospectus should not be considered an indication of the actual value of the securities. That price is subject to change as a result of market conditions and other factors, and we cannot assure you that the securities can be resold at or above the public offering price.

Lock-up Agreements

Our officers and directors have agreed with the representative to be subject to a lock-up period of 90 days following the date of this prospectus. This means that, during the applicable lock-up period, such persons may not offer for sale, contract to sell, sell, distribute, grant any option, right or warrant to purchase, pledge, hypothecate or otherwise dispose of, directly or indirectly, any shares of our common stock or any securities convertible into, or exercisable or exchangeable for, shares of our common stock. Certain limited transfers are permitted during the lock-up period if the transferee agrees to these lock-up restrictions. We have also agreed, in the underwriting agreement, to similar lock-up restrictions on the issuance and sale of our securities for 90 days following the closing of this offering, although we will be permitted to issue stock options or stock awards to directors, officers and employees under our existing plans. The lock-up period is subject to an additional extension to accommodate for our reports of financial results or material news releases. The representative may, in its sole discretion and without notice, waive the terms of any of these lock-up agreements.

Other Relationships

Upon completion of an offering that meets certain criteria, we have granted the representative a right of first refusal to act as lead or co-lead underwriter or placement agent in connection with any subsequent public or private offering of equity securities or other capital markets financing by us. This right of first refusal extends for nine months from the effective date of this registration statement. The terms of any such engagement of the representative will be determined by separate agreement.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company.

Stabilization, Short Positions and Penalty Bids

The underwriters may engage in syndicate covering transactions, stabilizing transactions and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of our common stock:

- Syndicate covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. Such a naked short position would be closed out by buying securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in the offering.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specific maximum.

- Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the securities originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These syndicate covering transactions, stabilizing transactions and penalty bids may have the effect of raising or maintaining the market prices of our securities or preventing or retarding a decline in the market prices of our securities. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our common stock. These transactions may be effected on The Nasdaq Capital Market, in the over-the-counter market or on any other trading market and, if commenced, may be discontinued at any time.

In connection with this offering, the underwriters also may engage in passive market-making transactions in our common stock in accordance with Regulation M during a period before the commencement of offers or sales of shares of our common stock in this offering and extending through the completion of the distribution. In general, a passive market maker must display its bid at a price not in excess of the highest independent bid for that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specific purchase limits are exceeded. Passive market making may stabilize the market price of the securities at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of our securities. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that any transactions, once commenced, will not be discontinued without notice.

Indemnification

We have agreed to indemnify the underwriters and selected dealers against certain liabilities, including certain liabilities arising under the Securities Act, or to contribute to payments that the underwriters or selected dealers may be required to make for these liabilities.

LEGAL MATTERS

The validity of the securities being offered by this prospectus has been passed upon for us by Michael Best & Friedrich LLP, Madison, Wisconsin. Ellenoff Grossman & Schole LLP, New York, New York, is acting as counsel to the underwriters in this offering.

EXPERTS

The audited financial statements incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the report of Baker Tilly Virchow Krause, LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are a reporting company and file annual, quarterly and special reports, and other information with the SEC. Copies of the reports and other information may be read and copied at the SEC's Public Reference Room at 100 F Street NE, Washington, D.C. 20549. You can request copies of such documents by writing to the SEC and paying a fee for the copying cost. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

This prospectus is part of a registration statement on Form S-1 that we filed with the SEC. Certain information in the registration statement has been omitted from this prospectus in accordance with the rules and regulations of the SEC. We have also filed exhibits and schedules with the registration statement that are excluded from this prospectus. For further information you may:

- read a copy of the registration statement, including the exhibits and schedules, without charge at the SEC's Public Reference Room; or

- obtain a copy from the SEC upon payment of the fees prescribed by the SEC.

We are subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, are required to file periodic reports, proxy statements and other information with the SEC. We make available free of charge, on or through the investor relations section of our website, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information found on our website, other than as specifically incorporated by reference in this prospectus, is not part of this prospectus.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus, except for any information that is superseded by other information that is included in this prospectus.

We incorporate by reference into this prospectus the following document, which we have previously filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on March 21, 2018;
- our Quarterly Report on Form 10-Q for the quarter year ended March 31, 2018, filed with the SEC on May 11, 2018;
- our Definitive Proxy Statement on Schedule 14A for the annual meeting of stockholders, filed with the SEC on April 23, 2018;
- our Definitive Proxy Statement on Schedule 14A for a special meeting of stockholders, filed with the SEC on June 11, 2018;
- our Current Report on Form 8-K, filed with the SEC on January 8, 2018;
- our Current Report on Form 8-K, filed with the SEC on April 4, 2018;
- our Current Report on Form 8-K, filed with the SEC on June 1, 2018;
- our Current Report on Form 8-K, filed with the SEC on June 8, 2018;
- our Current Report on Form 8-K, filed with the SEC on July 13, 2018; and
- the description of our securities contained in our Registration Statement on Form 8-A filed on April 18, 2016, including any amendment or report filed for the purpose of updating such description.

In addition, all documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering will be deemed to be incorporated by reference into this prospectus.

You should rely only on the information contained in this prospectus, as updated and supplemented by any prospectus supplement, or that information to which this prospectus or any prospectus supplement has referred you by reference. We have not authorized anyone to provide you with any additional information.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request and obtain a copy of any of the filings incorporated herein by reference, at no cost, by writing or telephoning us at the following address or phone number:

Cellectar Biosciences, Inc.
3301 Agriculture Drive
Madison, WI 53716
Attention: Chief Financial Officer (608) 441-8120

GLOSSARY OF CERTAIN SCIENTIFIC TERMS

CT — A procedure that uses a computer linked to an x-ray machine to make a series of detailed pictures of areas inside the body.

Cytotoxic — Cytotoxicity is the quality of being toxic to cells (i.e. cell-killing). Many cancer chemotherapeutic drugs are cytotoxic to cancer cells (and, to some extent, normal cells) thus resulting in unwanted side-effects, e.g. nausea/vomiting, hair loss, suppression of the immune system.

Dexamethasone — Dexamethasone is a corticosteroid (cortisone-like medicine or steroid). It works on the immune system to help relieve swelling, redness, itching and allergic reactions and is used in the treatment of numerous medical conditions.

Dosimetry — Radiation dosimetry is the calculation of absorbed dose and optimization of dose delivery in radiation therapy.

Lipid rafts — Lipid rafts are specialized regions of the membrane phospholipid bilayer that contain high concentrations of cholesterol and sphingolipids and serve to organize cell surface and intracellular signaling molecules (e.g. growth factor and cytokine receptors, the phosphatidylinositol 3-kinase (P13K)/Akt survival pathway).

Orphan drug status — Orphan drug status confers seven years of marketing exclusivity under the Federal Food, Drug, and Cosmetic Act, and up to 10 years of marketing exclusivity in Europe for a particular product in a specified indication.

Radiolabeled — Radiolabeled refers to a molecule containing a radioisotope as a part of its structure.

Radioisotope — Also referred to as radioactive isotopes or radionuclides, radioisotopes are variants of atoms of particular chemical elements (e.g. iodine) with an unstable nucleus that can undergo radioactive decay during which ionizing radiation (e.g. gamma rays, subatomic particles) is emitted.

Uptake — Uptake is an act of taking in or absorbing, especially into a living organism, tissue or cell.

Xenograft — Xenograft is a graft of tissue, organs or cells from an individual of one species transplanted into or grafted onto an individual of another species.

PROSPECTUS

320,427 Shares of Common Stock,
1,602,136 Warrants to Purchase Shares of Common Stock and
960 Shares of Series C Convertible Preferred Stock

Sole Book-Running Manager

Ladenburg Thalmann

Co-Manager

CIM Securities, LLC

Through and including , 2018 (the 25th day after the date of this offering), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

We estimate that expenses in connection with the distribution described in this registration statement (other than brokerage commissions, discounts or other expenses relating to the sale of the shares by the selling stockholders) will be as set forth below. We will pay all of the expenses with respect to the distribution, and such amounts, with the exception of the Securities and Exchange Commission registration fee and FINRA fee, are estimates.

SEC registration fee	$ 3,437
FINRA filing fee	4,640
Accounting fees and expenses	40,000
Legal fees and expenses	150,000
Printing fees and expenses	20,000
Underwriter expenses	100,000
Miscellaneous	12,000
Total	330,077

Item 14. Indemnification of Directors and Officers

Our charter contains provisions to indemnify our directors and officers to the maximum extent permitted by Delaware law. We believe that indemnification under our charter covers at least negligence on the part of an indemnified person. Our charter permits us to advance expenses incurred by an indemnified person in connection with the defense of any action or proceeding arising out of the person's status or service as our director, officer, employee or other agent upon an undertaking by the person to repay those advances if it is ultimately determined that the person is not entitled to indemnification.

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 Securities Act of 1933 and is, therefore, unenforceable.

The underwriting agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification by the underwriters of us and our directors and officers for certain liabilities under the Securities Act, or otherwise.

Item 15. Recent Sales of Unregistered Securities

2017 Private Placement

On October 12, 2017, we issued and sold, in a registered offering by us directly to the purchasers, an aggregate of 195,438 shares of common stock at an offering price of $18.7375 per share. We also sold to those purchasers whose purchase of shares of common stock in the registered offering would result in beneficial ownership of more than 4.99% of our outstanding common stock following the offering, the opportunity to purchase, in lieu of the shares of our common stock that would result in ownership in excess of 4.99%, 41.0412949 shares of Series B Convertible Preferred Stock convertible into an aggregate of 219,033 shares of common stock, convertible at any time at the holder's option into that number of shares of common stock equal to $10,000 divided by $18.7375, at a public offering price of $10,000 per share. Gross proceeds of the sale of the common stock and preferred stock were approximately $7.76 million before deducting the placement agent fee and related offering expenses. In a concurrent private placement, we issued to the purchasers who participated in the offering, Series D warrants to purchase an aggregate of 310,853 shares of common stock at an exercise price of $17.80 per share. Each Series D warrant was immediately exercisable and expires seven years from the date of issuance. The private placement of the Series D warrants was structured to comply with the requirements of Section 4(a)(2) under the Securities Act and Rule 506(b) promulgated thereunder.

2017 Grant to Employees

During the three months ended June 30, 2017, we issued 46,000 shares of restricted stock to members of our executive team, 8,000 of which have since been forfeited. The restricted stock was granted at a price of either $20.80 or $21.00 per share, which was the closing price of the stock on the date of issuance, and vests in equal annual amounts over three years. The related expense will be amortized ratably over the vesting period. The restricted stock was issued in reliance on the exemption from registration provided in Section 4(a)(2) of the Securities Act of 1933, as amended, for transactions not involving any public offering. The restricted stock was subsequently registered pursuant to a reoffer prospectus on Form S-8 filed on November 9, 2017.

2015 and 2016 Private Placements

On October 1, 2015, we completed a registered direct offering of 10,172 shares of our common stock and Series B pre-funded warrants to purchase an aggregate of 4,827 shares of our common stock at an offering price of $220.00 per share (collectively, the “2015 Registered Offering”). In a concurrent private placement (the “2015 Private Placement” and, together with the 2015 Registered Offering, the “2015 Offerings”), we issued a Series A warrant to purchase one share of our common stock for each share of common stock purchased or pre-funded in the 2015 Registered Offering. The Series A warrant covers, in the aggregate, 15,000 shares of common stock and became exercisable six months following the date of issuance at an exercise price of $283.00 per share and expires five years from the date they became exercisable. Additionally, the placement agent received a warrant to purchase up to 375 shares of our common stock at $283.00 per share, the fair value of which was approximately $61,000 at issuance and had no effect on stockholders’ equity.

On April 13, 2016, we entered into an amendment and exchange agreement with the holders of the Series A Warrants and the Series B Warrants issued on October 1, 2015. The amendment and exchange agreement provided that upon the consummation of the firm commitment underwritten offering by us of shares of common stock, traditional warrants to purchase shares of common stock and prefunded warrants to purchase shares of common stock, pursuant to the registration statement on Form S-1 (File No. 333-208638) filed by us (the "Underwritten Offering"), the exercise price of the Series A Warrants would be reduced to the public offering price per share of the shares of common stock sold in the Underwritten Offering ($21.30) and that the Series A Warrants would be amended so that the exercise price would no longer be subject to adjustment in connection with future equity offerings by us. The Underwritten Offering closed on April 20, 2016. In consideration of this amendment of the Series A Warrants, we agreed to issue to the holders new warrants to purchase an additional number of shares of common stock double the number of shares of common stock underlying the Series A Warrants (30,000 shares). These new warrants have an exercise price equal to the public offering price of the shares of common stock sold in the Underwritten Offering ($21.30), became exercisable on the date that is six months following their initial issuance date (October 20, 2016), and expire on the fifth anniversary of the date on which they initially become exercisable. These new warrants are also callable by us in certain circumstances. The private placement was structured to comply with the requirements of Section 4(a)(2) under the Securities Act and Rule 506(b) promulgated thereunder.

Item 16. Exhibits.

(a) Exhibits.

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

(b) Financial Statement Schedules.

Financial statement schedules have been omitted, as the information required to be set forth therein is included in the consolidated financial statements or notes thereto appearing in the prospectus made part of this registration statement.

Item 17. Undertakings.

(a) 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 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective 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 the offering 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. That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement 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.

(c) 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 certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Madison, State of Wisconsin, on July 17, 2018.

CELLECTAR BIOSCIENCES, INC.

By: /s/ Brian Posner
Brian Posner
Vice President and Chief Financial Officer

Signature	Title	Date
* James V. Caruso	Chief Executive Officer and Director (*principal executive officer*)	July 17, 2018
/s/ Brian Posner Brian Posner	Chief Financial Officer (*principal financial officer and principal accounting officer*)	July 17, 2018
* Frederick W. Driscoll	Director	July 17, 2018
* Stephen A. Hill	Director	July 17, 2018
* Stefan D. Loren, Ph.D.	Director	July 17, 2018
* John Neis	Director	July 17, 2018
* Douglas J. Swirsky	Director	July 17, 2018

* /s/ Brian Posner as attorney-in-fact.

EXHIBIT INDEX

Exhibit No.	Description	Incorporated by Reference		
		Form	Filing Date	Exhibit No.
1.1	Form of Underwriting Agreement*			
2.1	Agreement and Plan of Merger by and among Novelos Therapeutics, Inc., Cell Acquisition Corp. and Cellectar, Inc. dated April 8, 2011	8-K	April 11, 2011	2.1
3.1	Second Amended and Restated Certificate of Incorporation	8-K	April 11, 2011	3.1
3.2	Certificate of Ownership and Merger of Cellectar Biosciences, Inc. with and into Novelos Therapeutics, Inc.	8-K	February 13, 2014	3.1
3.3	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation	8-K	June 13, 2014	3.1
3.4	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation	8-K	June 19, 2015	3.2
3.5	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation	8-K	March 4, 2016	3.1
3.6	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation	8-K	June 1, 2017	3.2
3.7	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation	8-K	July 13, 2018	3.1
3.8	Amended and Restated By-laws	8-K	June 1, 2011	3.1
3.9	Form of Certificate of Designation of Series A Preferred Stock	S-1/A	November 18, 2016	3.7
3.10	Form of Certificate of Designation of Series B Preferred Stock	8-K	October 11, 2017	3.1
3.11	Form of Certificate of Designation of Series C Preferred Stock*			
4.1	Form of common stock certificate	S-1/A	November 9, 2011	4.1
4.2	Form of Series A Preferred Stock certificate	S-1/A	November 18, 2016	4.2
4.3	Form of Series D Common Stock Purchase Warrant	8-K	October 11, 2017	4.1
4.4	Form of Series B Preferred Stock certificate	8-K	October 11, 2017	4.2
4.5	Form of Series E Common Stock Purchase Warrant*			
4.6	Form of Series C Preferred Stock Certificate*			
4.7	Form of Warrant Agency Agreement*			
5.1	Legal Opinion of Michael Best & Friedrich LLP*			
10.1	2006 Stock Incentive Plan, as amended **	8-K	December 18, 2013	10.1
10.2	Form of Non-Statutory Stock Option under Novelos Therapeutics, Inc.'s 2006 Stock Incentive Plan**	8-K	December 15, 2006	10.2
10.3	Common Stock Purchase Warrant dated February 11, 2009**	8-K	February 18, 2009	4.2
10.4	Form of Common Stock Purchase Warrant issued pursuant to the Consent and Waiver of Holders of Series C Convertible Preferred Stock and Series E Convertible Preferred Stock dated July 6, 2010	S-1A	July 7, 2010	10.53
10.5	Form of Common Stock Purchase Warrant dated April 8, 2011	8-K	April 11, 2011	4.3
10.6	Securities Purchase Agreement dated April 8, 2011	8-K	April 11, 2011	10.1
10.7	Lease Agreement between Cellectar, LLC and McAllen Properties LLC, as amended and extended	S-1	July 1, 2011	10.32
10.8	Form of Warrant dated December 6, 2011	S-1/A	November 9, 2011	4.2
10.9	Form of Common Stock Purchase Warrant dated June 13, 2012	8-K	June 11, 2012	4.1
10.10	Form of Common Stock Purchase Warrant	8-K	February 14, 2013	4.1
10.11	Form of Convertible Debenture	8-K	February 10, 2014	4.1
10.12	Form of Common Stock Purchase Warrant	8-K	February 10, 2014	4.2

Exhibit No.	Description	Incorporated by Reference		
		Form	Filing Date	Exhibit No.
10.13	Form of Warrant Agreement between Cellectar Biosciences, Inc. and American Stock Transfer and Trust Company	S-1/A	July 7, 2014	10.31
10.14	2015 Stock Incentive Plan	10-Q	August 12, 2015	10.1
10.15	Employment Agreement between the Company and James Caruso, dated June 15, 2015**	10-Q	August 12, 2015	10.2
10.16	Form of Series B Pre-Funded Warrant	8-K	September 30, 2015	4.1
10.17	Registration Rights Agreement dated September 28, 2015	8-K	September 30, 2015	10.2
10.18	Amendment and Exchange Agreement dated April 13, 2016	S-1/A	April 14, 2016	10.43
10.19	Form of Series A Warrant	S-1/A	April 14, 2016	4.2
10.20	Form of Series B Pre-Funded Warrant	S-1/A	April 14, 2016	4.3
10.21	Form of Warrant Agency Agreement	S-1/A	April 14, 2016	4.4
10.22	Form of Series C Warrant	S-1/A	November 18, 2016	4.3
10.23	Form of Warrant Agency Agreement	S-1/A	November 18, 2016	4.4
10.24	Cellectar Biosciences, Inc. Amended and Restated 2015 Stock Incentive Plan**	8-K	June 1, 2017	10.1
10.25	Form of Restricted Common Stock Agreement**	10-Q	August 14, 2017	10.1
10.26	Securities Purchase Agreement, dated as of October 10, 2017, by and among Cellectar Biosciences, Inc. Inc. and the Purchasers	8-K	October 11, 2017	10.1
10.27	Registration Rights Agreement, dated as of October 10, 2017, by and among Cellectar Biosciences, Inc. Inc. and the Purchasers	8-K	October 11, 2017	10.2
10.28	Employment Agreement between the Company and John E. Friend dated March 27, 2017**	10-Q	November 9, 2017	10.4
10.29	Employment Agreement between the Company and Jarrod Longcor dated July 14, 2016**	10-Q	November 9, 2017	10.3
10.30	Form of Non-Statutory Stock Option**	S-8	November 9, 2017	10.2
10.31	Stock Option Agreement with James V. Caruso**	S-8	November 9, 2017	10.4
10.32	Stock Option Agreement with Jarrod Longcor**	S-8	November 9, 2017	10.5
10.33	Master Services Agreement for Clinical Research and Related Services between the Company and INC Research, LLC dated October 6, 2016	10-K	March 21, 2018	10.33
10.34	Offer Letter between the Company and Brian Posner dated April 1, 2018**	8-K	April 4, 2018	10.1
10.35	Agreement of Lease between the Company and KBS II 100-200 CAMPUS DRIVE, LLC dated June 4, 2018*			
21.1	List of Subsidiaries*			
23.1	Consent of Michael Best & Friedrich LLP (included in Exhibit 5.1)*			
23.2	Consent of Baker Tilly Virchow Krause, LLP*			
24.1	Powers of Attorney (included on signature page)	S-1	June 15, 2018	24.1

* Filed herewith.

** Compensatory contract or arrangement.

Exhibit 1.1

_____ SHARES OF COMMON STOCK,

_____ SHARES OF SERIES C CONVERTIBLE PREFERRED STOCK

(CONVERTIBLE INTO _____ SHARES OF COMMON STOCK), AND

_____ WARRANTS (EXERCISABLE FOR _____ SHARES)

CELLECTAR BIOSCIENCES, INC.

UNDERWRITING AGREEMENT

_____, 2018

Ladenburg Thalmann & Co. Inc.
As the Representative of the
Several underwriters, if any, named in Schedule I hereto
999 Vanderbilt Beach Road, Suite 200
Naples, Florida 34105

Ladies and Gentlemen:

The undersigned, Cellectar Biosciences, Inc., a Delaware corporation (collectively with its subsidiaries and affiliates, including, without limitation, all entities disclosed or described in the Registration Statement as being subsidiaries or affiliates of Cellectar Biosciences, Inc., the "Company"), hereby confirms its agreement (this "Agreement") with the several underwriters (such underwriters, including the Representative (as defined below), the "Underwriters" and each an "Underwriter") named in Schedule I hereto for which Ladenburg Thalmann & Co. Inc. is acting as representative to the several Underwriters (the "Representative" and if there are no Underwriters other than the Representative, references to multiple Underwriters shall be disregarded and the term Representative as used herein shall have the same meaning as Underwriter) on the terms and conditions set forth herein.

It is understood that the several Underwriters are to make a public offering of the Public Securities as soon as the Representative deems it advisable to do so. The Public Securities are to be initially offered to the public at the initial public offering price set forth in the Prospectus. The Representative may from time to time thereafter change the public offering price and other selling terms.

It is further understood that you will act as the Representative for the Underwriters in the offering and sale of the Closing Securities and, if any, the Option Securities in accordance with this Agreement.

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Certificate of Designation (as defined herein) and (b) the following terms have the meanings set forth in this Section 1.1:

"Action" shall have the meaning ascribed to such term in Section 3.1(k).

"Affiliate" means with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Certificate of Designation" means the Certificate of Designation, in the form of Exhibit A attached hereto, to be filed prior to the Closing by the Company with the Secretary of State of Delaware.

"Closing" means the closing of the purchase and sale of the Closing Securities pursuant to Section 2.1.

"Closing Date" means the hour and the date on the Trading Day on which all conditions precedent to (i) the Underwriters' obligations to pay the Closing Purchase Price and (ii) the Company's obligations to deliver the Closing Securities, in each case, have been satisfied or waived, but in no event later than 10:00 a.m. (New York City time) on the second (2nd) Trading Day following the date hereof or at such earlier time as shall be agreed upon by the Representative and the Company.

"Closing Preferred Shares" shall have the meaning ascribed to such term in Section 2.1(a)(ii).

"Closing Purchase Price" shall have the meaning ascribed to such term in Section 2.1(b), which aggregate purchase price shall be net of the underwriting discounts and commissions.

"Closing Securities" shall have the meaning ascribed to such term in Section 2.1(a)(iii).

"Closing Shares" shall have the meaning ascribed to such term in Section 2.1(a)(i).

"Closing Warrants" shall have the meaning ascribed to such term in Section 2.1(a)(iii).

"Combined Preferred Purchase Price" shall have the meaning ascribed to such term in Section 2.1(b).

"Combined Purchase Price" shall have the meaning ascribed to such term in Section 2.1(b).

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.00001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Auditor" means Baker Tilly Virchow Krause, LLP, with offices located at 10 Terrace Court, Madison, Wisconsin 53718.

"Company Counsel" means Michael Best & Friedrich LLP, with offices located at One South Pinckney Street, Suite 700, Madison, Wisconsin 53703.

"Conversion Price" shall have the meaning ascribed to such term in the Certificate of Designation.

"Conversion Shares" shall have the meaning ascribed to such term in the Certificate of Designation.

"Effective Date" shall have the meaning ascribed to such term in Section 3.1(f).

"EGS" means Ellenoff Grossman & Schole LLP, with offices located at 1345 Avenue of the Americas, New York, New York 10105.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Execution Date" shall mean the date on which the parties execute and enter into this Agreement.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith within 90 days following the Closing Date, and provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"FINRA" means the Financial Industry Regulatory Authority.

"GAAP" shall have the meaning ascribed to such term in Section 3.1(i).

"Indebtedness" means (a) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP.

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Lock-Up Agreements" means the lock-up agreements, in the form of Exhibit D attached hereto, delivered on the date hereof by each of the Company's officers and directors and the stockholders of the Company that are set forth on Schedule II hereto.

"Material Adverse Effect" means (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

"Offering" shall have the meaning ascribed to such term in Section 2.1(c).

"Option Closing Date" shall have the meaning ascribed to such term in Section 2.2(c).

"Option Closing Purchase Price" shall have the meaning ascribed to such term in Section 2.2(b), which aggregate purchase price shall be net of the underwriting discounts and commissions.

"Option Securities" shall have the meaning ascribed to such term in Section 2.2(a).

"Option Shares" shall have the meaning ascribed to such term in Section 2.2(a).

"Option Warrants" shall have the meaning ascribed to such term in Section 2.2(a).

"Over-Allotment Option" shall have the meaning ascribed to such term in Section 2.2(a).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Preferred Stock" means up to ____ shares of the Company's Series C Convertible Preferred Stock issued or issuable pursuant to Section 2.1(a)(ii) and having the rights, preferences and privileges set forth in the Certificate of Designation.

"Preferred Stock Agency Agreement" means the addendum to the Company's transfer agency and registrar agreement with the Transfer Agent, pursuant to which the Transfer Agent agrees to act as transfer agent and conversion agent for the Preferred Stock, in the form of Exhibit F attached hereto.

"Preliminary Prospectus" means, if any, any preliminary prospectus relating to the Securities included in the Registration Statement or filed with the Commission pursuant to Rule 424(b).

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the final prospectus filed for the Registration Statement.

"Prospectus Supplement" means, if any, any supplement to the Prospectus complying with Rule 424(b) of the Securities Act that is filed with the Commission.

"Public Securities" means, collectively, the Closing Securities and, if any, the Option Securities.

"Registration Statement" means, collectively, the various parts of the registration statement prepared by the Company on Form S-1 (File No. 333-225675) with respect to the Securities, each as amended as of the date hereof, including the Prospectus and Prospectus Supplement, if any, the Preliminary Prospectus, if any, all SEC Reports incorporated by reference into such registration statement and all exhibits filed with or incorporated by reference into such registration statement, and includes any Rule 462(b) Registration Statement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 462(b) Registration Statement" means any registration statement prepared by the Company registering additional Closing Securities, which was filed with the Commission on or prior to the date hereof and became automatically effective pursuant to Rule 462(b) promulgated by the Commission pursuant to the Securities Act.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(i).

"Securities" means the Closing Securities, the Option Securities and the Underlying Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Share Purchase Price" shall have the meaning ascribed to such term in Section 2.1(b).

"Shares" means, collectively, the shares of Common Stock delivered to the Underwriters in accordance with Section 2.1(a)(i) and Section 2.2(a).

"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Certificate of Designation, the Warrants, the Warrant Agency Agreement, the Preferred Stock Agency Agreement, and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means American Stock Transfer and Trust Company, with offices located at 6201 15th Avenue, Brooklyn, NY 11219 and a facsimile number of 718-236-2641, and any successor transfer agent of the Company.

"Underlying Shares" means, collectively, the Conversion Shares and the Warrant Shares.

"Warrant Agency Agreement" means the warrant agency agreement dated on or about the date hereof, between the Company and the Transfer Agent in the form of Exhibit E attached hereto.

"Warrant Purchase Price" shall have the meaning ascribed to such term in Section 2.1(b).

"Warrant Shares" means the shares of Common Stock issuable upon exercise of the Warrants.

"Warrants" means the Series E Common Stock purchase warrants delivered to the Underwriters in accordance with Section 2.1(a) and Section 2.2(a).

ARTICLE II.
PURCHASE AND SALE

2.1 Closing.

(a) Upon the terms and subject to the conditions set forth herein, the Company agrees to sell, in the aggregate, _____ shares of Common Stock, (ii) ____ shares of Preferred Stock, and (iii) Warrants exercisable for an aggregate of _____ shares of Common Stock, and each Underwriter agrees to purchase, severally and not jointly, at the Closing, the following securities of the Company:

(i) the number of shares of Common Stock (the "Closing Shares") set forth opposite the name of such Underwriter on Schedule I hereof;

(ii) the number of shares of Preferred Stock (the "Closing Preferred Shares") set forth opposite the name of such Underwriter on Schedule I hereof; and

(iii) Warrants to purchase up to 100% of the sum of the number of Closing Shares set forth opposite the name of such Underwriter on Schedule I hereof plus the aggregate number of Conversion Shares underlying the Closing Preferred Shares set forth opposite the name of such Underwriter on Schedule I hereof, which Warrants shall have an exercise price equal to **$**____ (subject to adjustment therein), and shall be exercisable immediately following issuance and have a term of exercise of five years, which Warrants shall be in the form of Exhibit C hereto (the "Closing Warrants" and, collectively with the Closing Shares and Closing Preferred Shares, the "Closing Securities").

(b) The aggregate purchase price for the Closing Securities shall equal the amount set forth opposite the name of such Underwriter on Schedule I hereto (the "Closing Purchase Price"). The combined purchase price for (i) one Share and (ii) one Warrant to purchase ____Warrant Share shall be **$**____ (the "Combined Purchase Price"), which shall be allocated $_____ to each Share (the "Share Purchase Price") and $_____ to the Warrant (the "Warrant Purchase Price"). The combined purchase price for (i) one Closing Preferred Share and (ii) one Warrant to purchase ____ Warrant Shares shall be $_____ (the "Combined Preferred Purchase Price") which shall be allocated as $_____ per Preferred Share and $_____ per Warrant or $____ for Warrants to purchase _____Warrant Shares

(c) On the Closing Date, each Underwriter shall deliver or cause to be delivered to the Company, via wire transfer, immediately available funds equal to such Underwriter's Closing Purchase Price and the Company shall deliver to, or as directed by, such Underwriter its respective Closing Securities and the Company shall deliver the other items required pursuant to Section 2.3 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.3 and 2.4, the Closing shall occur at the offices of EGS or such other location as the Company and Representative shall mutually agree. The Public Securities are to be offered initially to the public at the offering price set forth on the cover page of the Prospectus (the "Offering").

(d) The Company acknowledges and agrees that, with respect to any Notice(s) of Conversion (as defined in the Certificate of Designation) delivered by a Holder (as defined in the Certificate of Designation) on or prior to 12:00 p.m. (New York City time) on the Closing Date, which Notice(s) of Conversion may be delivered at any time after the time of execution of this Agreement, the Company shall deliver the Conversion Shares (as defined in the Certificate of Designation) subject to such notice(s) to the Holder by 4:00 p.m. (New York City time) on the Closing Date. The Company acknowledges and agrees that the Holders are third-party beneficiaries of this covenant of the Company.

2.2 Over-Allotment Option.

(a) For the purposes of covering any over-allotments in connection with the distribution and sale of the Closing Securities, the Representative is hereby granted an option (the "Over-Allotment Option") to purchase, in the aggregate, up to _____1 shares of Common Stock (the "Option Shares") and Warrants to purchase up to _____2 shares of Common Stock (the "Option Warrants" and, collectively with the Option Shares, the "Option Securities") which may be purchased in any combination of Option Shares and/or Option Warrants at the Share Purchase Price and/or Warrant Purchase Price, respectively.

1 15% of the Closing Shares and the Conversion Shares.
2 15% of the Closing Warrants.

(b) In connection with an exercise of the Over-Allotment Option, (a) the purchase price to be paid for the Option Shares is equal to the product of the Share Purchase Price multiplied by the number of Option Shares to be purchased and (b) the purchase price to be paid for the Option Warrants is equal to the product of the Warrant Purchase Price multiplied by the number of Option Warrants (the aggregate purchase price to be paid on an Option Closing Date, the "Option Closing Purchase Price").

(c) The Over-Allotment Option granted pursuant to this Section 2.2 may be exercised by the Representative as to all (at any time) or any part (from time to time) of the Option Securities within 45 days after the Execution Date. An Underwriter will not be under any obligation to purchase any Option Securities prior to the exercise of the Over-Allotment Option by the Representative. The Over-Allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Representative, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Shares and/or Option Warrants to be purchased and the date and time for delivery of and payment for the Option Securities (each, an "Option Closing Date"), which will not be later than two (2) full Business Days after the date of the notice or such other time as shall be agreed upon by the Company and the Representative, at the offices of EGS or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Representative. If such delivery and payment for the Option Securities does not occur on the Closing Date, each Option Closing Date will be as set forth in the notice. Upon exercise of the Over-Allotment Option, the Company will become obligated to convey to the Underwriters, and, subject to the terms and conditions set forth herein, the Underwriters will become obligated to purchase, the number of Option Shares and/or Option Warrants specified in such notice. The Representative may cancel the Over-Allotment Option at any time prior to the expiration of the Over-Allotment Option by written notice to the Company.

2.3 Deliveries. The Company shall deliver or cause to be delivered to each Underwriter (if applicable) the following:

(i) At the Closing Date, the Closing Shares and, as to each Option Closing Date, if any, the applicable Option Shares, which shall be delivered via The Depository Trust Company Deposit or Withdrawal at Custodian system for the accounts of the several Underwriters;

(ii) At the Closing Date, the Closing Preferred Shares, which shall be delivered via The Depository Trust Company Deposit or Withdrawal at Custodian system for the accounts of the several Underwriters;

(iii) At the Closing Date, the Closing Warrants and, as to each Option Closing Date, if any, the applicable Option Warrants, which shall be delivered via The Depository Trust Company Deposit or Withdrawal at Custodian system for the accounts of the several Underwriters;

(iv) At the Closing Date, evidence of the filing and acceptance of the Certificate of Designation from the Secretary of State of Delaware;

(v) At the Closing Date, a legal opinion of Company Counsel addressed to the Underwriters, including, without limitation, a negative assurance letter, substantially in the form of Exhibit B attached hereto and as to each Option Closing Date, if any, a bring-down opinion from Company Counsel in form and substance reasonably satisfactory to the Representative;

(vi) Contemporaneously herewith, a cold comfort letter from the Company Auditor, addressed to the Underwriters and in form and substance satisfactory in all respects to the Representative, dated as of the date of this Agreement, and a bring-down letter dated as of the Closing Date and each Option Closing Date, if any, in form and substance reasonably satisfactory to the Representative;

(vii) At the Closing Date and at each Option Closing Date, the duly executed and delivered Officer's Certificate, substantially in the form required by Exhibit G attached hereto;

(viii) At the Closing Date and at each Option Closing Date, the duly executed and delivered Secretary's Certificate, substantially in the form required by Exhibit H attached hereto;

(ix) At the Closing Date, the Warrant Agency Agreement duly executed by the parties thereto;

(x) At the Closing Date, the Preferred Stock Agency Agreement duly executed by the parties thereto; and

(xi) Contemporaneously herewith, the duly executed and delivered Lock-Up Agreements.

2 . 4 Closing Conditions. The respective obligations of each Underwriter hereunder in connection with the Closing and each Option Closing Date are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the date in question (other than representations and warranties of the Company already qualified by materiality, which shall be true and correct in all respects) of the representations and warranties of the Company contained herein (unless as of a specific date therein);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the date in question shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.3 of this Agreement;

(iv) the Registration Statement shall be effective on the date of this Agreement and at each of the Closing Date and each Option Closing Date, if any, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or contemplated by the Commission and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representative;

(v) by the Execution Date, if required by FINRA, the Underwriters shall have received clearance from FINRA as to the amount of compensation allowable or payable to the Underwriters as described in the Registration Statement;

(vi) the Closing Shares, the Option Shares and the Underlying Shares have been approved for listing on the Trading Market; and

(vii) prior to and on each of the Closing Date and each Option Closing Date, if any: (i) there shall have been no material adverse change or development involving a prospective material adverse change in the condition or prospects or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement and Prospectus; (ii) no action suit or proceeding, at law or in equity, shall have been pending or threatened against the Company or any Affiliate of the Company before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement and Prospectus; (iii) no stop order shall have been issued under the Securities Act and no proceedings therefor shall have been initiated or threatened by the Commission; and (iv) the Registration Statement and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Securities Act and the rules and regulations thereunder and shall conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder, and neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company represents and warrants to the Underwriters as of the Execution Date, as of the Closing Date and as of each Option Closing Date, if any, as follows:

(a) Subsidiaries. All of the direct and indirect Subsidiaries of the Company are set forth in the Prospectus. The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no Subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which the Company is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filing with the Commission of the Prospectus, (ii) the filing of the Certificate of Designation with the Delaware Secretary of State, and (iii) such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(f) Registration Statement. The Company has filed with the Commission the Registration Statement, including any related Prospectus or Prospectuses, for the registration of the Securities under the Securities Act, which Registration Statement has been prepared by the Company in all material respects in conformity with the requirements of the Securities Act and the rules and regulations of the Commission under the Securities Act. The Registration Statement has been declared effective by the Commission on _____ __, 2018 (the "Effective Date"). All references in this Agreement to financial statements and schedules and other information which is "contained," "included," "described," "referenced," "set forth" or "stated" in the Registration Statement, the Prospectus or the Prospectus Supplement (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement, the Prospectus or the Prospectus Supplement, as the case may be. No stop order suspending the effectiveness of the Registration Statement or the use of the Prospectus or the Prospectus Supplement has been issued, and no proceeding for any such purpose is pending or has been initiated or, to the Company's knowledge, is threatened by the Commission. For purposes of this Agreement, "free writing prospectus" has the meaning set forth in Rule 405 under the Securities Act. The Company will not, without the prior consent of the Representative, prepare, use or refer to, any free writing prospectus.

(g) Issuance of Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company, other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company, other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to the Transaction Documents. The holder of the Securities will not be subject to personal liability by reason of being such holders. The Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. All corporate action required to be taken for the authorization, issuance and sale of the Securities has been duly and validly taken. The Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement.

(h) Capitalization. The capitalization of the Company is as set forth in the Registration Statement, the Prospectus and the Prospectus Supplement. Subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and the Prospectus Supplement, and except as may otherwise be indicated or contemplated herein or as disclosed in the Registration Statement, the Prospectus and the Prospectus Supplement, the Company has not issued any capital stock, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of outstanding Common Stock Equivalents. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth in, or contemplated by, the Registration Statement, the Prospectus and the Prospectus Supplement, on the Execution Date and on the Closing Date and any Option Closing Date, there will be no stock options, warrants or other rights to purchase or otherwise acquire any authorized, but unissued shares of Common Stock of the Company or any security convertible or exercisable into shares of Common Stock of the Company, or any contracts or commitments to issue or sell shares of Common Stock or any such options, warrants, rights or convertible securities. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Underwriters) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. The authorized shares of Common Stock conform in all material respects to all statements relating thereto contained in the Registration Statement and the Prospectus. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. The offers and sales of the Company's securities were at all relevant times either registered under the Securities Act and the applicable state securities or Blue Sky laws or, based in part on the representations and warranties of the purchasers, exempt from such registration requirements. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(i) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed under Sections 13 or 15(d) of the Exchange Act for the two years preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, together with the Prospectus and Prospectus Supplement, the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports (if amended, as of the date of amendment) complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Registration Statement, the Prospectus, the Prospectus Supplement and the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of the filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. The agreements and documents described in the Registration Statement, the Prospectus, the Prospectus Supplement and the SEC Reports conform to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the rules and regulations thereunder to be described in the Registration Statement, the Prospectus, the Prospectus Supplement or the SEC Reports or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound and (i) that is referred to in the Registration Statement, the Prospectus, the Prospectus Supplement or the SEC Reports, or (ii) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought. Except as disclosed in the Registration Statement, the Prospectus or the Prospectus Supplement, none of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the best of the Company's knowledge, any other party is in default thereunder and, to the best of the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. To the best of the Company's knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations.

(j) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the Registration Statement, the Prospectus and the Prospectus Supplement, except as specifically disclosed in a subsequent SEC Report filed prior to the date hereof, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans and (vi) no officer or director of the Company has resigned from any position with the Company. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one Trading Day prior to the date that this representation is made. Unless otherwise disclosed in an SEC Report filed prior to the date hereof, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

(k) Litigation. Except as disclosed in the Registration Statement, the Prospectus or the Prospectus Supplement, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(l) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the Registration Statement, the Prospectus and the Prospectus Supplement, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect (each, a "Material Permit"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit. The disclosures in the Registration Statement concerning the effects of federal, state, local and all foreign regulation on the Company's business as currently contemplated are correct in all material respects.

(o) Title to Assets. Except as disclosed in the Registration Statement, the Prospectus or the Prospectus, the Company and the Subsidiaries have good and marketable title in fee simple to, or have valid and marketable rights to lease or otherwise use, all real property and all personal property that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP, and the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance in all material respects.

(p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the Registration Statement, the Prospectus and the Prospectus Supplement and which the failure to so have could reasonably be expected to have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of the Company or any Subsidiary has received written, or to the knowledge of the Company other, notice that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the Registration Statement, the Prospectus and the Prospectus Supplement, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions With Affiliates and Employees. Except as set forth in the Registration Statement, the Prospectus and the Prospectus Supplement, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from, any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(s) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-, Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. Except as disclosed in the Registration Statement, the Prospectus or the Prospectus Supplement, the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(t) Certain Fees. Except as set forth in the Prospectus Supplement, no brokerage or finder's fees or commissions are or will be payable by the Company, any Subsidiary or Affiliate of the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. To the Company's knowledge, there are no other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its stockholders that may affect the Underwriters' compensation, as determined by FINRA. The Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (ii) any FINRA member; or (iii) any person or entity that has any direct or indirect affiliation or association with any FINRA member, within the twelve months prior to the Execution Date. None of the net proceeds of the Offering will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein.

(u) Investment Company. The Company is not, and, to its knowledge, is not an Affiliate of, and immediately after receipt of payment for the Securities will not be, or, to its knowledge, be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Except as set forth in the Registration Statement, the Prospectus and the Prospectus Supplement, no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(w) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and, except as disclosed in the Registration Statement, the Prospectus or the Prospectus Supplement, the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. Except as set forth in the Registration Statement, the Prospectus, the Prospectus Supplement and the SEC Reports, the Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Common Stock is currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable as a result of the Underwriters and the Company fulfilling their obligations or exercising their rights under the Transaction Documents.

(y) Disclosure; 10b-5. The Registration Statement (and any further documents to be filed with the Commission) contains all exhibits and schedules as required by the Securities Act. Each of the Registration Statement and any post-effective amendment thereto, if any, at the time it became effective, complied in all material respects with the Securities Act and the applicable rules and regulations under the Securities Act and did not and, as amended or supplemented, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus and the Prospectus Supplement, each as of its respective date, comply in all material respects with the Securities Act and the applicable rules and regulations. Each of the Prospectus and the Prospectus Supplement, as amended or supplemented, did not and will not contain as of the date thereof any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The SEC Reports, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the applicable rules and regulations, and none of such documents, when they were filed with the Commission, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein (with respect to the SEC Reports incorporated by reference in the Prospectus or Prospectus Supplement), in light of the circumstances under which they were made not misleading; and any further documents so filed and incorporated by reference in the Prospectus or Prospectus Supplement, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the applicable rules and regulations, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made not misleading. No post-effective amendment to the Registration Statement reflecting any facts or events arising after the date thereof which represent, individually or in the aggregate, a fundamental change in the information set forth therein is required to be filed with the Commission. There are no documents required to be filed with the Commission in connection with the transaction contemplated hereby that (x) have not been filed as required pursuant to the Securities Act or (y) will not be filed within the requisite time period. There are no contracts or other documents required to be described in the Prospectus or Prospectus Supplement, or to be filed as exhibits or schedules to the Registration Statement, which have not been described or filed as required. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading.

(z) No Integrated Offering. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(a a) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. The Registration Statement, the Prospectus, the Prospectus Supplement and the SEC Reports set forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed, or secured extensions for the filing of, all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. The term "taxes" mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term "returns" means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA. The Company has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the FCPA.

(dd) Accountants. To the knowledge of the Company, the Company Auditor, whose report is filed with the Commission as part of the Registration Statement, is an independent registered public accounting firm as required by the Securities Act and the rules and regulations thereunder. The Company Auditor has not, during the periods covered by the financial statements included in the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

(ee) FDA. As to each product subject to the jurisdiction of the U.S. Food and Drug Administration (" FDA") under the Federal Food, Drug and Cosmetic Act, as amended, and the regulations thereunder ("FDCA") that is manufactured, packaged, labeled, tested, distributed, sold, and/or marketed by the Company or any of its Subsidiaries (each such product, a "Pharmaceutical Product"), such Pharmaceutical Product is being manufactured, packaged, labeled, tested, distributed, sold and/or marketed by the Company in compliance with all applicable requirements under FDCA and similar laws, rules and regulations relating to registration, investigational use, premarket clearance, licensure, or application approval, good manufacturing practices, good laboratory practices, good clinical practices, product listing, quotas, labeling, advertising, record keeping and filing of reports, except where the failure to be in compliance would not have a Material Adverse Effect. There is no pending, completed or, to the Company's knowledge, threatened, action (including any lawsuit, arbitration, or legal or administrative or regulatory proceeding, charge, complaint, or investigation) against the Company or any of its Subsidiaries, and none of the Company or any of its Subsidiaries has received any notice, warning letter or other communication from the FDA or any other governmental entity, which (i) contests the premarket clearance, licensure, registration, or approval of, the uses of, the distribution of, the manufacturing or packaging of, the testing of, the sale of, or the labeling and promotion of any Pharmaceutical Product, (ii) withdraws its approval of, requests the recall, suspension, or seizure of, or withdraws or orders the withdrawal of advertising or sales promotional materials relating to, any Pharmaceutical Product, (iii) imposes a clinical hold on any clinical investigation by the Company or any of its Subsidiaries, (iv) enjoins production at any facility of the Company or any of its Subsidiaries, (v) enters or proposes to enter into a consent decree of permanent injunction with the Company or any of its Subsidiaries, or (vi) otherwise alleges any violation of any laws, rules or regulations by the Company or any of its Subsidiaries, and which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The properties, business and operations of the Company have been and are being conducted in all material respects in accordance with all applicable laws, rules and regulations of the FDA. The Company has not been informed by the FDA that the FDA will prohibit the marketing, sale, license or use in the United States of any product proposed to be developed, produced or marketed by the Company nor has the FDA expressed any concern as to approving or clearing for marketing any product being developed or proposed to be developed by the Company.

(ff) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(gg) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon the Representative's request.

(hh) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(ii) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(jj) D&O Questionnaires. To the Company's knowledge, all information contained in the questionnaires completed by each of the Company's directors and officers immediately prior to the Offering as well as in the Lock-Up Agreement provided to the Underwriters is true and correct in all respects and the Company has not become aware of any information which would cause the information disclosed in such questionnaires become inaccurate and incorrect.

(kk) FINRA Affiliation. No officer, director or, to the Company's knowledge, any beneficial owner of 5% or more of the Company's unregistered securities has any direct or indirect affiliation or association with any FINRA member (as determined in accordance with the rules and regulations of FINRA) that is participating in the Offering.

(ll) Officers' Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to the Representative or EGS shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

(mm) Board of Directors. The Board of Directors is comprised of the persons set forth under the heading of the Prospectus captioned "Management." The qualifications of the persons serving as board members and the overall composition of the Board of Directors comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder applicable to the Company and the rules of the Trading Market. At least one member of the Board of Directors qualifies as a "financial expert" as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and the rules of the Trading Market. In addition, at least a majority of the persons serving on the Board of Directors qualify as "independent" as defined under the rules of the Trading Market.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Amendments to Registration Statement. The Company has delivered, or will as promptly as practicable deliver, to the Underwriters complete conformed copies of the Registration Statement and of each consent and certificate of experts, as applicable, filed as a part thereof, and conformed copies of the Registration Statement (without exhibits), the Prospectus and the Prospectus Supplement, as amended or supplemented, in such quantities and at such places as an Underwriter reasonably requests. Neither the Company nor any of its directors and officers has distributed and none of them will distribute, prior to the Closing Date, any offering material in connection with the offering and sale of the Securities other than the Prospectus, the Prospectus Supplement, the Registration Statement, and copies of the documents incorporated by reference therein. The Company shall not file any such amendment or supplement to which the Representative shall reasonably object in writing.

4.2 Federal Securities Laws.

(a) Compliance. During the time when a Prospectus is required to be delivered under the Securities Act, the Company will use its best efforts to comply with all requirements imposed upon it by the Securities Act and the rules and regulations thereunder and the Exchange Act and the rules and regulations thereunder, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and the Prospectus. If at any time when a Prospectus relating to the Securities is required to be delivered under the Securities Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or counsel for the Underwriters, the Prospectus, as then amended or supplemented, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Securities Act, the Company will notify the Underwriters promptly and prepare and file with the Commission, subject to Section 4.1 hereof, an appropriate amendment or supplement in accordance with Section 10 of the Securities Act.

(b) Filing of Final Prospectus. The Company will file the Prospectus (in form and substance satisfactory to the Representative) with the Commission pursuant to the requirements of Rule 424.

(c) Exchange Act Registration. For a period of two years from the Execution Date, the Company will use its best efforts to maintain the registration of the Common Stock under the Exchange Act. For a period of two years from the Execution Date, the Company will not deregister the Common Stock under the Exchange Act without the prior written consent of the Representative.

(d) Free Writing Prospectuses. The Company represents and agrees that it has not made and will not make any offer relating to the Securities that would constitute an issuer free writing prospectus, as defined in Rule 433 of the rules and regulations under the Securities Act, without the prior written consent of the Representative. Any such free writing prospectus consented to by the Representative is herein referred to as a "Permitted Free Writing Prospectus." The Company represents that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus" as defined in rule and regulations under the Securities Act, and has complied and will comply with the applicable requirements of Rule 433 of the Securities Act, including timely Commission filing where required, legending and record keeping.

4.3 Delivery to the Underwriters of Prospectuses. The Company will deliver to the Underwriters, without charge, from time to time during the period when the Prospectus is required to be delivered under the Securities Act such number of copies of each Prospectus as the Underwriters may reasonably request and, as soon as the Registration Statement or any amendment or supplement thereto becomes effective, deliver to you two original executed Registration Statements, including exhibits, and all post-effective amendments thereto and copies of all exhibits filed therewith or incorporated therein by reference and all original executed consents of certified experts.

4.4 Effectiveness and Events Requiring Notice to the Underwriters. The Company will use its reasonable best efforts to cause the Registration Statement to remain effective with a current prospectus until the later of nine (9) months from the Execution Date and the date on which the Warrants are no longer outstanding, and will notify the Underwriters and holders of the Warrants promptly and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 4.4 that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement or the Prospectus untrue or that requires the making of any changes in the Registration Statement or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company will use its reasonable best efforts to obtain promptly the lifting of such order.

4.5 Expenses Related to the Offering.

(a) General Expenses Related to the Offering. The Company hereby agrees to pay on each of the Closing Date and each Option Closing Date, if any, to the extent not paid at the Closing Date, all expenses incident to the performance of the obligations of the Company under this Agreement, including, but not limited to: (a) all filing fees and communication expenses relating to the registration of the Securities to be sold in the Offering (including the Option Securities) with the Commission; (b) all FINRA Public Offering Filing System fees associated with the review of the Offering by FINRA; all fees and expenses relating to the listing of such Closing Shares, Option Shares, Conversion Shares and Warrant Shares on the Trading Market and such other stock exchanges as the Company and the Representative together determine; (c) all fees, expenses and disbursements relating to the registration or qualification of such Securities under the "blue sky" securities laws of such states and other foreign jurisdictions as the Representative may reasonably designate; (d) the costs of all mailing and printing of the underwriting documents (including, without limitation, this Agreement, any Blue Sky Surveys and, if appropriate, any Agreement Among Underwriters, Selected Dealers' Agreement, Underwriters' Questionnaire and Power of Attorney), Registration Statements, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Representative may reasonably deem necessary; (e) the costs and expenses of the Company's public relations firm; (f) the costs of preparing, printing and delivering the Securities; (g) fees and expenses of the Transfer Agent for the Securities (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company), including, without limitation, fees and expenses pursuant to the Warrant Agency Agreement and the Preferred Stock Agency Agreement; (h) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriters; (i) the fees and expenses of the Company's accountants; (j) the fees and expenses of the Company's legal counsel and other agents and representatives; and (k) the Underwriters' costs of mailing prospectuses to prospective investors. The Underwriters may deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or each Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriters.

(b) Expenses of the Representative. The Company further agrees that, in addition to the expenses payable pursuant to Section 4.5(a), on the Closing Date, the Company will reimburse the Representative for its out-of-pocket expenses related to the Offering up to an aggregate of $100,000 by deduction from the proceeds of the Offering contemplated herein.

4.6 Application of Net Proceeds. The Company will apply the net proceeds from the Offering received by it in a manner consistent with the application described under the caption "Use of Proceeds" in the Prospectus.

4.7 Delivery of Earnings Statements to Security Holders. The Company will make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth full calendar month following the Execution Date, an earnings statement (which need not be certified by independent public or independent certified public accountants unless required by the Securities Act or the Rules and Regulations under the Securities Act, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Securities Act) covering a period of at least twelve consecutive months beginning after the Execution Date.

4.8 Stabilization. Neither the Company, nor, to its knowledge, any of its employees, directors or shareholders (without the consent of the Representative) has taken or will take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

4.9 Internal Controls. The Company will maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

4.10 Accountants. The Company shall continue to retain an independent certified public accounting firm registered with the Public Company Accounting Oversight Board for a period of at least three years after the Execution Date.

4.11 FINRA. For a period of one year from the Execution Date, the Company shall promptly advise the Underwriters (who shall make an appropriate filing with FINRA) if the Company is aware that any 5% or greater shareholder of the Company becomes an affiliate or associated person of an Underwriter.

4.12 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriters' responsibility to the Company is solely contractual and commercial in nature, based on arms-length negotiations and that neither the Underwriters nor their affiliates or any selected dealer shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement. Notwithstanding anything in this Agreement to the contrary, the Company acknowledges that the Underwriters may have financial interests in the success of the Offering that are not limited to the difference between the price to the public and the purchase price paid to the Company by the Underwriters for the shares and the Underwriters have no obligation to disclose, or account to the Company for, any of such additional financial interests. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any breach or alleged breach of fiduciary duty.

4.13 Underlying Shares. The shares of Common Stock underlying the Preferred Stock shall be issued free of legends. If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the issuance of the Warrant Shares or if the Warrant is exercised via cashless exercise at a time when such Warrant Shares would be eligible for resale under Rule 144 by a non-affiliate of the Company, the Warrant Shares issued pursuant to any such exercise shall be issued free of all restrictive legends. If at any time following the date hereof the Registration Statement (or any subsequent registration statement registering the sale or resale of the Warrant Shares) is not effective or is not otherwise available for the sale of the Warrant Shares, the Company shall immediately notify the holders of the Warrants in writing that such registration statement is not then effective and thereafter shall promptly notify such holders when the registration statement is effective again and available for the sale of the Warrant Shares (it being understood and agreed that the foregoing shall not limit the ability of the Company to issue, or any holder thereof to sell, any of the Warrant Shares in compliance with applicable federal and state securities laws).

4.14 Securities Laws Disclosure; Publicity. At the request of the Representative, by 9:00 a.m. (New York City time) on the date hereof, the Company shall issue a press release disclosing the material terms of the Offering. The Company and the Representative shall consult with each other in issuing any other press releases with respect to the Offering, and neither the Company nor any Underwriter shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of such Underwriter, or without the prior consent of such Underwriter, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. The Company will not issue press releases or engage in any other publicity, without the Representative's prior written consent, for a period ending at 5:00 p.m. (New York City time) on the first business day following the 40th day following the Closing Date, other than normal and customary releases issued in the ordinary course of the Company's business.

4.15 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Underwriter of the Securities is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Underwriter of Securities could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities.

4.16 Board Composition and Board Designations. The Company shall ensure that: (i) the qualifications of the persons serving as board members and the overall composition of the Board of Directors comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and with the listing requirements of the Trading Market and (ii) if applicable, at least one member of the Board of Directors qualifies as a "financial expert" as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

4.17 Reservation of Common Stock. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Option Shares pursuant to the Over-Allotment Option, the Conversion Shares pursuant to any conversion of the Preferred Stock, and Warrant Shares pursuant to any exercise of the Warrants.

4.18 Listing of Common Stock. The Company hereby agrees to use reasonable best efforts to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed, and concurrently with the Closing, the Company shall apply to list or quote all of the Closing Shares, Option Shares, Conversion Shares and Warrant Shares on such Trading Market and promptly secure the listing of all of the Closing Shares, Option Shares, Conversion Shares and Warrant Shares on such Trading Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Closing Shares, Option Shares, Conversion Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Closing Shares, Option Shares, Conversion Shares and Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to use best efforts to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.19 Subsequent Equity Sales.

(a) From the date hereof until ninety (90) days following the Closing Date, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents.

(b) From the date hereof until the one (1) year anniversary of the Closing Date, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price. Any Underwriter shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(c) Notwithstanding the foregoing, this Section 4.19 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance.

4.20 Research Independence. The Company acknowledges that each Underwriter's research analysts and research departments, if any, are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriter's research analysts may hold and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of its investment bankers. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against such Underwriter with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Underwriter's investment banking divisions. The Company acknowledges that the Representative is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short position in debt or equity securities of the Company.

ARTICLE V.
DEFAULT BY UNDERWRITERS

If on the Closing Date or any Option Closing Date, if any, any Underwriter shall fail to purchase and pay for the portion of the Closing Securities or Option Securities, as the case may be, which such Underwriter has agreed to purchase and pay for on such date (otherwise than by reason of any default on the part of the Company), the Representative, or if the Representative is the defaulting Underwriter, the non-defaulting Underwriters, shall use their reasonable efforts to procure within 36 hours thereafter one or more of the other Underwriters, or any others, to purchase from the Company such amounts as may be agreed upon and upon the terms set forth herein, the Closing Securities or Option Securities , as the case may be, which the defaulting Underwriter or Underwriters failed to purchase. If during such 36 hours the Representative shall not have procured such other Underwriters, or any others, to purchase the Closing Securities or Option Securities, as the case may be, agreed to be purchased by the defaulting Underwriter or Underwriters, then (a) if the aggregate number of Closing Securities or Option Securities, as the case may be, with respect to which such default shall occur does not exceed 10% of the Closing Securities or Option Securities, as the case may be, covered hereby, the other Underwriters shall be obligated, severally, in proportion to the respective numbers of Closing Securities or Option Securities, as the case may be, which they are obligated to purchase hereunder, to purchase the Closing Securities or Option Securities, as the case may be, which such defaulting Underwriter or Underwriters failed to purchase, or (b) if the aggregate number of Closing Securities or Option Securities, as the case may be, with respect to which such default shall occur exceeds 10% of the Closing Securities or Option Securities, as the case may be, covered hereby, the Company or the Representative will have the right to terminate this Agreement without liability on the part of the non-defaulting Underwriters or of the Company except to the extent provided in Article VI hereof. In the event of a default by any Underwriter or Underwriters, as set forth in this Article V, the applicable Closing Date may be postponed for such period, not exceeding seven days, as the Representative, or if the Representative is the defaulting Underwriter, the non-defaulting Underwriters, may determine in order that the required changes in the Prospectus or in any other documents or arrangements may be effected. The term "Underwriter" includes any person substituted for a defaulting Underwriter. Any action taken under this Section shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

ARTICLE VI.
INDEMNIFICATION

6 . 1 Indemnification of the Underwriters. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless each Underwriter, and each dealer selected by each Underwriter that participates in the offer and sale of the Securities (each a "Selected Dealer") and each of their respective directors, officers and employees and each Person, if any, who controls such Underwriter or any Selected Dealer ("Controlling Person") within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between such Underwriter and the Company or between such Underwriter and any third party or otherwise) to which they or any of them may become subject under the Securities Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (i) any Preliminary Prospectus, the Registration Statement or the Prospectus (as from time to time each may be amended and supplemented); (ii) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Securities, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically); or (iii) any application or other document or written communication (in this Article VI, collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Securities under the securities laws thereof or filed with the Commission, any state securities commission or agency, Trading Market or any securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Company with respect to the applicable Underwriter by or on behalf of such Underwriter expressly for use in any Preliminary Prospectus, if any, the Registration Statement or Prospectus, or any amendment or supplement thereto, or in any application, as the case may be. With respect to any untrue statement or omission or alleged untrue statement or omission made in the Preliminary Prospectus, if any, the indemnity agreement contained in this Section 6.1 shall not inure to the benefit of an Underwriter to the extent that any loss, liability, claim, damage or expense of such Underwriter results from the fact that a copy of the Prospectus was not given or sent to the Person asserting any such loss, liability, claim or damage at or prior to the written confirmation of sale of the Securities to such Person as required by the Securities Act and the rules and regulations thereunder, and if the untrue statement or omission has been corrected in the Prospectus, unless such failure to deliver the Prospectus was a result of non-compliance by the Company with its obligations under this Agreement. The Company agrees promptly to notify each Underwriter of the commencement of any litigation or proceedings against the Company or any of its officers, directors or Controlling Persons in connection with the issue and sale of the Public Securities or in connection with the Registration Statement or Prospectus.

6.2 Procedure. If any action is brought against an Underwriter, a Selected Dealer or a Controlling Person in respect of which indemnity may be sought against the Company pursuant to Section 6.1, such Underwriter, such Selected Dealer or Controlling Person, as the case may be, shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees of counsel (subject to the reasonable approval of such Underwriter or such Selected Dealer, as the case may be) and payment of actual expenses. Such Underwriter, such Selected Dealer or Controlling Person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Underwriter, such Selected Dealer or Controlling Person unless (i) the employment of such counsel at the expense of the Company shall have been authorized in writing by the Company in connection with the defense of such action, or (ii) the Company shall not have employed counsel to have charge of the defense of such action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events the reasonable fees and expenses of not more than one additional firm of attorneys selected by such Underwriter (in addition to local counsel), Selected Dealer and/or Controlling Person shall be borne by the Company. Notwithstanding anything to the contrary contained herein, if any Underwriter, Selected Dealer or Controlling Person shall assume the defense of such action as provided above, the Company shall have the right to approve the terms of any settlement of such action which approval shall not be unreasonably withheld.

6.3 Indemnification of the Company. Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, its directors, officers and employees and agents who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to such Underwriter, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions made in any Preliminary Prospectus, if any, the Registration Statement or Prospectus or any amendment or supplement thereto or in any application, in reliance upon, and in strict conformity with, written information furnished to the Company with respect to such Underwriter by or on behalf of such Underwriter expressly for use in such Preliminary Prospectus, if any, the Registration Statement or Prospectus or any amendment or supplement thereto or in any such application. In case any action shall be brought against the Company or any other Person so indemnified based on any Preliminary Prospectus, if any, the Registration Statement or Prospectus or any amendment or supplement thereto or any application, and in respect of which indemnity may be sought against such Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each other Person so indemnified shall have the rights and duties given to such Underwriter by the provisions of this Article VI. Notwithstanding the provisions of this Section 6.3, no Underwriter shall be required to indemnify the Company for any amount in excess of the underwriting discounts and commissions applicable to the Securities purchased by such Underwriter. The Underwriters' obligations in this Section 6.3 to indemnify the Company are several in proportion to their respective underwriting obligations and not joint.

6.4 Contribution.

(a) Contribution Rights. In order to provide for just and equitable contribution under the Securities Act in any case in which (i) any Person entitled to indemnification under this Article VI makes a claim for indemnification pursuant hereto but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Article VI provides for indemnification in such case, or (ii) contribution under the Securities Act, the Exchange Act or otherwise may be required on the part of any such Person in circumstances for which indemnification is provided under this Article VI, then, and in each such case, the Company and each Underwriter, severally and not jointly, shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and such Underwriter, as incurred, in such proportions that such Underwriter is responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the initial offering price appearing thereon and the Company is responsible for the balance; provided, that, no Person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each director, officer and employee of such Underwriter or the Company, as applicable, and each Person, if any, who controls such Underwriter or the Company, as applicable, within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as such Underwriter or the Company, as applicable. Notwithstanding the provisions of this Section 6.4, no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions applicable to the Securities purchased by such Underwriter. The Underwriters' obligations in this Section 6.4 to contribute are several in proportion to their respective underwriting obligations and not joint.

(b) Contribution Procedure. Within fifteen days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party ("contributing party"), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 6.4 are intended to supersede, to the extent permitted by law, any right to contribution under the Securities Act, the Exchange Act or otherwise available.

ARTICLE VII.
MISCELLANEOUS

7.1 Termination.

(a) Termination Right. The Representative shall have the right to terminate this Agreement at any time prior to any Closing Date, (i) if any domestic or international event or act or occurrence has materially disrupted, or in its opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) if trading on any Trading Market shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction, or (iii) if the United States shall have become involved in a new war or an increase in major hostilities, or (iv) if a banking moratorium has been declared by a New York State or federal authority, or (v) if a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets, or (vi) if the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in the Representative's opinion, make it inadvisable to proceed with the delivery of the Securities, or (vii) if the Company is in material breach of any of its representations, warranties or covenants hereunder, or (viii) if the Representative shall have become aware after the date hereof of such a material adverse change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Representative's judgment would make it impracticable to proceed with the offering, sale and/or delivery of the Securities or to enforce contracts made by the Underwriters for the sale of the Securities.

(b) Expenses. In the event this Agreement shall be terminated pursuant to Section 7.1(a), within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Representative its actual and accountable out of pocket expenses related to the transactions contemplated herein then due and payable, including the fees and disbursements of EGS up to $35,000 (provided, however, that such expense cap in no way limits or impairs the indemnification and contribution provisions of this Agreement).

(c) Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Article VI shall not be in any way effected by such election or termination or failure to carry out the terms of this Agreement or any part hereof.

7.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, the Prospectus and the Prospectus Supplement, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules. Notwithstanding anything herein to the contrary, the Investment Banking Agreement, dated May 25, 2018, as amended on June 27, 2018 (the "Investment Banking Agreement"), by and between the Company and the Representative, shall continue to be effective and the terms therein, including, without limitation, Section 4(b) and Section 5 with respect to any future offerings, shall continue to survive and be enforceable by the Representative in accordance with its terms, provided that, in the event of a conflict between the terms of the Investment Banking Agreement and this Agreement, the terms of this Agreement shall prevail.

7.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail attachment at the email address set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail attachment at the e-mail address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

7.4 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Representative. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

7 . 5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

7.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

7 . 7 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any action, suit or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Article VI, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

7 . 8 Survival. The representations and warranties contained herein shall survive the Closing and the Option Closing, if any, and the delivery of the Securities.

7.9 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

7.10 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

7.11 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Underwriters and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

7.12 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

7.13 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

7.14 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVE FOREVER ANY RIGHT TO TRIAL BY JURY.**

(Signature Page Follows)

If the foregoing correctly sets forth the understanding between the Underwriters and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among the Company and the several Underwriters in accordance with its terms.

Very truly yours,

CELLECTAR BIOSCIENCES, INC.

By: _____
Name: Brian Posner
Title: Chief Financial Officer

Address for Notice:

3301 Agriculture Drive
Madison, WI 53716
E-mail: bposner@cellectar.com

Copy to:
Michael Best & Friedrich LLP
One South Pinckney Street, Suite 700
Madison, Wisconsin 53703
Attention: Gregory J. Lynch
E-mail: gjlynch@cellectar.com

Accepted on the date first above written.
LADENBURG THALMANN & CO. INC.
As the Representative of the several
Underwriters listed on Schedule I

By: _____
Name: Nicholas Stergis
Title: Managing Director

Address for Notice:

4400 Biscayne Blvd., 14th Floor
Miami, Florida 33137
Attention: General Counsel
Facsimile: (305) 572-4220

Copy to:
Ellenoff Grossman & Schole LLP
1345 Avenue of the Americas
New York, New York 10105
Attention: Michael F. Nertney
Facsimile: (212) 401-4741
E-mail: mnertney@egsllp.com

SCHEDULE I

SCHEDULE OF UNDERWRITERS

Underwriters	Closing Shares	Closing Preferred Shares	Closing Warrants	Closing Purchase Price
Ladenburg Thalmann & Co Inc.				
CIM Securities, LLC				
TOTAL				

SCHEDULE II

PARTIES SUBJECT TO LOCK-UP AGREEMENTS

- James V. Caruso
- Jarrod Longcor
- John E. Friend II, MD
- Brian Posner
- Frederick W. Driscoll
- Stefan D. Loren, Ph.D.
- Stephen A. Hill
- Douglas Swirsky
- Venture Investors Early Stage Fund IV Limited Partnership

Exhibit 3.11

CELLECTAR BIOSCIENCES, INC.

**CERTIFICATE OF DESIGNATION OF PREFERENCES,
RIGHTS AND LIMITATIONS
OF
SERIES C CONVERTIBLE PREFERRED STOCK**

PURSUANT TO SECTION 151 OF THE
DELAWARE GENERAL CORPORATION LAW

The undersigned, James Caruso, does hereby certify that:

1. He is the President and Chief Executive Officer of Cellectar Biosciences, Inc., a Delaware corporation (the "Corporation").

2. The Corporation is authorized to issue 7,000 shares of preferred stock, _____ of which have been issued.

3. The following resolutions were duly adopted by the board of directors of the Corporation (the "Board of Directors"):

WHEREAS, the certificate of incorporation of the Corporation provides for a class of its authorized stock known as preferred stock, consisting of 7,000 shares, $0.00001 par value per share, issuable from time to time in one or more series;

WHEREAS, the Board of Directors is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of preferred stock and the number of shares constituting any series and the designation thereof, of any of them; and

WHEREAS, it is the desire of the Board of Directors, pursuant to its authority as aforesaid, to fix the rights, preferences, restrictions and other matters relating to a series of the preferred stock, which shall consist of, except as otherwise set forth in the Underwriting Agreement, up to _____ shares of the preferred stock which the Corporation has the authority to issue, as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby provide for the issuance of a series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and determine the rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

TERMS OF PREFERRED STOCK

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act.

"Alternate Consideration" shall have the meaning set forth in Section 7(d).

"Beneficial Ownership Limitation" shall have the meaning set forth in Section 6(d).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Buy-In" shall have the meaning set forth in Section 6(c)(iv).

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the Corporation's common stock, par value $0.00001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Corporation or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Amount" means the sum of the Stated Value at issue.

"Conversion Date" shall have the meaning set forth in Section 6(a).

"Conversion Price" shall have the meaning set forth in Section 6(b).

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of the shares of Preferred Stock in accordance with the terms hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fundamental Transaction" shall have the meaning set forth in Section 7(d).

"GAAP" means United States generally accepted accounting principles.

"Holder" shall have the meaning given such term in Section 2.

"Liquidation" shall have the meaning set forth in Section 5.

"New York Courts" shall have the meaning set forth in Section 9(d).

"Notice of Conversion" shall have the meaning set forth in Section 6(a).

"Original Issue Date" means the date of the first issuance of any shares of the Preferred Stock regardless of the number of transfers of any particular shares of Preferred Stock and regardless of the number of certificates which may be issued to evidence such Preferred Stock.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Preferred Stock" shall have the meaning set forth in Section 2.

"Representative" means Ladenburg Thalmann & Co. Inc.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Share Delivery Date" shall have the meaning set forth in Section 6(c).

"Stated Value" shall have the meaning set forth in Section 2, as the same may be increased pursuant to Section 3.

"Successor Entity" shall have the meaning set forth in Section 7(d).

"Trading Day" means a day on which the principal Trading Market is open for business.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange (or any successors to any of the foregoing).

"Transfer Agent" means American Stock Transfer & Trust Company, LLC, the current transfer agent of the Corporation with a mailing address of 6201 15th Avenue, Brooklyn, NY 11219 and a facsimile number of 718-236-2641, and any successor transfer agent of the Corporation.

"Underwriting Agreement" means the Underwriting Agreement, dated as of _____ __, 2018, between the Corporation and the Representative, as representative of the underwriters named therein, as amended, modified or supplemented from time to time in accordance with its terms.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Preferred Stock then outstanding and reasonably acceptable to the Corporation, the fees and expenses of which shall be paid by the Corporation.

Section 2. Designation, Amount and Par Value. The series of preferred stock shall be designated as its Series C Convertible Preferred Stock (the "Preferred Stock") and the number of shares so designated shall be up to ___ (which shall not be subject to increase without the written consent of all of the holders of the Preferred Stock (each, a "Holder" and collectively, the "Holders")). Each share of Preferred Stock shall have a par value of $0.00001 per share and a stated value equal to $10,000 (the "Stated Value"). The Preferred Stock will initially be issued in book-entry form and shall initially be represented only by one or more global certificates deposited with the Depository Trust Company ("DTC") and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC. As between the Corporation and a beneficial owner of Preferred Stock held in book-entry form through DTC (or another established clearing corporation performing similar functions) such beneficial owner shall have all of the rights and remedies of a Holder hereunder. In addition, a beneficial owner of Preferred Stock has the right, upon written notice by such beneficial owner to the Corporation, to request the exchange of some or all of such beneficial owner's interest in Preferred Stock represented by one or more global Preferred Stock certificates deposited with DTC (or its successor) for a physical Preferred Stock certificate (a "Preferred Stock Certificate Request Notice" and the date of delivery of such Preferred Stock Certificate Request Notice by a beneficial owner, the "Preferred Stock Certificate Request Notice Date" and the deemed surrender upon delivery by the beneficial owner of a number of global shares of Preferred Stock for the same number of shares of Preferred Stock represented by a physical stock certificate, a "Preferred Stock Exchange", and such physical certificate(s), a "Preferred Stock Certificate"). Upon delivery of a Preferred Stock Certificate Request Notice, the Corporation shall promptly effect the Preferred Stock Exchange and shall promptly issue and deliver to the beneficial owner a physical Preferred Stock Certificate for such number of shares of Preferred Stock represented by its interest in such global certificates in the name of the beneficial owner. Such Preferred Stock Certificate shall be dated the original issue date and shall be executed by an authorized signatory of the Corporation. In connection with a Preferred Stock Exchange, the Corporation agrees to deliver the Preferred Stock Certificate to the Holder within two (2) Business Days of the delivery of a properly completed and executed Preferred Stock Certificate Request Notice pursuant to the delivery instructions in the Preferred Stock Certificate Request Notice. The Corporation covenants and agrees that, upon the date of delivery of the properly completed and executed Preferred Stock Certificate Request Notice, the Holder shall be deemed to be the holder of the Preferred Stock Certificate and, notwithstanding anything to the contrary set forth herein, the Preferred Stock Certificate shall be deemed for all purposes to represent all of the terms and conditions of the Preferred Stock evidenced by such global Preferred Stock certificates and the terms hereof.

Section 3. Dividends. Except for stock dividends or distributions for which adjustments are to be made pursuant to Section 7, Holders shall be entitled to receive, and the Corporation shall pay, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis, disregarding for such purpose any conversion limitations hereunder) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends shall be paid on shares of Preferred Stock. The Corporation shall not pay any dividends on the Common Stock unless the Corporation simultaneously complies with this provision.

Section 4. Voting Rights. Except as otherwise provided herein or as otherwise required by law, the Preferred Stock shall have no voting rights. However, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing.

Section 5. Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the Holders shall be entitled to receive out of the assets, whether capital or surplus, of the Corporation the same amount that a holder of Common Stock would receive if the Preferred Stock were fully converted (disregarding for such purposes any conversion limitations hereunder) to Common Stock which amounts shall be paid pari passu with all holders of Common Stock. The Corporation shall mail written notice of any such Liquidation, not less than 45 days prior to the payment date stated therein, to each Holder.

Section 6. Conversion.

a) Conversions at Option of Holder. Each share of Preferred Stock shall be convertible, at any time and from time to time from and after the Original Issue Date at the option of the Holder thereof, into that number of shares of Common Stock (subject to the limitations set forth in Section 6(d)) determined by dividing the Stated Value of such share of Preferred Stock by the Conversion Price. Holders shall effect conversions by providing the Corporation with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion"). Each Notice of Conversion shall specify the number of shares of Preferred Stock to be converted, the number of shares of Preferred Stock owned prior to the conversion at issue, the number of shares of Preferred Stock owned subsequent to the conversion at issue and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers by facsimile or e-mail such Notice of Conversion to the Corporation (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. To effect conversions of shares of Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing the shares of Preferred Stock to the Corporation unless all of the shares of Preferred Stock represented thereby are so converted, in which case such Holder shall deliver the certificate representing such shares of Preferred Stock promptly following the Conversion Date at issue. Shares of Preferred Stock converted into Common Stock or redeemed in accordance with the terms hereof shall be canceled and shall not be reissued. Notwithstanding the foregoing in this Section 6(a), a holder whose interest in the Preferred Stock is a beneficial interest in certificate(s) representing the Preferred Stock held in book-entry form through DTC (or another established clearing corporation performing similar functions), shall effect conversions made pursuant to this Section 6(a) by delivering to DTC (or such other clearing corporation, as applicable) the appropriate instruction form for conversion, complying with the procedures to effect conversions that are required by DTC (or such other clearing corporation, as applicable), subject to a Holder's right to elect to receive Preferred Stock in certificated form pursuant to Section 2, in which case this sentence shall not apply.

b) Conversion Price. The conversion price for the Preferred Stock shall equal **$**_____, subject to adjustment herein (the "Conversion Price").

c) Mechanics of Conversion

i. Delivery of Conversion Shares Upon Conversion. Not later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver, or cause to be delivered, to the converting Holder (A) the number of Conversion Shares being acquired upon the conversion of the Preferred Stock, which Conversion Shares shall be free of restrictive legends and trading restrictions, and (B) a bank check in the amount of accrued and unpaid dividends, if any. The Corporation shall use its best efforts to deliver the Conversion Shares required to be delivered by the Corporation under this Section 6 electronically through the Depository Trust Company or another established clearing corporation performing similar functions. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Corporation's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Conversion. Notwithstanding the foregoing, with respect to any Notice(s) of Conversion delivered by 12:00 p.m. (New York City time) on the Original Issue Date, the Corporation agrees to deliver the Conversion Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Original Issue Date.

ii. Failure to Deliver Conversion Shares. If, in the case of any Notice of Conversion, such Conversion Shares are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such Conversion Shares, to rescind such Conversion, in which event the Corporation shall promptly return to the Holder any original Preferred Stock certificate delivered to the Corporation and the Holder shall promptly return to the Corporation the Conversion Shares issued to such Holder pursuant to the rescinded Notice of Conversion.

iii. Obligation Absolute; Partial Liquidated Damages. The Corporation's obligation to issue and deliver the Conversion Shares upon conversion of Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by such Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to such Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Corporation of any such action that the Corporation may have against such Holder. In the event a Holder shall elect to convert any or all of the Stated Value of its Preferred Stock, the Corporation may not refuse conversion based on any claim that such Holder or any one associated or affiliated with such Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and/or enjoining conversion of all or part of the Preferred Stock of such Holder shall have been sought and obtained, and the Corporation posts a surety bond for the benefit of such Holder in the amount of 150% of the Stated Value of Preferred Stock which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to such Holder to the extent it obtains judgment. In the absence of such injunction, the Corporation shall issue Conversion Shares and, if applicable, cash, upon a properly noticed conversion. If the Corporation fails to deliver to a Holder such Conversion Shares pursuant to Section 6(c)(i) by the Share Delivery Date applicable to such conversion, the Corporation shall pay to such Holder, in cash, as liquidated damages and not as a penalty, for each $5,000 of Stated Value of Preferred Stock being converted, $50 per Trading Day for each Trading Day after the Share Delivery Date until such Conversion Shares are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages for the Corporation's failure to deliver Conversion Shares within the period specified herein and such Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit a Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

iv. Compensation for Buy-In on Failure to Timely Deliver Conversion Shares Upon Conversion. In addition to any other rights available to the Holder, if the Corporation fails for any reason to deliver to a Holder the applicable Conversion Shares by the Share Delivery Date pursuant to Section 6(c)(i), and if after such Share Delivery Date such Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Conversion Shares which such Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "Buy-In"), then the Corporation shall (A) pay in cash to such Holder (in addition to any other remedies available to or elected by such Holder) the amount, if any, by which (x) such Holder's total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that such Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of such Holder, either reissue (if surrendered) the shares of Preferred Stock equal to the number of shares of Preferred Stock submitted for conversion (in which case, such conversion shall be deemed rescinded) or deliver to such Holder the number of shares of Common Stock that would have been issued if the Corporation had timely complied with its delivery requirements under Section 6(c)(i). For example, if a Holder purchases shares of Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of shares of Preferred Stock with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Corporation shall be required to pay such Holder $1,000. The Holder shall provide the Corporation written notice indicating the amounts payable to such Holder in respect of the Buy-In and, upon request of the Corporation, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Corporation's failure to timely deliver the Conversion Shares upon conversion of the shares of Preferred Stock as required pursuant to the terms hereof.

v . Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of the Preferred Stock as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Preferred Stock), not less than such aggregate number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of Section 7) upon the conversion of the then outstanding shares of Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

v i . Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Preferred Stock. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share. Notwithstanding anything to the contrary contained herein, but consistent with the provisions of this subsection with respect to fractional Conversion Shares, nothing shall prevent any Holder from converting fractional shares of Preferred Stock.

vii. Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of this Preferred Stock shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holders of such shares of Preferred Stock and the Corporation shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid. The Corporation shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Conversion Shares.

d) Beneficial Ownership Limitation. The Corporation shall not effect any conversion of the Preferred Stock, and a Holder shall not have the right to convert any portion of the Preferred Stock, to the extent that, after giving effect to the conversion set forth on the applicable Notice of Conversion, such Holder (together with such Holder's Affiliates, and any Persons acting as a group together with such Holder or any of such Holder's Affiliates (such Persons, " Attribution Parties")) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon conversion of the Preferred Stock with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted Stated Value of Preferred Stock beneficially owned by such Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, the Preferred Stock) beneficially owned by such Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 6(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 6(d) applies, the determination of whether the Preferred Stock is convertible (in relation to other securities owned by such Holder together with any Affiliates and Attribution Parties) and of how many shares of Preferred Stock are convertible shall be in the sole discretion of such Holder, and the submission of a Notice of Conversion shall be deemed to be such Holder's determination of whether the shares of Preferred Stock may be converted (in relation to other securities owned by such Holder together with any Affiliates and Attribution Parties) and how many shares of the Preferred Stock are convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, each Holder will be deemed to represent to the Corporation each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 6(d), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Corporation or (iii) a more recent written notice by the Corporation or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request (which may be via email) of a Holder, the Corporation shall within one Trading Day confirm orally and in writing to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including the Preferred Stock, by such Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder. A Holder, upon notice to the Corporation, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 6(d) applicable to its Preferred Stock provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Preferred Stock held by the Holder and the provisions of this Section 6(d) shall continue to apply. Any such increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Corporation and shall only apply to such Holder and no other Holder. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Preferred Stock.

Section 7. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Corporation, at any time while this Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of, or payment of a dividend on, this Preferred Stock), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 7(a) above, if at any time the Corporation grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of such Holder's Preferred Stock (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Preferred Stock is outstanding, if the Corporation declares or makes any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Preferred Stock, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Preferred Stock (without regard to any limitations on conversion hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Preferred Stock is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person, (ii) the Corporation, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent conversion of this Preferred Stock, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 6(d) on the conversion of this Preferred Stock), the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 6(d) on the conversion of this Preferred Stock). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Preferred Stock following such Fundamental Transaction. The amount of any consideration to be received by a Holder in connection with a Fundamental Transaction shall be payable in the same type or form of consideration (and in the same proportion) that is being offered and paid to the holders of Common Stock of the Corporation in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Corporation or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holders new preferred stock consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred stock into Alternate Consideration. The Corporation shall cause any successor entity in a Fundamental Transaction in which the Corporation is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Corporation under this Certificate of Designation in accordance with the provisions of this Section 7(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Preferred Stock, deliver to the Holder in exchange for this Preferred Stock a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Preferred Stock which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Preferred Stock (without regard to any limitations on the conversion of this Preferred Stock) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Preferred Stock immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Certificate of Designation referring to the "Corporation" shall refer instead to the Successor Entity), and may exercise every right and power of the Corporation and shall assume all of the obligations of the Corporation under this Certificate of Designation with the same effect as if such Successor Entity had been named as the Corporation herein. For the avoidance of doubt, if, at any time while this Preferred Stock is outstanding, a Fundamental Transaction occurs, pursuant to the terms of this Section 7(d), the Holder shall not be entitled to receive more than one of (i) the consideration receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Preferred Stock is convertible immediately prior to such Fundamental Transaction or (ii) the assumption by the Successor Entity of all of the obligations of the Corporation under this Certificate of Designation and the option to receive a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Certificate of Designation.

e) Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 7, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

f) Notice to the Holders.

i. Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 7, the Corporation shall promptly deliver to each Holder by facsimile or email a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

i i . Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Corporation shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall cause to be filed at each office or agency maintained for the purpose of conversion of this Preferred Stock, and shall cause to be delivered by facsimile or email to each Holder at its last facsimile number or email address as it shall appear upon the stock books of the Corporation, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Corporation or any of the Subsidiaries, the Corporation shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert the Conversion Amount of this Preferred Stock (or any part hereof) during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 8. Forced Conversion.

i. Beginning on the three year anniversary of the Original Issue Date, subject to compliance with the limitations set forth in Section 6(d), the Corporation shall have the right to cause each Holder of Preferred Stock to convert all or part of such Holder's Preferred Stock, plus all accrued but unpaid dividends thereon and all liquidated damages and other amounts due in respect of the Preferred Stock pursuant to Section 6, upon 20 Trading Days' prior written notice to such Holder (which notice may be given by the Transfer Agent), it being agreed that the "Conversion Date" for purposes of Section 6 shall be deemed to occur on the 20th Trading Day following the delivery of such notice (the 20 Trading Day period prior to such conversion, the "Notice Period" and such 20th Trading Day, the "Required Conversion Date"). Such notice may not be given prior to the three year anniversary of the Original Issue Date and shall be given in accordance with any applicable procedures of the depositary for the Preferred Stock. Any forced conversion pursuant to this paragraph shall be applied ratably to all of the shares of the then outstanding Preferred Stock, provided that any voluntary conversions by a Holder of such shares of Preferred Stock subject to a forced conversion shall be applied against such Holder's pro rata allocation, thereby decreasing the aggregate amount forcibly converted hereunder if less than all shares of the Preferred Stock are forcibly converted. For purposes of clarification, such forced conversion as described in this paragraph shall be subject to all of the provisions of Section 6, including, without limitation, the provisions requiring payment of liquidated damages and limitations on conversions. In addition, the Corporation may not deliver a conversion notice pursuant to this paragraph, and any such conversion notice delivered by the Corporation shall not be effective, unless all of the following conditions have been met on the date that such conversion notice is delivered and each Trading Day during the applicable Notice Period through and including the later of the Required Conversion Date and the Trading Day that the Conversion Shares issuable pursuant to such conversion are actually delivered to the Holders pursuant to the conversion notice delivered by the Corporation pursuant to this paragraph: (1) the Corporation shall have duly honored all conversions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the applicable Holder on or prior to the dates so requested or required, if any; (2) the Common Stock is trading on a Trading Market; (3) the Holder is not in possession of any information that constitutes, or might constitute, material non-public information which was provided by the Corporation; and (4)(a) there is an effective registration statement pursuant to which either (A) the Corporation may issue Conversion Shares or the Holders are permitted to utilize the prospectus thereunder to resell all of their Conversion Shares (and the Corporation believes, in good faith, that such effectiveness will continue uninterrupted for the foreseeable future) or (b) all of the Conversion Shares may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Corporation as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders or (c) all of the Conversion Shares may be issued to the Holder pursuant to Section 3(a)(9) of the Securities Act and immediately resold without restriction.

ii. In addition, at any time prior to the three year anniversary of the Original Issue Date, if (i) the VWAP for each of 30 consecutive Trading Days (the "Measurement Period," which 30 consecutive Trading Day period shall not have commenced until after the Original Issue Date) exceeds $_____[1] (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and the like after the Original Issue Date), (ii) the average daily dollar volume for such Measurement Period exceeds $400,000 per Trading Day, (iii) the Holder is not in possession of any information that constitutes, or might constitute, material non-public information which was provided by the Corporation, and (iv)(a) there is an effective registration statement pursuant to which either (A) the Corporation may issue Conversion Shares or (B) the Holders are permitted to utilize the prospectus thereunder to resell all of their Conversion Shares (and the Corporation believes, in good faith, that such effectiveness will continue uninterrupted for the foreseeable future) or (b) all of the Conversion Shares may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Corporation as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders or (c) all of the Conversion Shares may be issued to the Holder pursuant to Section 3(a)(9) of the Securities Act and immediately resold without restriction, then the Corporation may, within 1 Trading Day after the end of any such Measurement Period, deliver a written notice to all Holders (a "Forced Conversion Notice" and the date such notice is delivered to all Holders, the "Forced Conversion Notice Date") to cause each Holder to convert all or part of such Holder's Preferred Stock (as specified in such Forced Conversion Notice) plus all accrued but unpaid dividends thereon and all liquidated damages and other amounts due in respect of the Preferred Stock pursuant to Section 6, it being agreed that the "Conversion Date" for purposes of Section 6 shall be deemed to occur on the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (such Trading Day, the "Forced Conversion Date"). The Corporation may not deliver a Forced Conversion Notice, and any Forced Conversion Notice delivered by the Corporation shall not be effective, unless all of the following conditions have been met on each Trading Day during the applicable Measurement Period through and including the later of the Forced Conversion Date and the Trading Day after the date that the Conversion Shares issuable pursuant to such conversion are actually delivered to the Holders pursuant to the Forced Conversion Notice: (1) the Corporation shall have duly honored all conversions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the applicable Holder on or prior to the dates so requested or required, if any; (2) the Common Stock is trading on a Trading Market; and (3) the issuance of the Conversion Shares in question to the applicable Holder would not violate the limitations set forth in Section 6(d) herein. Any Forced Conversion Notices shall be applied ratably to all of the shares of the then outstanding Preferred Stock, provided that any voluntary conversions by a Holder of such shares of Preferred Stock subject to a Forced Conversion Notice shall be applied against such Holder's pro rata allocation, thereby decreasing the aggregate amount forcibly converted hereunder if less than all shares of the Preferred Stock are forcibly converted. For purposes of clarification, a Forced Conversion shall be subject to all of the provisions of Section 6, including, without limitation, the provisions requiring payment of liquidated damages and limitations on conversions.

[1] 300% of the Conversion Price

Section 9. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, e-mail, or sent by a nationally recognized overnight courier service, addressed to the Corporation at:

Cellectar Biosciences, Inc.
3301 Agriculture Drive
Madison, WI 53716
Facsimile: (608) 441-8121
E-mail: _____
Attention: James Caruso

with a copy (for informational purposes only) to:

Michael Best & Friedrich LLP
1 South Pinckney Street, Suite 700
P.O. Box 1806
Madison, WI 53701-1806
Facsimile: (608) 283-2275
E-mail: _____
Attention: Gregory Lynch, Esq.
Joshua Erekson, Esq.

or such other facsimile number, e-mail address, or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 9. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, email address or address of such Holder appearing on the books of the Corporation, or if no such facsimile number, e-mail address or address appears on the books of the Corporation, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Person to whom such notice is required to be given. Notwithstanding any other provision of this Certificate of Designation, where this Certificate of Designation provides for notice of any event to a Holder, if the Preferred Stock is held in global form by DTC (or any successor depositary), such notice may be delivered via DTC (or such successor depositary) pursuant to the procedures of DTC (or such successor depositary).

b) Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay liquidated damages, and accrued dividends, as applicable, on the shares of Preferred Stock at the time, place, and rate, and in the coin or currency, herein prescribed.

c) Lost or Mutilated Preferred Stock Certificate. If a Holder's Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Preferred Stock so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Corporation.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designation shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflict of laws thereof. All legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Certificate of Designation (whether brought against the Corporation, a Holder or any of their respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each of the Corporation and each Holder hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each of the Corporation and each Holder hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such Person at the address in effect for notices to it under this Certificate of Designation and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each of the Corporation and each Holder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Certificate of Designation or the transactions contemplated hereby. If the Corporation or any Holder shall commence an action or proceeding to enforce any provisions of this Certificate of Designation, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that Person (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Corporation or a Holder must be in writing.

f) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

h) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

i) Status of Converted or Redeemed Preferred Stock. Shares of Preferred Stock may only be issued pursuant to the Underwriting Agreement. If any shares of Preferred Stock shall be converted, redeemed or reacquired by the Corporation, such shares shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Series C Convertible Preferred Stock.

****

RESOLVED, FURTHER, that the Chairman, the president or any vice-president, and the secretary or any assistant secretary, of the Corporation be and they hereby are authorized and directed to prepare and file this Certificate of Designation of Preferences, Rights and Limitations in accordance with the foregoing resolution and the provisions of Delaware law.

IN WITNESS WHEREOF, the undersigned have executed this Certificate this ___ day of _____ 2018.

By: _____

Name: Brian Posner
Title: Chief Financial Officer

ANNEX A

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES OF PREFERRED STOCK)

The undersigned hereby elects to convert the number of shares of Series C Convertible Preferred Stock indicated below into shares of common stock, par value $0.00001 per share (the "Common Stock"), of Cellectar Biosciences, Inc., a Delaware corporation (the "Corporation"), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date to Effect Conversion: _____

Number of shares of Preferred Stock owned prior to Conversion: _____

Number of shares of Preferred Stock to be Converted: _____

Stated Value of shares of Preferred Stock to be Converted: _____

Number of shares of Common Stock to be Issued: _____

Applicable Conversion Price:_____

Number of shares of Preferred Stock subsequent to Conversion: _____

Address for Delivery: _____
or
DWAC Instructions:
Broker no: _____
Account no: _____

[HOLDER]

By: _____
Name:
Title:

Exhibit 4.5

SERIES E COMMON STOCK PURCHASE WARRANT

CELLECTAR BIOSCIENCES, INC.

Warrant Shares: _____ Initial Exercise Date: _____, 2018

THIS SERIES E COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on _____[1] (the "Termination Date") but not thereafter, to subscribe for and purchase from Cellectar Biosciences, Inc., a Delaware corporation (the "Company"), up to _____ shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant shall initially be issued and maintained in the form of a security held in book-entry form and the Depository Trust Company or its nominee ("DTC") shall initially be the sole registered holder of this Warrant, subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

[1] Insert the date that is the 5 year anniversary of the Initial Exercise Date; provided, however, that, if such date is not a Trading Day, insert the immediately following Trading Day.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.00001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Registration Statement" means the Company's registration statement on Form S-1 (File No. 333-225675).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the Common Stock is traded on a Trading Market.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing.

"Transfer Agent" means American Stock Transfer & Trust Company, LLC, the current transfer agent of the Company, with a mailing address of 6201 15th Avenue, Brooklyn, NY 11219, a facsimile number of 718-236-2641 and an email address of _____, and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant Agency Agreement" means the warrant agency agreement, dated on or prior to the Initial Exercise Date, between the Company and the Warrant Agent, pursuant to which the Warrant Agent shall act as warrant agent for the Warrants.

"Warrant Agent" means the Transfer Agent and any successor warrant agent of the Company.

"Warrants" means this Warrant and other Common Stock purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (with a copy to the Transfer Agent (or such other office or agency that the Company may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding the foregoing in this Section 2(a), a holder whose interest in this Warrant is a beneficial interest in certificate(s) representing this Warrant held in book-entry form through DTC (or another established clearing corporation performing similar functions), shall effect exercises made pursuant to this Section 2(a) by delivering to DTC (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by DTC (or such other clearing corporation, as applicable), subject to a Holder's right to elect to receive a Warrant in certificated form pursuant to the terms of the Warrant Agency Agreement, in which case this sentence shall not apply.

b) Exercise Price. The exercise price per share of Common Stock under this Warrant shall be $_____, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c). Other than cash payments pursuant to Section 2(d)(i) and 2(d)(iv) herein and the right of a Holder to receive Warrant Shares upon a cashless exercise pursuant to this Section 2(c) herein, under no circumstances shall the Company be obligated to provide the Holder with a net cash settlement payment.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with the this restriction, each Holder shall be deemed to represent to the Company each time it delivers a Notice of Exercise that such Notice of Exercise has not violated the restrictions set forth in his Section 2.(e),, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

f) Call Provision. Subject to the provisions of Section 2(e) and this Section 2(f), if, after the Initial Exercise Date, (i) the VWAP for each of 30 consecutive Trading Days (the "Measurement Period," which 30 consecutive Trading Day period shall not have commenced until after the Initial Exercise Date) exceeds $____[2] (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and the like after the Initial Exercise Date), (ii) the average daily dollar volume of the Common Stock for such Measurement Period exceeds $400,000 per Trading Day and (iii) the Holder is not in possession of any information that constitutes, or might constitute, material non-public information which was provided by the Company, any of its Subsidiaries, or any of their officers, directors, employees, agents or Affiliates, then the Company may, within one (1) Trading Day of the end of any such Measurement Period, call for cancellation of all or any portion of this Warrant for which a Notice of Exercise has not yet been delivered (such right, a "Call") for consideration equal to $.001 per Warrant Share. To exercise this right, the Company must deliver to the Holder an irrevocable written notice (a "Call Notice"), indicating therein the portion of unexercised portion of this Warrant to which such notice applies. If the conditions set forth below for such Call are satisfied from the period from the date of the Call Notice through and including the Call Date (as defined below), then any portion of this Warrant subject to such Call Notice for which a Notice of Exercise shall not have been received by the Call Date will be cancelled at 6:30 p.m. (New York City time) on the tenth Trading Day after the date the Call Notice is received by the Holder (such date and time, the "Call Date"). Any unexercised portion of this Warrant to which the Call Notice does not pertain will be unaffected by such Call Notice. In furtherance thereof, the Company covenants and agrees that it will honor all Notices of Exercise with respect to Warrant Shares subject to a Call Notice that are tendered through 6:30 p.m. (New York City time) on the Call Date. The parties agree that any Notice of Exercise delivered following a Call Notice which calls less than all of the Warrants shall first reduce to zero the number of Warrant Shares subject to such Call Notice prior to reducing the remaining Warrant Shares available for purchase under this Warrant. For example, if (A) this Warrant then permits the Holder to acquire 100 Warrant Shares, (B) a Call Notice pertains to 75 Warrant Shares, and (C) prior to 6:30 p.m. (New York City time) on the Call Date the Holder tenders a Notice of Exercise in respect of 50 Warrant Shares, then (x) on the Call Date the right under this Warrant to acquire 25 Warrant Shares will be automatically cancelled, (y) the Company, in the time and manner required under this Warrant, will have issued and delivered to the Holder 50 Warrant Shares in respect of the exercises following receipt of the Call Notice, and (z) the Holder may, until the Termination Date, exercise this Warrant for 25 Warrant Shares (subject to adjustment as herein provided and subject to subsequent Call Notices). Subject again to the provisions of this Section 2(f), the Company may deliver subsequent Call Notices for any portion of this Warrant for which the Holder shall not have delivered a Notice of Exercise. Notwithstanding anything to the contrary set forth in this Warrant, the Company may not deliver a Call Notice or require the cancellation of this Warrant (and any such Call Notice shall be void), unless, from the beginning of the Measurement Period through the Call Date, (1) the Company shall have honored in accordance with the terms of this Warrant all Notices of Exercise delivered by 6:30 p.m. (New York City time) on the Call Date, and (2) a registration statement shall be effective as to all Warrant Shares and the prospectus thereunder available for use by the Company for the sale of all such Warrant Shares to the Holder, and (3) the Common Stock shall be listed or quoted for trading on the Trading Market, and (4) there is a sufficient number of authorized shares of Common Stock for issuance of all Warrant Shares, and (5) the issuance of all Warrant Shares subject to a Call Notice shall not cause a breach of any provision of Section 2(e) herein. The Company's right to call the Warrants under this Section 2(f) shall be exercised ratably among the Holders based on each Holder's initial purchase of Warrants.

[2] 300% of the Exercise Price

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction other than one in which a Successor Entity (as defined below) that is a publicly traded corporation whose common stock is quoted or listed on a Trading Market assumes this Warrant such that the Warrant shall be exercisable for the publicly traded common stock of such Successor Entity, the Company or any Successor Entity shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity, as of the date of consummation of such Fundamental Transaction, the same type or form of consideration (and in the same proportion), at the Black Scholes Value (as defined below) of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the greater of (x) the last VWAP immediately prior to the public announcement of such Fundamental Transaction and (y) the last VWAP immediately prior to the consummation of such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds within five Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein. For the avoidance of doubt, if, at any time while this Warrant is outstanding, a Fundamental Transaction occurs, pursuant to the terms of this Section 3(), the Holder shall not

be entitled to receive more than one of (i) the consideration receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction, (ii) an amount of cash (or other type or form of consideration as provided in this Section 3(d)) equal to the Black Scholes Value of the remaining unexercised portion of this Warrant as calculated pursuant this Section 3(d), or (iii) the assumption by the Successor Entity of all of the obligations of the Company under this Warrant and the option to receive a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

i i . Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. If this Warrant is not held in global form through DTC (or any successor depositary), this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Warrant Agent shall register this Warrant, upon records to be maintained by the Warrant Agent for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company and the Warrant Agent may deem and treat the registered Holder of this Warrant, or, if the Warrant is held in book-entry form, the beneficial owner of this Warrant, as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed (i) to the Company, at 3301 Agriculture Drive, Madison, Wisconsin 53716, Attention: Brian Posner facsimile number: 608-441-8121, email address: bposner@cellectar.com or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders; and (ii) to the Warrant Agent at email address: reorgwarrants@astfinancial.com. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any subsidiaries, the Company shall promptly file such notice with the Commission pursuant to a Current Report on Form 8-K or other method permitted by Regulation FD promulgated under the Exchange Act.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. In addition to amendments permitted by the Warrant Agency Agreement, this Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder or the beneficial owner of this Warrant, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

o) Warrant Agency Agreement. If this Warrant is held in global form through DTC (or any successor depositary), this Warrant is issued subject to the Warrant Agency Agreement. To the extent any provision of this Warrant conflicts with the express provisions of the Warrant Agency Agreement, the provisions of this Warrant shall govern and be controlling.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

CELLECTAR BIOSCIENCES, INC.

By: _____

Name:
Title:

NOTICE OF EXERCISE

TO: **CELLECTAR BIOSCIENCES, INC.**

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature:_____

Holder's Address: _____

Exhibit 4.6

THE CORPORATION IS AUTHORIZED TO ISSUE MORE THAN ONE CLASS OF STOCK AND MORE THAN ONE SERIES OF ITS CLASS OF PREFERRED STOCK. THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS.

Incorporated under the laws of the State of Delaware, June 24, 1996

Certificate Number: ____
Initial Number of Shares of Series C Convertible Preferred Stock: ____

CELLECTAR BIOSCIENCES, INC.

Cellectar Biosciences, Inc. (the "**Corporation**") hereby certifies that ____ (the "**Holder**") is the registered owner of ____ fully paid and non-assessable shares of the Corporation's designated Series C Convertible Preferred Stock, par value $0.00001 per share (the "**Series C Preferred Stock**"), transferable on the books and records of the Corporation, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed or assigned and in proper form for transfer.

This Certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Restated Certificate of Incorporation and the Restated Bylaws of the Corporation and any amendments thereto, including the provisions of the Certificate of Designation of Preferences, Rights and Limitations, dated _____, 2018, as the same may be amended from time to time (the "**Certificate of Designations**"). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designations.

The shares of the Series C Preferred Stock shall be convertible in the manner and accordance with the terms set forth in the Certificate of Designations.

Reference is hereby made to the provisions of the Series C Preferred Stock set forth in the Certificate of Designations, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officer as of _____, 2018.

By: _____
Name: Brian Posner
Title: Chief Financial Officer

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES OF PREFERRED STOCK)

The undersigned hereby elects to convert the number of shares of Series C Convertible Preferred Stock indicated below into shares of common stock, par value $0.00001 per share (the "Common Stock"), of Cellectar Biosciences, Inc., a Delaware corporation (the "Corporation"), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date to Effect Conversion: _____

Number of shares of Preferred Stock owned prior to Conversion: _____

Number of shares of Preferred Stock to be Converted: _____

Stated Value of shares of Preferred Stock to be Converted: _____

Number of shares of Common Stock to be Issued: _____

Applicable Conversion Price:_____

Number of shares of Preferred Stock subsequent to Conversion: _____

Address for Delivery: _____

Or

DWAC Instructions:
Broker no: _____
Account no: _____

[HOLDER]

By: _____
Name:
Title:

Exhibit 4.7

Cellectar Biosciences, Inc.

and

American Stock Transfer & Trust Company, LLC, as
Warrant Agent

Warrant Agency Agreement

Dated as of _____, 2018

WARRANT AGENCY AGREEMENT

WARRANT AGENCY AGREEMENT, dated as of _____, 2018 ("Agreement"), between Cellectar Biosciences, Inc., a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company, LLC, a New York limited liability trust company (the "Warrant Agent").

WITNESSETH

WHEREAS, pursuant to a registered offering by the Company of shares of common stock, par value $0.00001 per share (the "Common Stock"), the Series E warrants to purchase shares of Common Stock (the "Warrants") and Series C Convertible Preferred Stock (the "Series C Preferred Stock"), pursuant to an effective registration statement on Form S-1 (File No. 333-225675) (the "Registration Statement"), the Company wishes to issue the Warrants in book entry form entitling the respective holders of the Warrants (the "Holders", which term shall include a Holder's transferees, successors and assigns and "Holder" shall include, if the Warrants are held in "street name," a Participant (as defined below) or a designee appointed by such Participant) to purchase an aggregate of up to _____ shares of Common Stock upon the terms and subject to the conditions hereinafter set forth (the "Offering");

WHEREAS, the shares of Common Stock, the Series C Preferred Stock and Warrants to be issued in connection with the Offering shall be immediately separable and will be issued separately, but will be purchased together in the Offering; and

WHEREAS, the Company wishes the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance, registration, transfer, exchange, exercise and replacement of the Warrants and, in the Warrant Agent's capacity as the Company's transfer agent, the delivery of the Warrant Shares (as defined below).

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which the Nasdaq Stock Market is authorized or required by law or other governmental action to close.

(b) "Close of Business" on any given date means 5:00 p.m., New York City time, on such date; provided, however, that if such date is not a Business Day it means 5:00 p.m., New York City time, on the next succeeding Business Day.

(c) "Person" means an individual, corporation, association, partnership, limited liability company, joint venture, trust, unincorporated organization, government or political subdivision thereof or governmental agency or other entity.

(d) "Warrant Certificate" means a certificate in substantially the form attached as Exhibit 1 hereto, representing such number of Warrant Shares as is indicated therein, provided that any reference to the delivery of a Warrant Certificate in this Agreement shall include delivery of notice from the Depositary or a Participant (each as defined below) of the transfer or exercise of Warrant in the form of a Global Warrant (as defined below).

(e) "Warrant Shares" means the shares of Common Stock underlying the Warrants and issuable upon exercise of the Warrants.

All other capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Warrant Certificate.

Section 2. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Warrant Agent hereby accepts such appointment. The Company may from time to time appoint a Co-Warrant Agent as it may, in its sole discretion, deem necessary or desirable. The Warrant Agent shall have no duty to supervise, and will in no event be liable for the acts or omissions of, any co-Warrant Agent.

Section 3. Global Warrants.

(a) The Warrants shall be issuable in book entry form (the "Global Warrants"). All of the Warrants shall initially be represented by one or more Global Warrants deposited with the Warrant Agent and registered in the name of Cede & Co., a nominee of The Depository Trust Company (the "Depositary"), or as otherwise directed by the Depositary. Ownership of beneficial interests in the Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (i) the Depositary or its nominee for each Global Warrant or (ii) institutions that have accounts with the Depositary (such institution, with respect to a Warrant in its account, a "Participant").

(b) If the Depositary subsequently ceases to make its book-entry settlement system available for the Warrants, the Company may instruct the Warrant Agent regarding other arrangements for book-entry settlement. In the event that the Warrants are not eligible for, or it is no longer necessary to have the Warrants available in, book-entry form, the Warrant Agent shall provide written instructions to the Depositary to deliver to the Warrant Agent for cancellation each Global Warrant, and the Company shall instruct the Warrant Agent to deliver to each Holder a Warrant Certificate.

(c) A Holder has the right to elect at any time or from time to time a Warrant Exchange (as defined below) pursuant to a Warrant Certificate Request Notice (as defined below). Upon written notice by a Holder to the Warrant Agent for the exchange of some or all of such Holder's Global Warrants for a Warrant Certificate evidencing the same number of Warrants, which request shall be in the form attached hereto as Annex A (a "Warrant Certificate Request Notice" and the date of delivery of such Warrant Certificate Request Notice by the Holder, the "Warrant Certificate Request Notice Date" and the deemed surrender upon delivery by the Holder of a number of Global Warrants for the same number of Warrants evidenced by a Warrant Certificate, a " Warrant Exchange"), the Warrant Agent shall promptly effect the Warrant Exchange and shall promptly issue and deliver, at the expense of the Company, to the Holder a Warrant Certificate for such number of Warrants in the name set forth in the Warrant Certificate Request Notice. Such Warrant Certificate shall be dated the original issue date of the Warrants, shall be executed by manual signature by an authorized signatory of the Company, shall be in the form attached hereto as Exhibit 1, and shall be reasonably acceptable in all respects to such Holder. In connection with a Warrant Exchange, the Company agrees to deliver, or to direct the Warrant Agent to deliver, the Warrant Certificate to the Holder within two (2) Business Days of the Warrant Certificate Request Notice pursuant to the delivery instructions in the Warrant Certificate Request Notice ("Warrant Certificate Delivery Date"). If the Company fails for any reason to deliver to the Holder the Warrant Certificate subject to the Warrant Certificate Request Notice by the Warrant Certificate Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares evidenced by such Warrant Certificate (based on the VWAP (as defined in the Warrant Certificate) of the Common Stock on the Warrant Certificate Request Notice Date), $10 per Business Day for each Business Day after such Warrant Certificate Delivery Date until such Warrant Certificate is delivered or, prior to delivery of such Warrant Certificate, the Holder rescinds such Warrant Exchange. The Company covenants and agrees that, upon the date of delivery of the Warrant Certificate Request Notice, the Holder shall be deemed to be the holder of the Warrant Certificate and, notwithstanding anything to the contrary set forth herein, the Warrant Certificate shall be deemed for all purposes to contain all of the terms and conditions of the Warrants evidenced by such Warrant Certificate and the terms of this Agreement, other than Sections 3(c) and 9 herein, shall not apply to the Warrants evidenced by the Warrant Certificate. In the event a beneficial owner requests a Warrant Exchange, upon issuance of the paper Warrant Certificate, the Company shall act as warrant agent and the terms of the paper Warrant Certificate so issued shall exclusively govern in respect thereof.

Section 4. Form of Warrant. The Warrants, together with the form of election to purchase Common Stock (the "Exercise Notice") and the form of assignment to be printed on the reverse thereof, whether a Warrant Certificate or a Global Warrant, shall be in the form of Exhibit 1 hereto.

Section 5. Countersignature and Registration. The Warrant Certificates shall be executed on behalf of the Company by its Chief Executive Officer, Chief Financial Officer or Vice President, either manually or by facsimile signature, and have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of the Company, either manual or facsimile signature. The Warrant Certificates shall be countersigned by the Warrant Agent by either manual or by facsimile signature and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer of the Company before countersignature by the Warrant Agent and issuance and delivery by the Company, such Warrant Certificates, nevertheless, may be countersigned by the Warrant Agent, issued and delivered with the same force and effect as though the person who signed such Warrant Certificate had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Agreement any such person was not such an officer.

The Warrant Agent will keep or cause to be kept, at its office designated for such purpose, books for registration and transfer of the Warrant Certificates issued hereunder. Such books shall show the names and addresses of the respective Holders of the Warrant Certificates, the number of warrants evidenced on the face of each of such Warrant Certificate and the date of each of such Warrant Certificate. The Warrant Agent will create a special account for the issuance of Warrant Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Warrant Certificates; Mutilated, Destroyed, Lost or Stolen Warrant Certificates. Subject to the provisions of the Warrant Certificate and the last sentence of this first paragraph of Section 6 and subject to applicable law, rules or regulations, or any "stop transfer" instructions the Company may give to the Warrant Agent, at any time after the closing date of the Offering, and at or prior to the Close of Business on the Termination Date (as such term is defined in the Warrant Certificate), any Warrant Certificate or Warrant Certificates or Global Warrant or Global Warrants may be transferred, split up, combined or exchanged for another Warrant Certificate or Warrant Certificates or Global Warrant or Global Warrants, entitling the Holder to purchase a like number of shares of Common Stock as the Warrant Certificate or Warrant Certificates or Global Warrant or Global Warrants surrendered then entitled such Holder to purchase. Any Holder desiring to transfer, split up, combine or exchange any Warrant Certificate or Global Warrant shall make such request in writing delivered to the Warrant Agent, and shall surrender the Warrant Certificate or Warrant Certificates to be transferred, split up, combined or exchanged at the office of the Warrant Agent designated for such purpose, provided that no such surrender is applicable to the Holder of a Global Warrant. Any requested transfer of Warrants, whether in book-entry form or certificate form, shall be accompanied by evidence of authority of the party making such request that may be reasonably required by the Warrant Agent. Thereupon the Warrant Agent shall, subject to the last sentence of this first paragraph of Section 6, countersign and deliver to the Person entitled thereto a Warrant Certificate or Warrant Certificates, as the case may be, as so requested. The Company may require payment from the Holder of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Warrant Certificates. The Company shall compensate the Warrant Agent per the fee schedule mutually agreed upon by the parties hereto and provided separately on the date hereof.

Upon receipt by the Warrant Agent of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of a Warrant Certificate, which evidence shall include an affidavit of loss, or in the case of mutilated certificates, the certificate or portion thereof remaining, and, in case of loss, theft or destruction, of indemnity in customary form and amount, and satisfaction of any other reasonable requirements established by Section 8-405 of the Uniform Commercial Code as in effect in the State of Delaware, and reimbursement to the Company and the Warrant Agent of all reasonable expenses incidental thereto, and upon surrender to the Warrant Agent and cancellation of the Warrant Certificate if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor to the Warrant Agent for delivery to the Holder in lieu of the Warrant Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Warrants; Exercise Price; Termination Date.

(a) The Warrants shall be exercisable commencing on the Initial Exercise Date. The Warrants shall cease to be exercisable and shall terminate and become void, and all rights thereunder and under this Agreement shall cease, at or prior to the Close of Business on the Termination Date (as such term is defined in the Warrant Certificate). Subject to the foregoing and to Section 7(b) below, the Holder of a Warrant may exercise the Warrant in whole or in part upon surrender of the Warrant Certificate, if required, with the executed Exercise Notice and payment of the Exercise Price (unless exercised via a cashless exercise) pursuant to Section 2(a) of the Warrant Certificate, to the Warrant Agent at the office of the Warrant Agent designated for such purpose. In the case of the Holder of a Global Warrant, the Holder shall deliver the executed Exercise Notice and the payment of the Exercise Price pursuant to Section 2(a) of the Warrant Certificate. Notwithstanding any other provision in this Agreement, a holder whose interest in a Global Warrant is a beneficial interest in a Global Warrant held in book-entry form through the Depositary (or another established clearing corporation performing similar functions), shall effect exercises by delivering to the Depositary (or such other clearing corporation, as applicable) the appropriate instruction form for exercise, complying with the procedures to effect exercise that are required by the Depositary (or such other clearing corporation, as applicable). The Company acknowledges that the bank accounts maintained by the Warrant Agent in connection with the services provided under this Agreement will be in its name and that the Warrant Agent may receive investment earnings in connection with the investment at Warrant Agent risk and for its benefit of funds held in those accounts from time to time. Neither the Company nor the Holders will receive interest on any deposits or Exercise Price. No ink-original Exercise Notice shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Exercise Notice be required.

(b) Upon receipt of an Exercise Notice for a cashless exercise pursuant to Section 2(c) of the Warrant (each, a "Cashless Exercise"), the Warrant Agent shall deliver a copy of the Exercise Notice to the Company and the Company shall promptly calculate and transmit to the Warrant Agent in writing the number of Warrant Shares issuable in connection with such Cashless Exercise. The Warrant Agent shall issue such number of Warrant Shares in connection with such Cashless Exercise.

(c) Upon the Warrant Agent's receipt of a Warrant Certificate at or prior to the Close of Business on the Termination Date set forth in such Warrant Certificate, with the executed Exercise Notice and payment of the Exercise Price pursuant to Section 2(a) of the Warrant Certificate, the shares to be purchased (other than in the case of a Cashless Exercise) and an amount equal to any applicable tax, governmental charge referred to in Section 6 by wire transfer, or by certified check or bank draft payable to the order of the Company (or, in the case of the Holder of a Global Warrant, the delivery of the executed Exercise Notice and the payment of the Exercise Price pursuant to Section 2(a) of the Warrant Certificate (other than in the case of a Cashless Exercise) and any other applicable amounts as set forth herein), the Warrant Agent shall cause the Warrant Shares underlying such Warrant Certificate or Global Warrant to be delivered to or upon the order of the Holder of such Warrant Certificate or Global Warrant, registered in such name or names as may be designated by such Holder, no later than the Warrant Share Delivery Date (as such term is defined in the Warrant Certificate). If the Company is then a participant in the DWAC system of the Depositary and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) the Warrant is being exercised via Cashless Exercise, then the certificates for Warrant Shares shall be transmitted by the Warrant Agent to the Holder by crediting the account of the Holder's broker with the Depositary through its DWAC system. For the avoidance of doubt, if the Company becomes obligated to pay any amounts to any Holders pursuant to Section 2(d)(i) or 2(d)(iv) of the Warrant Certificate, such obligation shall be solely that of the Company and not that of the Warrant Agent. Notwithstanding anything else to the contrary in this Agreement, except in the case of a Cashless Exercise, if any Holder fails to duly deliver payment to the Warrant Agent of an amount equal to the aggregate Exercise Price of the Warrant Shares to be purchased upon exercise of such Holder's Warrant as set forth in Section 7(a) hereof, the Warrant Agent will not obligated to deliver such Warrant Shares (via DWAC or otherwise) until following receipt of such payment, and the applicable Warrant Share Delivery Date shall be deemed extended by one day for each day (or part thereof) until such payment is delivered to the Warrant Agent.

(d) The Warrant Agent shall deposit all funds received by it in payment of the Exercise Price for all Warrants in the account of the Company maintained with the Warrant Agent for such purpose (or to such other account as directed by the Company in writing) and shall advise the Company via email at the end of each day on which Exercise Notices are received or funds for the exercise of any Warrant are received of the amount so deposited to its account.

(e) In case the Holder of any Warrant Certificate shall exercise fewer than all Warrants evidenced thereby, upon the request of the Holder, a new Warrant Certificate evidencing the number of Warrants equivalent to the number of Warrants remaining unexercised may be issued by the Warrant Agent to the Holder of such Warrant Certificate or to his duly authorized assigns in accordance with Section 2(d)(ii) of the Warrant Certificate, subject to the provisions of Section 6 hereof.

Section 8. Cancellation and Destruction of Warrant Certificates. All Warrant Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Warrant Agent for cancellation or in canceled form, or, if surrendered to the Warrant Agent, shall be canceled by it, and no Warrant Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Warrant Agent for cancellation and retirement, and the Warrant Agent shall so cancel and retire, any other Warrant Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Warrant Agent shall deliver all canceled Warrant Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Warrant Certificates, and in such case shall deliver a certificate of destruction thereof to the Company, subject to any applicable law, rule or regulation requiring the Warrant Agent to retain such canceled certificates.

Section 9. Certain Representations; Reservation and Availability of Shares of Common Stock or Cash.

(a) This Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery hereof by the Warrant Agent, constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, and the Warrants have been duly authorized, executed and issued by the Company and, assuming due execution thereof by the Warrant Agent pursuant hereto and payment therefor by the Holders as provided in the Registration Statement, constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms and entitled to the benefits hereof; in each case except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) As of the date hereof, the authorized capital stock of the Company consists of (i) 80,000,000 shares of Common Stock, of which _____ shares of Common Stock are issued and outstanding, and 7,000 shares of Common Stock are reserved for issuance upon exercise of the Warrants, and (ii) _____ shares of preferred stock, of which _____ shares are issued and outstanding. Except as disclosed in the Registration Statement, there are no other outstanding obligations, warrants, options or other rights to subscribe for or purchase from the Company any class of capital stock of the Company.

(c) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued shares of Common Stock or its authorized and issued shares of Common Stock held in its treasury, free from preemptive rights, the number of shares of Common Stock that will be sufficient to permit the exercise in full of all outstanding Warrants.

(d) The Warrant Agent will create a special account for the issuance of Common Stock upon the exercise of Warrants.

(e) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the original issuance or delivery of the Warrant Certificates or certificates evidencing Common Stock upon exercise of the Warrants. The Company shall not, however, be required to pay any tax or governmental charge which may be payable in respect of any transfer involved in the transfer or delivery of Warrant Certificates or the issuance or delivery of certificates for Common Stock in a name other than that of the Holder of the Warrant Certificate evidencing Warrants surrendered for exercise or to issue or deliver any certificate for shares of Common Stock upon the exercise of any Warrants until any such tax or governmental charge shall have been paid (any such tax or governmental charge being payable by the Holder of such Warrant Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax or governmental charge is due.

Section 10. Common Stock Record Date. Each Holder shall be deemed to have become the holder of record for the Warrant Shares pursuant to Section 2(d)(i) of the Warrant Certificate.

Section 11. Adjustment of Exercise Price, Number of Shares of Common Stock or Number of the Company Warrants. The Exercise Price, the number of shares covered by each Warrant and the number of Warrants outstanding are subject to adjustment from time to time as provided in Section 3 of the Warrant Certificate. In the event that at any time, as a result of an adjustment made pursuant to Section 3 of the Warrant Certificate, the Holder of any Warrant thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than shares of Common Stock, thereafter the number of such other shares so receivable upon exercise of any Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the shares contained in Section 3 of the Warrant Certificate, and the provisions of Sections 7, 9 and 13 of this Agreement with respect to the shares of Common Stock shall apply on like terms to any such other shares. All Warrants originally issued by the Company subsequent to any adjustment made to the Exercise Price pursuant to the Warrant Certificate shall evidence the right to purchase, at the adjusted Exercise Price, the number of shares of Common Stock purchasable from time to time hereunder upon exercise of the Warrants, all subject to further adjustment as provided herein.

Section 12. Certification of Adjusted Exercise Price or Number of Shares of Common Stock. Whenever the Exercise Price or the number of shares of Common Stock issuable upon the exercise of each Warrant is adjusted as provided in Section 11 or 13, the Company shall (a) promptly prepare a certificate setting forth the Exercise Price of each Warrant as so adjusted, and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Warrant Agent and with each transfer agent for the Common Stock a copy of such certificate and (c) instruct the Warrant Agent to send a brief summary thereof to each Holder of a Warrant Certificate.

Section 13. Fractional Shares of Common Stock.

(a) The Company shall not issue fractions of Warrants or distribute Warrant Certificates which evidence fractional Warrants. Whenever any fractional Warrant would otherwise be required to be issued or distributed, the actual issuance or distribution shall reflect a rounding of such fraction either up or down to the nearest whole Warrant.

(b) The Company shall not issue fractions of shares of Common Stock upon exercise of Warrants or distribute stock certificates which evidence fractional shares of Common Stock. Whenever any fraction of a share of Common Stock would otherwise be required to be issued or distributed, the actual issuance or distribution in respect thereof shall be made in accordance with Section 2(d)(v) of the Warrant Certificate.

Section 14. Conditions of the Warrant Agent's Obligations. The Warrant Agent accepts its obligations herein set forth upon the terms and conditions hereof, including the following to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time of the Warrant Certificates shall be subject:

(a) Compensation and Indemnification. The Company agrees promptly to pay the Warrant Agent the compensation detailed on Exhibit 2 hereto for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Warrant Agent in connection with the services rendered hereunder by the Warrant Agent. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct on the part of the Warrant Agent (as determined by a court of competent jurisdiction in a final and non-appealable judgment), arising out of or in connection with its acting as Warrant Agent hereunder, including the reasonable costs and expenses of defending against any claim of such liability.

(b) Agent for the Company. In acting under this Warrant Agreement and in connection with the Warrant Certificates, the Warrant Agent is acting solely as agent of the Company and does not assume any obligations or relationship of agency or trust for or with any of the Holders of Warrant Certificates or beneficial owners of Warrants.

(c) Counsel. The Warrant Agent may consult with counsel satisfactory to it, which may include counsel for the Company, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice of such counsel.

(d) Documents. The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted by it in reliance upon any Warrant Certificate, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) Certain Transactions. The Warrant Agent, and its officers, directors and employees, may become the owner of, or acquire any interest in, Warrants, with the same rights that it or they would have if it were not the Warrant Agent hereunder, and, to the extent permitted by applicable law, it or they may engage or be interested in any financial or other transaction with the Company and may act on, or as depositary, trustee or agent for, any committee or body of Holders of Warrant Securities or other obligations of the Company as freely as if it were not the Warrant Agent hereunder. Nothing in this Warrant Agreement shall be deemed to prevent the Warrant Agent from acting as trustee under any indenture to which the Company is a party.

(f) No Liability for Interest. Unless otherwise agreed with the Company, the Warrant Agent shall have no liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Warrant Certificates.

(g) No Liability for Invalidity. The Warrant Agent shall have no liability with respect to any invalidity of this Agreement or any of the Warrant Certificates (except as to the Warrant Agent's countersignature thereon).

(h) No Responsibility for Representations. The Warrant Agent shall not be responsible for any of the recitals or representations herein or in the Warrant Certificates (except as to the Warrant Agent's countersignature thereon), all of which are made solely by the Company.

(i) No Implied Obligations. The Warrant Agent shall be obligated to perform only such duties as are herein and in the Warrant Certificates specifically set forth and no implied duties or obligations shall be read into this Agreement or the Warrant Certificates against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any of the Warrant Certificates authenticated by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the Warrant Certificates. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Warrant Certificates or in the case of the receipt of any written demand from a Holder of a Warrant Certificate with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law.

Section 15. Purchase or Consolidation or Change of Name of Warrant Agent. Any Person into which the Warrant Agent or any successor Warrant Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Warrant Agent or any successor Warrant Agent shall be party, or any Person succeeding to the stock transfer or other shareholder services business of the Warrant Agent or any successor Warrant Agent, shall be the successor to the Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such Person would be eligible for appointment as a successor Warrant Agent under the provisions of Section 17. In case at the time such successor Warrant Agent shall succeed to the agency created by this Agreement any of the Warrant Certificates shall have been countersigned but not delivered, any such successor Warrant Agent may adopt the countersignature of the predecessor Warrant Agent and deliver such Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, any successor Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

In case at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent may adopt the countersignature under its prior name and deliver Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

Section 16. Duties of Warrant Agent. The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company, by its acceptance hereof, shall be bound:

(a) The Warrant Agent may consult with legal counsel reasonably acceptable to the Company (who may be legal counsel for the Company), and the opinion and advice of such counsel shall be full and complete authorization and protection to the Warrant Agent as to any action taken or omitted by it in good faith and in accordance with such opinion or advice.

(b) Whenever in the performance of its duties under this Agreement the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chief Executive Officer, Chief Financial Officer or Vice President of the Company; and such certificate shall be full authorization and protection to the Warrant Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) Subject to the limitation set forth in Section 14, the Warrant Agent shall be liable hereunder only for its own gross negligence, bad faith or willful misconduct, or for a breach by it of this Agreement.

(d) The Warrant Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Warrant Certificates (except its countersignature thereof) by the Company or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant Certificate; nor shall it be responsible for the adjustment of the Exercise Price or the making of any change in the number of shares of Common Stock required under the provisions of Section 11 or 13 or responsible for the manner, method or amount of any such change or the ascertaining of the existence of facts that would require any such adjustment or change (except with respect to the exercise of Warrants evidenced by Warrant Certificates after actual notice of any adjustment of the Exercise Price); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Warrant Certificate or as to whether any shares of Common Stock will, when issued, be duly authorized, validly issued, fully paid and nonassessable.

(f) Each party hereto agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the other party hereto for the carrying out or performing by any party of the provisions of this Agreement.

(g) The Warrant Agent is hereby authorized to accept instructions with respect to the performance of its duties hereunder from the Chief Executive Officer, Chief Financial Officer or Vice President of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable and shall be indemnified and held harmless for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer, provided Warrant Agent carries out such instructions without gross negligence, bad faith or willful misconduct.

(h) The Warrant Agent and any shareholder, director, officer or employee of the Warrant Agent may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other Person.

(i) The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorney or agents, and the Warrant Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorney or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

Section 17. Change of Warrant Agent. The Warrant Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing sent to the Company and to each transfer agent of the Common Stock, and to the Holders of the Warrant Certificates. The Company may remove the Warrant Agent or any successor Warrant Agent upon 30 days' notice in writing, sent to the Warrant Agent or successor Warrant Agent, as the case may be, and to each transfer agent of the Common Stock, and to the Holders of the Warrant Certificates. If the Warrant Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Warrant Agent or by the Holder of a Warrant Certificate (who shall, with such notice, submit his Warrant Certificate for inspection by the Company), then the Holder of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new Warrant Agent, provided that, for purposes of this Agreement, the Company shall be deemed to be the Warrant Agent until a new warrant agent is appointed. Any successor Warrant Agent, whether appointed by the Company or by such a court, shall be a Person, other than a natural person, organized and doing business under the laws of the United States or of a state thereof, in good standing, which is authorized under such laws to exercise stock transfer powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Warrant Agent a combined capital and surplus of at least $50,000,000. After appointment, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed; but the predecessor Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Warrant Agent and each transfer agent of the Common Stock, and mail a notice thereof in writing to the Holders of the Warrant Certificates. However, failure to give any notice provided for in this Section 17, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Warrant Agent or the appointment of the successor Warrant Agent, as the case may be.

Section 18. Issuance of New Warrant Certificates. Notwithstanding any of the provisions of this Agreement or of the Warrants to the contrary, the Company may, at its option, issue new Warrant Certificates evidencing Warrants in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Exercise Price per share and the number or kind or class of shares of stock or other securities or property purchasable under the several Warrant Certificates made in accordance with the provisions of this Agreement.

Section 19. Notices. Notices or demands authorized by this Agreement to be given or made (i) by the Warrant Agent or by the Holder of any Warrant Certificate to or on the Company, (ii) by the Company or by the Holder of any Warrant Certificate to or on the Warrant Agent or (iii) by the Company or the Warrant Agent to the Holder of any Warrant Certificate, shall be deemed given when in writing (a) on the date delivered, if delivered personally, (b) on the first Business Day following the deposit thereof with Federal Express or another recognized overnight courier, if sent by Federal Express or another recognized overnight courier, (c) on the fourth Business Day following the mailing thereof with postage prepaid, if mailed by registered or certified mail (return receipt requested), and (d) the date of transmission, if such notice or communication is delivered via facsimile or email attachment at or prior to 5:30 p.m. (New York City time) on a Business Day and (e) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email attachment on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to the Company, to:

Cellectar Biosciences, Inc.
3301 Agriculture Drive
Madison, WI 53716
Facsimile: (608) 441-8121
Attention: Brian Posner Vice President and CFO

(b) If to the Warrant Agent, to:

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, New York 11219
Attention: Reorg Department – 2nd Floor

With a copy to:

American Stock Transfer & Trust Company, LLC
48 Wall Street, 22nd Floor
New York, NY 10005
Attention: Legal Department
Email: legalteamAST@astfinancial.com

For any notice delivered by email to be deemed given or made, such notice must be followed by notice sent by overnight courier service to be delivered on the next Business Day following such email, unless the recipient of such email has acknowledged via return email receipt of such email.

(c) If to the Holder of any Warrant Certificate, to the address of such Holder as shown on the registry books of the Company. Any notice required to be delivered by the Company to the Holder of any Warrant may be given by the Warrant Agent on behalf of the Company. Notwithstanding any other provision of this Agreement, where this Agreement provides for notice of any event to a Holder of any Warrant, such notice shall be sufficiently given if given to the Depositary (or its designee) pursuant to the procedures of the Depositary or its designee.

Section 20. Supplements and Amendments.

(a) The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any Holders of Global Warrants in order (i) to add to the covenants and agreements of the Company for the benefit of the Holders of the Global Warrants, (ii) to surrender any rights or power reserved to or conferred upon the Company in this Agreement, (iii) to cure any ambiguity, (iv) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or (v) to make any other provisions with regard to matters or questions arising hereunder which the Company and the Warrant Agent may deem necessary or desirable, provided that such addition, correction or surrender shall not adversely affect the interests of the Holders of the Global Warrants or the Warrant Certificates in any material respect.

(b) In addition to the foregoing, with the consent of Holders of Warrants entitled, upon exercise thereof, to receive not less than a majority of the shares of Common Stock issuable thereunder, the Company and the Warrant Agent may modify this Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or modifying in any manner the rights of the Holders of the Global Warrants; provided, however, that no modification of the terms (including but not limited to the adjustments described in Section 11) upon which the Warrants are exercisable or reducing the percentage required for consent to modification of this Agreement may be made without the consent of the Holder of each outstanding warrant certificate affected thereby; provided further, however, that no amendment hereunder shall affect any terms of any Warrant Certificate issued in a Warrant Exchange. As a condition precedent to the Warrant Agent's execution of any amendment, the Company shall deliver to the Warrant Agent a certificate from a duly authorized officer of the Company that states that the proposed amendment complies with the terms of this Section 20. No supplement or amendment to this Agreement shall be effective unless duly executed by the Warrant Agent.

Section 21. Successors. All covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 22. Benefits of this Agreement. Nothing in this Agreement shall be construed to give any Person other than the Company, the Holders of Warrant Certificates and the Warrant Agent any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the Holders of the Warrant Certificates.

Section 23. Governing Law; Jurisdiction. This Agreement and each Warrant Certificate issued hereunder shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to the conflicts of law principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenience forum.

Section 24. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Agreement transmitted electronically shall have the same authority, effect and enforceability as an original signature.

Section 25. Captions. The captions of the sections of this Agreement have been inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 26. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement; provided, however, that if such prohibited and invalid provision shall adversely affect the rights, immunities, liabilities, duties or obligations of the Warrant Agent, the Warrant Agent shall be entitled to resign immediately upon written notice to the Company.

Section 27. Force Majeure. Notwithstanding anything to the contrary contained herein, Warrant Agent shall not be liable for any delays or failures in performance resulting from acts beyond its reasonable control including, without limitation, acts of God, terrorist acts, shortage of supply, breakdowns or malfunctions, interruptions or malfunction of computer facilities, or loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, labor difficulties, war, or civil unrest, it being understood that the Warrant Agent shall use reasonable best efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances. Notwithstanding anything herein to the contrary, this Section 27 shall not affect the Company's obligations to the Holders of the Warrants as provided herein.

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

CELLECTAR BIOSCIENCES, INC.

By: _____
Name: Brian Posner
Title: Chief Financial Officer

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

By: _____
Name:
Title:

Annex A: Form of Warrant Certificate Request Notice

WARRANT CERTIFICATE REQUEST NOTICE

To: American Stock Transfer & Trust Company, LLC as Warrant Agent for Cellectar Biosciences, Inc. (the "Company")

The undersigned Holder of Series E Common Stock Purchase Warrants ("Warrants") in the form of Global Warrants issued by the Company hereby elects to receive a Warrant Certificate evidencing the Warrants held by the Holder as specified below:

1. Name of Holder of Warrants in form of Global Warrants: _____

2. Name of Holder in Warrant Certificate (if different from name of Holder of Warrants in form of Global Warrants): _____

3. Number of Warrants in name of Holder in form of Global Warrants: _____

4. Number of Warrants for which Warrant Certificate shall be issued: _____

5. Number of Warrants in name of Holder in form of Global Warrants after issuance of Warrant Certificate, if any: _____

6. Warrant Certificate shall be delivered to the following address:

_____

_____

_____

_____

The undersigned hereby acknowledges and agrees that, in connection with this Warrant Exchange and the issuance of the Warrant Certificate, the Holder is deemed to have surrendered the number of Warrants in form of Global Warrants in the name of the Holder equal to the number of Warrants evidenced by the Warrant Certificate.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

Exhibit 1: Form of Warrant Certificate

Exhibit 5.1

Michael Best & Friedrich LLP
Attorneys at Law

July 17, 2018

Cellectar Biosciences, Inc.
3301 Agriculture Drive
Madison, Wisconsin 53716

Re: S-1 Registration Statement

Ladies and Gentlemen:

We have acted as counsel to Cellectar Biosciences, Inc., a Delaware corporation (the "Company"), in connection with the registration statement on Form S-1 (the "Registration Statement"), filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), as to the offering by the Company of up to $13,800,000 of(i) shares of common stock, $0.00001 par value per share ("Common Stock") to be issued (such shares of Common Stock, the "Shares"); (ii) Series E warrants (the "Warrants") representing rights to purchase additional shares of Common Stock (the "Warrant Shares"); (iii) Warrant Shares issued upon exercise of the Warrants; (iv) shares of Series C preferred stock, $0.00001 par value per share (the "Preferred Stock" and such shares of Preferred Stock to be issued, the "Preferred Shares") convertible at any time at the holder's option into shares of Common Stock (the "Conversion Shares"); and (v) Conversion Shares issued upon conversion of the Preferred Shares. The Shares, the Warrants, the Warrant Shares, the Preferred Shares and the Conversion Shares are collectively referred to hereunder as the "Securities").

In connection with this opinion, we have examined and relied upon originals, or copies certified to our satisfaction, of such records, documents, certificates, opinions, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently sought to verify such matters.

In rendering the opinions set forth herein, we have reviewed originals or copies, certified or otherwise identified to our satisfaction, of such other documents, corporate records, instruments, agreements, certificates and public records, and we have made such inquiries of the officers of the Company and have investigated such matters of law as we deemed to be necessary to form a basis for the opinions expressed herein. We have relied upon and assumed: (i) the genuineness of all signatures of persons signing all documents in connection with which this opinion is rendered; (ii) the authenticity of all documents submitted to us as originals; (iii) the conformity to authenticated original documents of all documents presented to us as certified, conformed, telefaxed or reproduced copies (iv) that the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective under the Securities Act; (v) that a Prospectus Supplement will have been filed with the Commission describing the Securities offered thereby; (vi) that the Securities will be issued and the Securities will be sold in compliance with applicable U.S. federal and state securities laws and in the manner stated in the Registration Statement and the applicable Prospectus Supplement; (vii) that a definitive purchase, underwriting, subscription, placement agency or similar agreement with respect to any Securities offered will have been duly authorized and validly executed and delivered by the Company and the other parties thereto; (viii) that any Securities issuable upon conversion, exchange, redemption or exercise of any Securities being offered will be duly authorized, created and, if appropriate, reserved for issuance upon such conversion, exchange, redemption or exercise; (ix) with respect the Shares and Preferred Shares offered, that there will be sufficient shares of Common Stock or Preferred Stock authorized under the Company's organizational documents that are not otherwise reserved for issuance; and (x) the legal capacity of all natural persons. As to any facts material to the opinions expressed herein that were not independently established or verified, we have relied upon oral or written statements and representations of officers and other representatives of the Company.

Based upon and subject to the foregoing, it is our opinion that:

1. With respect to the Shares to be sold by the Company, when both: (a) the Board of Directors of the Company or a duly constituted and acting committee thereof (such Board of Directors or committee being hereinafter referred to as the "Board") has taken all necessary corporate action to approve the issuance and the terms of the offering of the Shares and related matters; and (b) certificates representing the Shares have been duly executed, countersigned, registered and delivered in accordance with the definitive underwriting agreement approved by the Board upon payment of the consideration therefor (not less than the par value of the Common Stock) provided for therein, then the Shares will be validly issued, fully paid and nonassessable.

2. With respect to the Preferred Shares, when both: (a) the Board has taken all necessary corporate action to approve the issuance and terms of the Preferred Shares, the terms of the offering thereof, and related matters; and (b) certificates representing the Preferred Shares have been duly executed, countersigned, registered and delivered in accordance with the definitive underwriting agreement approved by the Board, upon payment of the consideration therefor (not less than the par value of the Preferred Stock) provided for therein, then the Preferred Shares will be validly issued, fully paid and nonassessable.

3. With respect to the Conversion Shares, when all necessary actions have been taken by the Company and the holder of Preferred Shares to effect a conversion of the Preferred Shares into shares of Common Stock, including payment of the conversion price therefor, then the Conversion Shares will be validly issued, fully paid and nonassessable.

4. With respect to the Warrants, when both: (a) the Board has taken all necessary corporate action to approve the issuance and terms of the Warrants and related matters; and (b) the Warrants have been duly executed and delivered against payment therefor, pursuant to the definitive underwriting agreement duly authorized, executed and delivered by the Company, and the certificates for the Warrants have been duly executed and delivered by the Company, then the Warrants will be validly issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. With respect to the Warrant Shares, when all necessary actions have been taken by the holder of Warrants to effect an exercise of the Warrants to purchase shares of Common Stock, then the Warrant Shares, including payment of the exercise price therefor, will be validly issued, fully paid and nonassessable.

Our opinion that any document is legal, valid and binding is qualified as to:

a. limitations imposed by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting the rights of creditors generally;

b. rights to indemnification and contribution, which may be limited by applicable law or equitable principles; and

c. general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief and limitation of rights of acceleration, regardless of whether such enforceability is considered in a proceeding in equity or at law.

We express no opinion as to the laws of any jurisdiction other than the federal laws of the United States of America and the General Corporation Law of the State of Delaware. We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "Legal Matters" in the Prospectus. In giving such 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.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving such consent, we do not thereby concede that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

This opinion letter is given as of the date hereof, and we express no opinion as to the effect of subsequent events or changes in law occurring or becoming effective after the date hereof. We assume no obligation to update this opinion letter or otherwise advise you with respect to any facts or circumstances or changes in law that may hereafter occur or come to our attention (even though the change may affect the legal conclusions stated in this opinion letter).

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP

/s/ Michael Best & Friedrich LLP

EXHIBIT 10.35

AGREEMENT OF LEASE
between

KBS II 100-200 CAMPUS DRIVE, LLC,
Landlord

and
CELLECTAR BIOSCIENCES, INC.,

Tenant

PARK AVENUE AT MORRIS COUNTY
FLORHAM PARK, NEW JERSEY

TABLE OF CONTENTS

-

		PAGE
Preamble (Basic Provisions and Definitions)		1
1.	Demised Premises, Term, and Purpose	3
2.	Rent	4
3.	Operating Expenses and Real Estate Taxes	5
4.	Completion of Improvements; Commencement Date	11
5.	Covenants as to Condition of Demised Premises and Compliance with Laws	12
6.	Tenant Improvements, Alterations, and Installations	13
7.	Various Negative Covenants by Tenant	15
8.	Various Affirmative Covenants by Tenant	15
9.	Building Directory and Signage	16
10.	Casualty and Insurance	16
11.	Indemnification	18
12.	Non-Liability of Landlord	19
13.	Remedies and Termination Upon Tenant Default	19
14.	Remedies Cumulative; Non-Waiver	20
15.	Services; Electric Energy	20
16.	Subordination	23
17.	Curing Tenant's Defaults	24
18.	Notices	24
19.	Quiet Enjoyment	25
20.	Security Deposit	25
21.	Inspection and Entry by Landlord	25
22.	Brokerage	26
23.	Parking	26
24.	Renewal Option	26
25.	Landlord's Inability to Perform	28
26.	Condemnation	28
27.	Assignment and Subletting	30
28.	Environmental Laws	34
29.	Parties Bound	35
30.	Miscellaneous	36
31.	Hold Over Tenancy	37
32.	Relocation	38
33.	Financial Statements	39
34.	USA Patriot Act	39
35.	Telecommunications	39

LIST OF EXHIBITS

Exhibits

A	Floor Plan
A-1	Site Plan of Building
A-2	Site Plan of Complex
B	Work Letter to Lease
C	Rules and Regulations
D	Cleaning Services
E	Parking Plan
F	HVAC Specifications
G	Contractor Regulations

LEASE AGREEMENT DATED _____, 2018

This LEASE AGREEMENT (this "**Lease**") made between **KBS II 100-200 CAMPUS DRIVE, LLC** ("**Landlord**"), a Delaware limited liability company, having an office c/o KBS Capital Advisors, LLC, 590 Madison Avenue, 26th Floor, Asset Management, New York, New York 10022 and **CELLECTAR BIOSCIENCES, INC.** ("**Tenant**"), a Delaware corporation, having an address at 3301 Agriculture Drive, Madison, Wisconsin 53716 and having a taxpayer identification number of 04-3321804.

PREAMBLE

BASIC LEASE PROVISIONS AND DEFINITIONS.

In addition to other terms elsewhere defined in this Lease, the following terms whenever used in this Lease should have only the meanings set forth in this Preamble, unless such meanings are expressly modified, limited, or expanded elsewhere herein.

I. **Demised Premises**: The Demised Premises is depicted on the floor plan annexed hereto and made a part hereof as Exhibit A and is deemed to contain three thousand nine hundred eighty three (3,983) rentable square feet located on the second (2^{nd}) floor of a building deemed to contain three hundred seventy-six thousand four hundred two (376,402) rentable square feet located at 100 Campus Drive in the Borough of Florham Park, Morris County, New Jersey, as shown on the site plan attached hereto and a part hereof as Exhibit A-1 (the "**Building**"). The Building is part of an office complex known as Park Avenue at Morris County (the " **Complex**"). The Complex, which is situated on the Complex Land (as defined in Paragraph l(a) of this Lease), presently consists of six (6) buildings, as shown on the site plan attached hereto and made a part hereof as Exhibit A-2. The Complex is situated on the Complex Land (as defined in Paragraph l(a) of the Lease) and is deemed to contain one million one hundred fifty-six thousand five hundred fifty-four (1,156,554) rentable square feet of office space.

II. **Term**: Sixty – four (64) Lease Months. As used in this Lease, the first "**Lease Month**" shall commence on (a) the Commencement Date (hereinafter defined), if the Commencement Date falls on the first (1^{st}) day of the first (1^{st}) calendar month during which the Commencement Date occurs, and (b) if the Commencement Date does not fall on the first (1^{st}) day of the first (1^{st}) calendar month during which the Commencement Date occurs, then the first (1^{st}) Lease Month shall begin on the first (1^{st}) day of the first (1^{st}) full calendar month beginning after the Commencement Date. If the Commencement Date is not the first (1^{st}) day of a month, the Fixed Rent (as such term is hereinafter defined) for the fractional portion of the month preceding the first Lease Month shall be calculated on a pro-rata basis, based on the Fixed Rent payable during the first (1^{st}) Lease Month, beginning with and including the Commencement Date through the last day of that month, using the actual number of days in that month and Fixed Rent for said fractional period shall not be abated or free hereunder and shall in all events be payable by Tenant upon the first (1^{st}) day of the first (1^{st}) Lease Month of the Lease. Every calendar month after the first (1^{st}) Lease Month shall be a Lease Month.

III. **Expiration Date**: 11:59 p.m. eastern time on: (i) the day immediately preceding the sixty-four (64) month anniversary of the Commencement Date, if the Commencement Date occurs on the first day of a calendar month; or (ii) the last day of the calendar month occurring sixty-four (64) months after the Commencement Date, if the Commencement Date does not occur on the first day of a calendar month.

IV. **Renewal Term**: One (1) Renewal Term of sixty (60) months.

V. **Permitted Use**: General first-class office use, and for no other purpose.

VI. **Annual Fixed Rent and Monthly Fixed Rent**:

PERIOD	APPROXIMATE RATE PER RENTABLE SQUARE FOOT	ANNUAL FIXED RENT	MONTHLY FIXED RENT
Lease Months 1 - 12	$37.466	$149,227.08	$12,435.59
Lease Months 13 - 24	$38.146	$151,935.48	$12,661.29
Lease Months 25 - 36	$38.839	$154,698.12	$12,891.51
Lease Months 37 - 48	$39.547	$157,515.96	$13,126.33
Lease Months 49 - 60	$40.268	$160,390.20	$13,365.85
Lease Months 61 - 64	$41.005	$163,321.92	$13,610.16
Renewal Term	100% of the Fair Market Renewal Rent (as defined in Article 24 hereof)		One-twelfth ($1/12^{th}$) of 100% of the Fair Market Renewal Rent

VII. **Late Charge**: An amount equal to the sum of: (i) interest at the Prime Rate, as defined hereinafter, plus five (5%) percent per annum, which interest shall accrue from the date any payment of Fixed Rent or Additional Rent is due until the date of payment of the same; plus (ii) an administrative fee equal to three (3%) percent of said late payment.

VIII. **Tenant's Proportionate Share**: The percentage arrived at by dividing (i) the rentable square footage of the Demised Premises (which, as of the Commencement Date, is deemed to be three thousand nine hundred eighty three (3,983) rentable square feet) by (ii) the rentable square footage of the Building (which, as of the Commencement Date, is deemed to be three hundred seventy six thousand four hundred two (376,402) rentable square feet), and therefore being one and six hundredths (1.06%) percent.

IX. **Building's Proportionate Share of Complex Operating Expenses**: The percentage arrived at by dividing (i) the rentable square footage of the Building (which, as of the Commencement Date, is deemed to be three hundred seventy six thousand four hundred two (376,402) rentable square feet) by (ii) the rentable square footage of the Complex (which, as of the Commencement Date, is deemed to be one million one hundred fifty-six thousand five hundred fifty-four (1,156,554), and therefore being thirty two and fifty five hundredths (32.55%) percent.

X. **Security Deposit**: $75,000.00.

XI. **Tenant's S.I.C. Code (as per most recent S.I.C Manual as published by the United States Office of Management Budget)**: 2834.

XII. **Tenant's NAICS Code (as per most recent U.S. North American Industry Classification System Manual (as published by the United States Office of Management and Budget)**: 541712.

XIII. **Designated Brokers**: Avison Young – New York, LLC and CBRE, Inc.

XIV. **Number of Tenant Allocated Parking Spaces** : Fifteen (15), consisting of one (1) exclusive space reserved in the surface parking area serving the Building (the "**Exclusive Space**"), as depicted on the parking plan attached hereto as Exhibit E, and fourteen (14) non-exclusive spaces in the common parking area serving the Building and other buildings on the Land (collectively, the "**Non-Exclusive Spaces**"). Parking spaces are subject to the further provisions of Paragraph 23 of this Lease.

XV. **Prime Rate**: The prime commercial bank lending rate on 90 day loans announced by the *Wall Street Journal*.

XVI. **Building Holidays**: Building Holidays shall be President's Day; Good Friday; Memorial Day; Independence Day; Labor Day; Thanksgiving Day and day after; Christmas Day and New Year's Day; the Monday before or the Friday after if Christmas Day, New Year's Day, or Independence Day falls on Tuesday or on Thursday, respectively; and the Friday before or the Monday after if Christmas Day, New Year's Day, or Independence Day falls on Saturday or on Sunday, respectively. Notwithstanding the foregoing, subject to events of Force Majeure (as such term is hereinafter defined), casualty and eminent domain, Tenant shall have access to the Demised Premises, and the parking spaces provided to Tenant in accordance with the terms and conditions of this Lease, twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days per year.

XVII. **Business Days**: Weekdays excluding Building Holidays.

XVIII. **Business Hours**: Said hours shall be from 8:00 A.M. to 6:00 P.M. on weekdays and 8:00 A.M. to 1:00 P.M. on Saturdays. Business Hours do not include Sundays or Building Holidays.

XIX. **Commencement Date:** The date that the Tenant Improvements (hereinafter defined) described on Exhibit B annexed hereto (the "Workletter") have been Substantially Completed (as such term is defined in the Workletter) by Landlord. As soon as same is reasonably practical in Landlord's determination during the progress of Landlord's construction of the Tenant Improvements, Landlord shall endeavor to notify Tenant in writing of the estimated Commencement Date.

The parties hereby agree to the following terms and conditions:

1. Demised Premises, Term, and Purpose.

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord the Demised Premises located in the Building, together with the non-exclusive right to use any pedestrian easements and/or vehicular easements that may exist from time to time for the benefit of tenants of the Building over any portion of the Complex Land, together with all other Common Areas, as defined in Paragraph 1(d), for the Term commencing on the Commencement Date, as defined in Section XIX of the Preamble to this Lease, and ending on the Expiration Date, or such earlier date upon which the Term may expire or be terminated pursuant to the provisions of this Lease or pursuant to law. The parcel of land on which the Building is located (the "**Land**") is known and designated as Lot 7, Block 1201 on the tax maps of the Borough of Florham Park. The parcels of land on which the Complex is located (the "**Complex Land**") are known and designated as Lots 5, 6, and 7, Block 1201 on the tax map of the Borough of Florham Park.

(b) For purposes of this Lease the "**Commencement Date**" shall be as described in Section XIX of the Preamble to this Lease, subject to the provisions of Paragraphs 4(b)(i) - (iv). Subject to the provisions of Paragraphs 4(b)(i) - (iv), Tenant herein waives any damages or claims against Landlord which may result from any delay in the occurrence of the Commencement Date on or by any particular date, whether by reason of Landlord's failure to deliver the Demised Premises to Tenant on or by a particular date, or otherwise.

(c) The Demised Premises shall be used by Tenant for the Permitted Use and for no other use or purpose. The Permitted Use shall not be deemed to include the following uses which are expressly prohibited: any use or manner of use so as to be open to the general public or which would create unusual amounts of traffic in the Building or the Demised Premises; governmental offices or any subdivision or agency thereof or quasi governmental agency or court of law; use by an instrumentality entitled to diplomatic immunity; drive-up facility; a school, college, university or educational institution of any type, whether for profit or nonprofit, training, or similar classes for members of the general public; union offices; medical or similar treatments; barber or beauty parlor; gaming or political activities; pornographic; employment, recruiting, or placement activities (except executive search); retail or wholesale sale and delivery of goods; manufacturing, repairing, servicing, or receiving for repair or service; and any other use or uses that are of the same or similar nature or character. Tenant shall not use or occupy the Demised Premises or any part thereof for any purpose deemed unlawful, disreputable, or extra-hazardous on account of fire or other casualty or for any purposes that shall impair the character of the Building. Tenant, at its sole cost and expense, shall obtain any consents, licenses, permits, or approvals required or obtainable in normal course to conduct its business at the Demised Premises.

(d) The "**Common Areas**" shall consist of the "Building Common Areas," as defined hereinafter, and the "Complex Common Areas," as defined hereinafter. The Common Areas shall be operated and maintained by Landlord and/or such other owners or operators for the benefit of all tenants in a manner similar to that of other office buildings in the Morris County, New Jersey area that are reasonably similar to the Building with respect to tenant mix, size, and age. The use of the Common Areas shall be in common with Landlord, other tenants of the Building and the Complex, and other persons entitled to use the same. Landlord shall not diminish the Common Areas in any way that has a materially negative impact on Tenant's ability to conduct its business for the Permitted Use at the Demised Premises.

(i) The "**Building Common Areas**" shall be those parts of the Building and other improvements designated by Landlord for the common use or benefit of all tenants of the Building, including, but not limited to: utility lines, pumpstations, drainage basins, swales, detention or retention ponds, and other facilities on or serving the Land; halls, lobbies, and delivery passages; drinking fountains; public toilets; parking facilities; lobby plantings, interior landscaped areas, and exterior landscaped areas on the Land; atriums; and other facilities or Improvements owned, operated, or maintained, in whole or in part, by Landlord for use by or for the benefit of all tenants of the Building.

(ii) The "**Complex Common Areas**" shall be those parts of the Complex designated by Landlord from time to time for the common use or benefit of all tenants in the Complex, including, but not limited to: utility lines, pumpstations, drainage basins, swales, detention or retention ponds, and other facilities on or serving the Complex Land; parking lots; service buildings; parkways; drives, including Campus Drive, and other road improvements providing access to the lots comprising the Complex; greenspaces; parks; fountains; and other facilities or Improvements owned, operated, or maintained, in whole or in part, by Landlord or the owner or operator from time to time of same, for use by all tenants of the Complex.

(e) For purposes of this Lease the term "**Improvements**" shall mean and include all, whether existing now or in the future, buildings, including the Building, and/or appurtenant structures or improvements of any kind, whether above, on, or below the Land surface (including, without limitation, outbuildings; loading areas; canopies; walls; waterlines; sewer, electrical, and gas distribution facilities; parking facilities; walkways; streets; curbs; roads; rights of way; fences; hedges; exterior plantings; poles; and signs).

2. Rent.

(a) The rent reserved under this Lease for the Term hereof shall be and consist of: (i) the Fixed Rent payable in equal monthly installments in advance on the first day of each and every calendar month during the Term (except that Tenant shall pay to Landlord one (1) monthly installment of Fixed Rent on the execution of this Lease, which installment shall be applied to the Monthly Fixed Rent due and payable under this Lease); plus (ii) such additional rent ("**Additional Rent**") in an amount equal to Tenant's Proportionate Share of increases in Operating Expenses and Real Estate Taxes (as such terms are defined in Paragraph 3 of this Lease) over the Initial Year Operating Expenses and Initial Year Real Estate Taxes (as such terms are defined in Paragraph 3 of this Lease), as the case may be, as described in Paragraph 3 of this Lease, all charges for services and utilities pursuant to Paragraph 15 hereof, and any other charges or amounts that shall become due and payable hereunder, including, without limitation, the reasonable expenses incurred by Landlord in the enforcement against Tenant or any party taking by or through Tenant of any of the agreements, covenants, and obligations under this Lease and including reasonable legal fees and/or post-judgment collection fees that may accrue in the event suit against Tenant or any party taking by or through Tenant for rent or dispossess proceedings are necessary to obtain the possession of the Demised Premises or to collect the rent, all of which Additional Rent shall be payable as hereinafter provided. All rent shall be paid to Landlord at its office stated above or such other place Landlord may designate in writing. If the Commencement Date shall occur on a date other than the first day of a calendar month, or the Expiration Date or other termination date of this Lease shall occur on a day other than the last day of a calendar month, the rent for the partial month commencing on the Commencement Date or ending on the Expiration Date shall be appropriately pro-rated on the basis of the pro rata portion of the calendar month during which such payment is to be made.

(b) Tenant does hereby covenant and agree to pay promptly the Fixed Rent and Additional Rent herein reserved as and when the same shall become due and payable, without demand therefor and without any set-off, recoupment, or deduction whatsoever, except as may be otherwise expressly set forth in this Lease. All Additional Rent payable hereunder that is not due and payable on a monthly basis during the Term, unless otherwise specified herein, shall be due and payable within twenty (20) days of delivery by Landlord to Tenant of notice to pay the same together with reasonable supporting backup documentation therefor.

(c) In the event any payment of Fixed Rent or Additional Rent shall be paid after the due date for the same as provided herein, Tenant shall pay, together with such payment, the Late Charge.

(d) Provided that Tenant is not then, or at any other time, in default of this Lease beyond the expiration of any grace or cure period expressly provided for in this Lease and this Lease be and remains in full force and effect, Tenant shall be entitled to a one-time credit against the Monthly Fixed Rent payments (but not any Additional Rent, electricity charges or any other charges or payments due hereunder, which such Additional Rent, electricity charges and other charges and payments shall be due and payable commencing on the Commencement Date) payable by Tenant under this Lease during the following Lease Months only and in the following amounts only:

Lease Month	Amount of Abatement
1	$ 11,285.17
2	$ 11,285.17
3	$ 11,285.17
4	$ 11,285.17

(collectively, the "Rent Abatement"). In the event that on the date any such Rent Abatement is to be applied Tenant is in default of this Lease beyond the expiration of any grace or cure period expressly provided for in this Lease such that this Lease has been terminated or Tenant's right to possession of the Demised Premises has been terminated, then the Rent Abatement theretofore applied against Fixed Rent or thereafter to be applied against Fixed Rent shall be entirely forfeited, and the equivalent amount of any such Rent Abatement theretofore applied to the Fixed Rent shall be immediately remitted by Tenant to Landlord as Additional Rent. The "Rent Commencement Date" is the Commencement Date.

Except as may be expressly described hereinabove or anywhere else in this Lease, there shall be no abatements of Fixed Rent during the Term. If the Commencement Date is not the first day of a month, the Fixed Rent for the fractional portion of the month preceding the first (1st) full calendar month of the Term shall be calculated on a pro-rata basis, based on the Fixed Rent payable during the first (1st) month of the Term, beginning with and including the Commencement Date through the last day of that month, using the actual number of days in that month and Fixed Rent for said fractional period shall be payable on or before the first day of the first (1st) full calendar month of the Term (and anything stated herein to the contrary notwithstanding, Fixed Rent for said fractional period shall not be abated hereunder).

3. Operating Expenses and Real Estate Taxes.

(a) For purposes of this Paragraph, the following definitions shall apply:

"**Initial Year**" shall mean calendar year 2018.

"**Lease Year**" shall mean each calendar year subsequent to the Initial Year.

"**Initial Year Operating Expenses**" shall mean those Operating Expenses, as defined hereinafter, paid or incurred by Landlord during the Initial Year.

"**Initial Year Real Estate Taxes**" shall mean the Real Estate Taxes, as defined hereinafter, payable by Landlord for the Initial Year.

"**Real Estate Taxes**" shall mean all real property taxes and assessments now or hereafter imposed upon the Land, the Improvements, and other real property included with or located upon the Land. If, due to a change in the method of taxation or assessment, any franchise, income, profit or other tax, however designated, shall be substituted by the applicable taxing authority, in whole or in part, for the Real Estate Taxes now or hereafter imposed on the Land, the Improvements, or other real property included in the Land, such franchise, income, profit, or other tax shall be deemed to be included in the term "Real Estate Taxes." Real Estate Taxes shall not include any inheritance, estate, succession, transfer, gift, franchise, net income, capital stock tax, corporate, capital levy, stamp, or transfer tax (except to the extent that, as provided for above, such tax is substituted for and in lieu of Real Estate Taxes now or hereafter imposed).

"**Operating Expenses**" shall mean: (i) the total of all the costs and expenses paid or incurred by Landlord (and/or others to the extent such costs paid or incurred by others are chargeable to Landlord) with respect to the management, operation, maintenance, and repair of the Land, the Building, and any of the other Improvements and the services provided tenants therein (excepting electrical energy expenses paid directly by tenants (including Tenant) to Landlord or the applicable utility supplying said service pursuant to Paragraph 15 of this Lease and equivalent provisions of other leases), including, but not limited to: all utilities, including without limitation, water, electricity, gas, lighting, sewer and waste disposal; air conditioning, ventilation, and heating; lobby maintenance and cleaning; maintenance of elevators; protection and security; lobby plantings and interior landscape maintenance; exterior landscape maintenance; snow removal; parking lot maintenance, striping, and repairs; operation, maintenance, repair, or replacement of utility lines, pumpstations, drainage basins, swales, detention or retention ponds, and other facilities on or serving the Land; maintenance and painting of non-tenanted areas; fire, all-risk, boiler and machinery, sprinkler, apparatus, public liability, environmental, property damage, rent, plate glass, and terrorism insurance (including any applicable deductibles for the foregoing insurance); supplies; wages, salaries, disability benefits, pensions, hospitalization, retirement plans, group insurance, worker's compensation insurance, payroll, social security, unemployment, and other similar taxes with respect to employees of Landlord; uniforms and workers' clothes for such employees and the cleaning thereof and other similar employees benefits and expenses imposed on Landlord pursuant to law or to any collective bargaining agreement with respect to Landlord's employees (up to and including the Building manager) to the extent and in such proportion that the services of such employees are dedicated to the operation of the Building; the cost for a bookkeeper and for an accountant and any other professional and consulting fees, including legal and auditing fees to the extent and in such proportion that the services of such professional and consultants are dedicated to the operation of the Building; association fees or dues; the expenses, including payments to attorneys and appraisers, incurred by Landlord in connection with any application or proceeding wherein Landlord obtains or seeks to obtain reduction or refund of the Real Estate Taxes payable or paid; management fees and asset management fees of the Building, the Improvements and the Land; and any other expenses of any other kind whatsoever reasonably incurred in managing, operating, maintaining, or repairing the Building, the Land, or any other of the Improvements; and (ii) the Building's Proportionate Share of Complex Operating Expenses.

"**Complex Operating Expenses**" shall mean the total of all the costs and expenses paid or incurred by Landlord (and/or others to the extent such costs paid or incurred by others are chargeable to Landlord or contributable to by Landlord) with respect to the management, operation, maintenance, and repair of the following: (i) the roads, streets, and driveways in the Complex; (ii) the detention basin located on Lot 5, Block 1201 on the tax map of the Borough of Florham Park, which basin is located at the end of Campus Drive; and (iii) any other expenses of any other kind whatsoever reasonably incurred in managing, operating, maintaining, or repairing the exterior areas of the Complex, the Complex Common Area, and the Complex Land. Notwithstanding anything herein to the contrary, Tenant acknowledges the Building's Proportionate Share of the Complex Operating Expenses may, in some instances, be as set forth in declarations of record to which the Complex is subject.

It is agreed, however, that notwithstanding anything herein to the contrary. the foregoing Operating Expenses and Complex Operating Expenses shall exclude or have deducted from them, as the case may be and as shall be appropriate:

(i) leasing commissions;

(ii) salaries for executives above the grade of Building manager;

(iii) Building start-up or opening expenses;

(iv) expenditures for capital improvements, except (x) those which under generally accepted accounting principles consistently applied ("**GAAP**") are expensed or regarded as deferred expenses and (y) capital expenses required to comply with any Law, as hereinafter defined, enacted after the date of this Lease; in any of which cases the costs thereof shall be included in Operating Expenses for the calendar year in which the costs are incurred and for subsequent calendar years on a straight line basis amortized over an appropriate period which is the improvement's useful life with an interest factor equal to the Prime Rate at the time of Landlord's having actually incurred said expenditure, provided, however, that nothing herein shall relieve Tenant of the responsibility for payments for capital improvements charged to Tenant pursuant to Paragraph 5 hereof;

(v) advertising, marketing, and promotional expenditures;

(vi) legal fees for lease negotiations and disputes with tenants;

(vii) legal and auditing fees, other than legal and auditing fees reasonably incurred in connection with (x) the maintenance and operation of the Building or (y) the preparation of statements required pursuant to additional rent or lease escalation provisions;

(viii) as a deduction, amounts received by Landlord through proceeds of insurance to the extent the proceeds are compensation for expenses that were previously included as Operating Expenses hereunder:

(ix) depreciation and amortization, except as otherwise provided herein;

(x) principal or interest payments with respect to mortgages against the Building and/or the Complex;

(xi) Landlord's cost of electricity and other services which it has sold to tenants and for which Landlord has been reimbursed;

(xii) costs of selling, syndicating, financing, mortgaging or hypothecating any part of or any of Landlord's interest in the Building or the Complex;

(xiii) costs necessitated by Landlord's negligence or willful misconduct, or correcting any latent defects or original design defects in the Building's construction, materials, or equipment;

(xiv) costs associated with any bad debts or bad debts reserves and rent payable under any lease to which this Lease is subordinate and all costs and expenses associated with any such bad debts or bad debts reserves or lease and any ground lease rent, irrespective of whether this Lease is subject or subordinate thereto; and

(xv) unless same are expenses for items considered typical and ordinary repairs and maintenance and except as permitted in clause (iv) herein, expenses incurred by Landlord in order to comply with all present laws, ordinances, requirements, orders, directives, rules and regulations of federal, state, county and city governments and of all other governmental authorities having or claiming jurisdiction over the Building, including without limitation the Americans with Disabilities Act of 1990 (as amended), the Federal Occupational Safety and Health Act of 1970 (as amended) and any of said laws, rules and regulations relating to environmental, health or safety matters, including, without limitation, those relating to asbestos or PCB's.

In no event will Operating Expenses for any Lease Year be more than 100% of the actual Operating Expenses incurred by Landlord for such Lease Year. Applicable Operating Expenses for each Lease Year will be determined by Landlord in a manner consistent with the respective determination of such applicable Operating Expenses for the Initial Year.

If Landlord and/or others shall purchase any item of capital equipment or make any capital expenditures designed to result in savings or reductions in Operating Expenses or Complex Operating Expenses, then the costs for same shall be included in Operating Expenses or Complex Operating Expenses, but only to the extent of savings or reductions actually resulting therefrom. The costs of such capital equipment or capital expenditures are to be included in Operating Expenses or Complex Operating Expenses for the calendar year in which the costs are incurred and subsequent calendar years on a straight line basis amortized over such period of time as reasonably can be estimated as the time in which such savings or reductions in Operating Expenses or Complex Operating Expenses are expected to equal Landlord's costs for such capital equipment or capital expenditure with an interest factor equal to the Prime Rate at the time of Landlord's having actually incurred said costs. If Landlord and/or others shall lease any such item of capital equipment designed to result in saving or reductions in Operating Expenses, then the rentals and other costs paid pursuant to such leasing shall be included in Operating Expenses or Complex Operating Expenses for the calendar year in which they were incurred, but only to the extent of savings or reductions actually resulting therefrom.

If during all or part of the Initial Year or any Lease Year, (1) the Building and/or Complex shall have been less than ninety-five percent (95%) occupied or (2) an item of work or service is not required or desired by the tenant of a portion of the Building and/or the Complex or such tenant is itself obtaining and providing such item of work or service or for any other reason; then, for the purposes of computing the Additional Rent payable hereunder, the amount of the Operating Expenses and/or Complex Operating Expenses for such item for such period shall be adjusted by an amount equal to the operating and maintenance expenses that would reasonably have been incurred during such period by Landlord and/or others if ninety-five percent (95%) of the Building and/or the Complex had been occupied or if the costs of all such work or services were paid as Operating Expenses and/or Complex Operating Expenses. Furthermore, Real Estate Taxes, for the purposes of this Lease, shall reflect the fully assessed value of the Building multiplied by the tax rate then in effect. If all the Building, Land, and Improvements to be included in the Building have not been included in the assessed value of the Building for the calculation of Real Estate Taxes, then the Real Estate Taxes shall be adjusted by Landlord to reflect the amount of Real Estate Taxes that would be imposed on the Building if all of the Building, Land, and Improvements to be included in the Building were completed and included in said assessed value of the Building and in the Real Estate Taxes.

(b) In the event (i) that the Commencement Date shall occur on a day other than the first day of a calendar year, or (ii) that the Expiration Date or other termination date of this Lease shall occur on a day other than the last day of a calendar year, then in each such event in applying the provisions of this Paragraph 3 with respect to such calendar year in which such events have occurred, appropriate adjustments shall be made to Tenant's Proportionate Share of Operating Expenses and Real Estate Taxes payable pursuant to Paragraph 3(c) so as to apportion such payment on the basis of the pro rata portion of the calendar year during which such payment is to be made.

(c) Tenant shall be responsible for and shall pay to Landlord in accordance with Paragraph 3 Tenant's Proportionate Share of (i) any increase in Operating Expenses in each Lease Year during the Term over the Initial Year Operating Expenses and (ii) any increase in Real Estate Taxes in each Lease Year during the Term over the Initial Year Real Estate Taxes.

(1) Commencing on January 1, 2019 and during such Lease Year and each Lease Year thereafter, Tenant shall pay to Landlord monthly, on the first day of each calendar month, as Additional Rent, Landlord's estimate of: (i) Tenant's Proportionate Share of any increase in Operating Expenses in each Lease Year over the Initial Year Operating Expenses, and (ii) Tenant's Proportionate Share of any increase in Real Estate Taxes in each Lease Year over the Initial Year Real Estate Taxes.

(2) Prior to the end of the Initial Year and thereafter for each successive Lease Year, or part thereof, Landlord shall send to Tenant a statement of the projected increase in Operating Expenses and Real Estate Taxes for the applicable Lease Year, if any, (an "**Operating Expense/Real Estate Tax Projection**") and shall indicate what the estimated amount of Tenant's Proportionate Share of said increase in Operating Expenses and in Real Estate Taxes shall be, said amount to be paid in equal monthly installments (rounded to the nearest whole dollar) in advance on the first day of each month by Tenant as Additional Rent, commencing January lst of the applicable Lease Year.

(3) If during the course of any Lease Year, Landlord shall have reason to believe that the increase in Operating Expenses and/or Real Estate Taxes shall be higher than that upon which the aforesaid Operating Expense/Real Estate Tax Projection was originally based, as set forth in subparagraph (c)(2) above, then Landlord shall be entitled to adjust the Operating Expense/Real Estate Tax Projection by a lump sum invoice for the months of the Lease Year which precede the revised Operating Expense/Real Estate Tax Projection and to advise Tenant of an adjustment in future monthly projection amounts to the end result that Landlord's Operating Expense/Real Estate Tax Projection shall be on a reasonably current basis each Lease Year.

(4) Within one hundred fifty (150) days following the end of each Lease Year, Landlord shall send to Tenant a statement of the actual increase in Operating Expenses and in Real Estate Taxes incurred for the prior Lease Year showing Tenant's Proportionate Share of the increase in Operating Expenses and in Real Estate Taxes due from Tenant. In the event that the amount prepaid by Tenant exceeds the amount that was actually due based upon actual year-end cost, Landlord shall pay to Tenant an amount equal to the overcharge. Landlord shall reimburse Tenant for such overcharge by paying such amount together with the statement of the actual increase. In the event that Landlord has undercharged Tenant, then Landlord shall provide Tenant with an invoice stating the additional amount due, which amount shall be paid in full by Tenant within twenty (20) days of receipt.

(d) Each and every of the aforesaid Operating Expense/Real Estate Tax Projection amounts, whether requiring lump sum payment or constituting projected monthly amounts added to the Fixed Rent, shall for all purposes be treated and considered as Additional Rent, and the failure of Tenant to pay the same as and when due in advance and without demand shall have the same effect as a failure to pay any installment of the Fixed Rent and shall afford Landlord or all the remedies provided in this Lease therefor, including, without limitation, the Late Charge as provided in Paragraph 2(c) of this Lease.

(e) Tenant acknowledges and agrees Landlord shall have the right to change the period of the Lease Year, either before or during the Term, to any other fiscal year or twelve (12) month period. In the event that Landlord makes such a change, then the same shall be effective upon written notice to Tenant and, in such event, Tenant shall pay Tenant's Proportionate Share of Operating Expenses and of Real Estate Taxes over the Operating Expenses and Real Estate Taxes for the period from the end of the initially designated Lease Year, as last billed, to the beginning of the newly designated Lease Year, prorated for such period, within twenty (20) days of the rendering by Landlord of the bill for such interim period.

(f) Tenant acknowledges Landlord shall have the exclusive right, but not the obligation, to contest or appeal any assessment for Real Estate Taxes. Landlord and Tenant agree that, in the event the amount of the Real Estate Taxes for the Initial Year or for any Lease Year is reduced below the then current amount of the Initial Year Real Estate Taxes due to a reduction in the assessment of the Land and/or Building, the Initial Year Real Estate Taxes shall be revised to be such reduced amount of Real Estate Taxes for the Initial Year. Accordingly, any estimation of increases in Real Estate Taxes set forth in any future Operating Expense/Real Estate Tax Projection shall be based on the revised Initial Year Real Estate Taxes. In addition, retroactive adjustments and future adjustments (as more particularly set forth in Paragraph 3(c)(4) above) shall be made based upon the actual and reduced amount of Real Estate Taxes for each Lease Year.

(g) For the protection of Tenant, Landlord shall maintain books of account that shall be open to Tenant and its representatives so Tenant, at its sole cost and expense, may audit said books of account to determine that any Operating Expenses have, in fact, been paid or incurred, said audit to be subject to the following conditions:

(1) Such audit shall be conducted only during regular business hours at the office where Landlord maintains said books of account;

(2) Tenant shall provide to Landlord at least fourteen (14) days' prior written notice;

(3) Tenant is not in default of any of the terms and provisions of the Lease beyond the expiration of any grace or cure period which may be expressly provided for in this Lease from the time Tenant provides Landlord with notice through the time such audit is conducted;

(4) Tenant shall deliver to Landlord a copy of the results of such audit within fifteen (15) days of its receipt by Tenant;

(5) Tenant enters into a confidentiality agreement as provided by Landlord;

(6) Only an independent and nationally recognized accounting firm not being compensated by Tenant on a contingency fee basis may perform such audit; and

(7) Any such audit must be concluded within five (5) days after it is first commenced.

If, as a result of the audit, any disagreement with respect to any one or more of the charges exists and is not satisfactorily settled between Landlord and Tenant, said disagreement may be referred by either party to an independent certified public accountant mutually agreed upon by the parties. If such an accountant cannot be agreed upon, the American Arbitration Association may be asked by either party to select an arbitrator whose decision shall be final and binding upon both parties, who shall jointly share any cost of such arbitration. Pending resolution of said dispute, Tenant shall pay to Landlord the sum so billed by Landlord, subject to the ultimate resolution as described above. Notwithstanding anything herein to the contrary, once Landlord shall have finally determined the Operating Expenses at the expiration of each Lease Year as described in Paragraph 3(c)(iv) above, then Tenant shall be entitled to audit and dispute any charge so established for a period of sixty (60) days after Tenant's receipt of such statement, and Tenant specifically waives any right to dispute or audit any such charge at the expiration of said sixty (60) day period. Furthermore, no subtenant shall have any right to conduct an audit, and no assignee or Affiliated Entity (hereinafter defined) shall conduct an audit for any period during which such assignee or Affiliated Entity, as the case may be, was not in possession of the Demised Premises.

(h) With respect to any partial Lease Year at the commencement or expiration of the Term, the Initial Year Operating Expenses and the Initial Real Estate Taxes shall be reduced proportionately to correspond to the duration of such partial Lease Year.

4. Completion of Improvements; Commencement Date.

(a) Tenant acknowledges it is leasing the Demised Premises in its "AS IS" condition; however, Landlord agrees to provide the improvements and other work in and to the Demised Premises (the "**Tenant Improvements**") in accordance with the terms, conditions, and provisions of Exhibit B attached hereto and made a part hereof.

(b) (i) The Demised Premises shall be deemed ready for occupancy and the Commencement Date hereunder shall occur on the date that Landlord has Substantially Completed the Tenant Improvements. If the occurrence of the condition listed in the preceding sentence, and thereby the making of the Demised Premises ready for occupancy, shall be delayed due to Tenant Delay, as defined in Exhibit B, then the Commencement Date shall be accelerated by a time period equal to the number of days of delay so caused by Tenant. Notwithstanding anything herein to the contrary, but subject to the provisions of Sections 4(b)(ii) - (iv) below, in the event Landlord is unable or fails to deliver possession of the Demised Premises to Tenant by the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, except that the Commencement Date shall be deferred to the date on which Landlord delivers possession of the Demised Premises to Tenant. If the Commencement Date is deferred pursuant to this subparagraph, the Expiration Date shall be deferred so that the Term will expire on the last day of the calendar month during which the sixty-fourth (64^{th}) Lease Month of the initial Term occurs. Subject to the provisions of Section 4(b)(ii) - (iv) below, Tenant herein waives any damages or claims against Landlord which may result from any delay in the occurrence of the Commencement Date on or by any particular date, whether by reason of Landlord's failure to deliver the Demised Premises to Tenant, or otherwise.

(ii) Once this Lease has been mutually executed and delivered by Landlord and Tenant and the final signed and sealed construction documents (i.e., the CDs and MEP Drawings (as such terms are defined in the Workletter) in form ready for permit filing) for the performance of the Tenant Improvements have been finalized and approved by Tenant and Landlord, Landlord and/or the General Contractor (as such term is defined in the Workletter) performing the Tenant Improvements shall use commercially reasonable efforts to obtain the necessary permits for the performance of the Tenant Improvements and shall use commercially reasonable efforts to Substantially Complete (as such term is defined in the Workletter) the Tenant Improvements within one hundred five (105) days after the date that Tenant has approved in writing all signed and sealed construction document s(i.e., the CDs and MEP Drawings) in form ready for permit filing, for the performance of the Tenant Improvements, subject to any delays which can be attributed to Tenant Delay (as such term is defined in the Workletter) or Force Majeure Delay (as such term is defined in the Workletter).

(iii) If the Landlord and/or the General Contractor fails to Substantially Complete the Tenant Improvements by the date (the "Outside Date") which is one hundred five (105) days after the later of (x) the date Landlord and Tenant have mutually executed and delivered to each other a copy of this Lease and (y) the date that Tenant has approved in writing all signed and sealed construction documents (i.e., the CDs and MEP Drawings), which Outside Date shall be extended by one (1) additional day for each day of delay in the occurrence of the Commencement Date which can be attributed to Tenant Delay or Force Majeure Delay, then, as Tenant's sole and exclusive remedy under this Lease or otherwise, the Tenant shall be entitled to one (1) day of abated Fixed Rent for each day of delay beyond the Outside Date (as such date and deadline may be so extended as hereinabove provided) that the Tenant Improvements have not been Substantially Completed until the date the Tenant Improvements are Substantially Completed. Tenant herein acknowledges and agrees that prior to the Outside Date (as such date and deadline may be so extended as hereinabove provided), Tenant shall not have any remedy or recourse whatsoever against Landlord, under this Lease or otherwise, if the Tenant Improvements have not been Substantially Completed by any particular date, and if the Tenant Improvements have not been Substantially Completed as herein provided by the Outside Date (as such date and deadline may be so extended as hereinabove provided) then Tenant's sole and exclusive remedy under this Lease or otherwise shall be as expressly provided hereinabove and such failure shall not impose any other liability upon Landlord by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise.

(iv) If the Landlord and/or the General Contractor fails to Substantially Complete the Tenant Improvements by the date (the "Second Outside Date") which is one hundred twenty-five (125) days after the later of (x) the date Landlord and Tenant have mutually executed and delivered to each other a copy of this Lease and (y) the date that Tenant has approved in writing all signed and sealed construction documents (i.e., the CDs and MEP Drawings), which Second Outside Date shall be extended by one (1) additional day for each day of delay in the occurrence of the Commencement Date which can be attributed to Tenant Delay or Force Majeure Delay, then, as Tenant's sole and exclusive remedy under this Lease or otherwise, the Tenant shall be entitled to terminate this Lease upon providing ten (10) days written notice to Landlord given no later than ten (10) days after the Second Outside Date, with time being of the essence, unless the Tenant Improvements are actually Substantially Completed within such ten (10) day period, in which event Tenant's termination of the Lease shall be deemed nullified and rescinded and shall not be effective or applicable hereunder. Tenant's rights as set forth in this paragraph shall be Tenant's sole and exclusive remedy under this Lease or otherwise for the failure of the Tenant Improvements to have been Substantially Completed by the Second Outside Date and such failure shall not impose any liability upon Landlord by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise.

(c) Tenant shall occupy the Demised Premises as soon as the same are ready for its occupancy and the Commencement Date shall have occurred (but not prior to said date, except as may be expressly provided in Article 6 of the Workletter). When Tenant shall take actual possession of all or any part of the Demised Premises, it shall be conclusively presumed the same is in satisfactory condition.

(d) Except as otherwise expressly set forth in Section 6 of the Workletter, Tenant shall not be permitted to enter the Demised Premises prior to the Commencement Date for any purpose whatsoever.

(e) Upon ten (10) days written request from Landlord, Tenant shall execute and deliver to Landlord a Commencement Date agreement in the form prepared by Landlord confirming the Commencement Date, Rent Commencement Date, Expiration Date, and any other similar dates or facts set forth therein.

5. Covenants as to Condition of Demised Premises and Compliance with Laws.

(a) In the event the Building or any of the equipment affixed thereto or stored therein should be damaged (other than by ordinary wear and tear) as a result of any act of Tenant's Parties (as hereinafter defined), Tenant shall, upon demand, pay to Landlord the cost of all required repairs, including structural repairs. As used herein, the term "**Tenant Parties**" shall refer to Tenant, its employees, agents, representative, contractors, invitees, and/or licensees.

(b) (i) Tenant shall commit no act of waste. At Tenant's sole cost and expense, Tenant shall take good care of the Demised Premises and the equipment affixed thereto and stored therein and shall maintain the Demised Premises in good condition and state of repair, including making any necessary replacements. In addition, Tenant, at Tenant's sole cost and expense, shall promptly comply with all laws, rules, regulations, and ordinances of all governmental authorities or agencies having jurisdiction over the Demised Premises and of all insurance bodies (including, without limitation, the Board of Fire Underwriters) at any time duly issued or in force, applicable to the Demised Premises or any part thereof or to Tenant's use thereof, including, without limitation the Americans with Disabilities Act ("ADA") (collectively "**Laws**" or, as the context requires, "**law**" or "**laws**"). Tenant agrees to provide Landlord with immediate notice of the need for any of the foregoing maintenance, repairs, replacements, or modifications, and Landlord shall perform, or cause to be performed, all of the same with the costs incurred therefor to be paid by Tenant immediately upon demand as Additional Rent.

(ii) Landlord represents, warrants and covenants that, as of the Commencement Date, to the best of its knowledge, the Demised Premises and the Building Common Areas shall be in material compliance with all applicable laws of all governmental authorities, including, without limitation, the ADA, provided that Tenant shall, after the date of delivery of possession of the Demised Premises to Tenant, be responsible for any ADA compliance necessitated due to Tenant's work or alterations performed by Tenant in the Demised Premises or if ADA compliance is otherwise necessitated due to Tenant's specific use and occupancy or density in the Demised Premises.

(c) Landlord shall maintain and repair the Building Common Areas, the costs of which shall be passed through as an Operating Expense to the extent permitted in Paragraph 3 but subject to the obligations of Tenant to pay for the same as a direct Additional Rent expense as specifically provided in this Paragraph 5. Such maintenance and repair shall specifically include (i) maintenance and repairs to the Building Systems (as hereinafter defined) to the extent such systems service the Demised Premises in common with other leasable areas (but specifically excluding from Landlord's obligations the distribution portions of such Building Systems located within the Demised Premises and specifically excluding the fixtures and systems serving the Demised Premises exclusively, in which case Landlord shall make such repair and/or modification, but Tenant shall pay to Landlord the costs incurred therefor immediately upon demand as Additional Rent) and (ii) any structural maintenance or repairs to the Building. In addition, Landlord shall perform all maintenance and make all repairs to the Common Areas of the Building and to the Land that are necessary to comply with any applicable Laws, the costs of which shall be passed through to the Building tenants as an Operating Expense, unless excluded therefrom under the provisions of Paragraph 3. As used herein, the term "**Building Systems**" shall be defined as the HVAC (including, without limitation, the VAV boxes located in the Demised Premises), plumbing, electrical (including, without limitation, the Building standard ceiling light fixtures and wiring in the Demised Premises), and fire safety systems (including, without limitation, sprinklers) serving the Building.

(d) Upon the Expiration Date or sooner termination of this Lease, Tenant shall deliver up the Demised Premises broom clean, lien-free, in good order and condition (wear and tear from a reasonable use thereof and damage by casualty excepted), and otherwise in the condition required under this Lease, subject to any restoration obligations of Tenant which may be expressly provided in Section 6 below.

6. Tenant Improvements, Alterations, and Installations.

(a) All equipment, improvements, additions, alterations, installations attached to the Demised Premises in a manner to be deemed fixtures to the real estate and any Tenant Improvements (excluding Tenant's trade fixtures, business equipment, movable partitions, personal property, and any Special Alterations (as defined hereinafter) required to be removed by Tenant upon the expiration or sooner termination of this Lease) shall become the property of Landlord upon installation. Not later than the last day of the Term, Tenant shall, at its expense, remove from the Demised Premises all of Tenant's trade fixtures, business equipment, movable partitions, personal property, and any Special Alterations which Landlord elects to have removed pursuant to this Paragraph 6. Tenant, at its sole cost and expense, shall repair all damage in connection with the installation or removal of the Special Alterations required to be removed and restore the affected area to the condition existing prior to such installation. Any equipment, fixtures, goods, or other property of Tenant not removed by Tenant upon the termination of this Lease or upon any quitting, vacating, or abandonment of the Demised Premises by Tenant shall be considered abandoned, and Landlord shall have the right, without any notice to Tenant, to sell or otherwise dispose of the same, at the expense of Tenant, and shall not be accountable to Tenant for any part of the proceeds of such sale, if any. Landlord may have any such property stored at Tenant's risk and expense.

(b) Tenant, without Landlord's prior consent, shall have the right to make non-structural Alterations in or to the Demised Premises that (i) involve a total cost of not more than Twenty-five Thousand and 00/100 Dollars ($25,000.00); (ii) do not require a building permit to be issued by any governmental authority to make same legally; (iii) do not affect any Building Systems inside or outside the Demised Premises; and (iv) do not result in a violation of the Permitted Use of the Demised Premises. No other Alterations (structural or non-structural) shall be made by Tenant without Landlord's express prior written approval using its sole discretion; however, Landlord shall not unreasonably withhold approval of Alterations of a non-structural nature that do not affect any Building System. Whether or not the proposed Alteration requires Landlord's consent, Tenant shall give Landlord prior written notice of any proposed alterations, installations, additions, or improvements ("**Alterations**") with copies of proposed plans and as-built plans upon completion of the Alterations. Tenant acknowledges the proposed plans and the as-built plans, both of which shall be complete, detailed, and accurate, shall be provided to Landlord on AutoCAD disks. Landlord shall have the right to elect that Tenant remove from the Demised Premises at the expiration or sooner termination of the Term of the Lease any non Building-standard, specialty or unusual alterations, construction or installations made to, or installed by Tenant in, the Demised Premises or the Building, or made to, or installed by Landlord in, the Demised Premises or the Building as part of the initial Tenant Improvements (such as, without limitation, interior staircases, raised flooring, vaults and safes, and other installations and equipment and the like on or in any portion of the Building approved by Landlord in accordance with applicable provisions of this Lease) (herein collectively called "**Special Alterations**"), as determined by Landlord it its sole but reasonable discretion, which election shall be made by Landlord in such notice to be delivered to Tenant responding to Tenant's written request for Landlord's approval of Tenant's Alterations, as provided herein (or, in the case of Special Alterations which are part of the Tenant Improvements, any written notice from Landlord to Tenant after Landlord receives final construction documents for the Tenant Improvements, as provided in Exhibit B). The foregoing notwithstanding, Tenant shall have no obligation to remove or restore the Tenant Improvements or Alterations other than any part of the foregoing that constitute Special Alterations. In connection with Landlord's or its agents or other professionals review, modification, approval, supervision or coordination of plans and specifications for any of Tenant's Alterations, Tenant shall promptly upon demand therefor reimburse Landlord or its agents or other professionals for any reasonable out of pocket fees, expenses and other charges actually incurred in connection with the review, modification, approval, supervision or coordination of such plans and specifications. Landlord shall have the right to elect that Tenant remove any Special Alteration made to the Demised Premises prior to the expiration of the Lease and to restore the Demised Premises to the condition existing prior to said Special Alterations. All such Alterations shall be done at Tenant's sole expense, and the making thereof shall not interfere with the use of the Building by other tenants. Tenant agrees to indemnify, defend, and hold harmless Landlord and all Landlord Parties (as hereinafter defined) from any and all costs, expenses, claims, causes of action, damages, and liabilities of any type or nature whatsoever (including, but not limited to, attorneys' fees and costs of litigation) arising out of or relating to the making of the Alterations by Tenant. The foregoing indemnity shall survive the expiration or sooner termination of this Lease. Nothing herein contained shall be construed as constituting the permission of Landlord for a mechanic or subcontractor to file a construction lien claim against the Demised Premises, the Building, Land and/or the Complex, and Tenant agrees to secure the removal of any such construction lien that a contractor purports to file against the Demised Premises, the Building, Land and/or the Complex, by payment or otherwise pursuant to law as provided further in this Lease. All Alterations shall be effected in compliance with all applicable Laws.

(c) Notwithstanding anything herein to the contrary, any work performed at the Building or on the Demised Premises by Tenant or Tenant's contractor shall be subject to the following additional requirements:

(1) Such work shall not proceed until Landlord has approved (which approval shall not be unreasonably withheld or delayed) in writing: (A) Tenant's contractor, (B) the amount and coverage of liability and property damage insurance, with all Additional Insureds named as additional insureds, carried by Tenant's contractor, (C) complete and detailed plans and specifications for such work, as set forth above, and (D) a schedule for the work.

(2) All work shall be done in conformity with a valid permit when required, a copy of which shall be furnished to Landlord before such work is commenced. In any case, all such work shall be performed in accordance with all applicable Laws. Notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to comply with applicable Laws. Approval by Landlord of any plan, specification, or other material relating to the design or construction of any proposed Alteration shall not constitute a representation or warranty that the same is properly designed to perform the function for which it is intended or complies with any applicable Laws.

(3) Tenant shall not permit the use of any contractors, workers, labor, material, or equipment in the performance of the Alterations if the use thereof, in Landlord's judgment, will disturb the harmony, or contribute to any labor dispute, with any trade engaged in performing any other work, labor, or service in or about the Demised Premises, the Building, or the Complex.

(4) Tenant shall cause its contractors to adhere to the Contractor Regulations attached hereto as Exhibit G attached hereto and made a part hereof.

(d) Notwithstanding anything herein to the contrary, Landlord reserves the right, in the event any work to be performed by Tenant under this Lease affects the Building Systems and/or any structural components of the Building, to perform such work at Tenant's cost and expense. Tenant shall reimburse Landlord for such costs, due and payable as Additional Rent, within thirty (30) days following Landlord's written demand therefor.

(e) Tenant acknowledges the terms of this Paragraph 6 (including, but not limited to, Landlord's approval when required) shall also apply to all maintenance, repair, and replacement work for which Tenant is responsible.

7 . Various Negative Covenants by Tenant. Tenant agrees that it shall not, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion:

(a) do anything in or near the Demised Premises that will increase the rate of fire insurance on the Building;

(b) permit the accumulation of waste or refuse matter in or near the Demised Premises, except in containers provided therefor;

(c) except as expressly permitted herein, permit any signs, lettering, or advertising matter to be erected or attached to the Demised Premises that is visible from outside of the Demised Premises;

(d) mortgage, hypothecate, pledge, assign, transfer, or sublet all or a portion of the Demised Premises or this Lease, as the case may be, except to the extent specifically permitted in Paragraph 27; or

(e) encumber or obstruct the Common Areas surrounding the Demised Premises, nor cause the same to be encumbered or obstructed, nor encumber or obstruct any access ways to the Demised Premises, nor cause the same to be encumbered or obstructed.

8. Various Affirmative Covenants of Tenant. Tenant covenants and agrees that Tenant will:

(a) At any time and from time to time execute, acknowledge, and deliver to Landlord, or to anyone Landlord shall designate, within ten (10) days of receipt of request therefor, a tenant estoppel certificate in form reasonably acceptable to Landlord or to the financial institutions requesting the same relating to matters customarily included in tenant estoppel certificates. Notwithstanding anything herein to the contrary, in the event Tenant fails to return the requested estoppel certificate within such ten (10) day period, then the estoppel certificate shall be deemed accepted as complete and accurate by Tenant.

(b) Faithfully observe and comply with the rules and regulations attached hereto and made a part hereof as Exhibit C and such additional rules and regulations as Landlord may hereafter at any time or from time to time communicate in writing to Tenant, and which, in the reasonable judgment of Landlord, shall be necessary or desirable for the reputation, safety, care, or appearance of the Building or the Complex, or the preservation of good order therein, or the operation or maintenance of the Building or Complex, or the equipment thereof, or the comfort of tenants or others in the Building or Complex; provided, however, in the case of any conflict between the provisions of this Lease and any such rule or regulation, the provisions of this Lease control. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the rules and regulations or the terms, covenants, or conditions in any other lease as against any other tenant, and Landlord shall not be liable to Tenant for violation of any rule or regulation by any other tenant, its employees, agents, visitors, invitees, subtenants, or licensees.

9 . Building Directory and Signage. Landlord shall, at Landlord's sole cost and expense, maintain the name of Tenant on the digital directory located in the Building lobby. Said directory, which shall not include any individual names of Tenant's employees, shall be Building-standard. Tenant shall not be permitted to install any signage on or about the entrance to, or on the door(s) to, the Demised Premises. Notwithstanding the foregoing, Tenant may, at its sole cost and expense, install a sign on the back wall of the interior reception area of the Demised Premises provided it is reasonably approved by Landlord, and there is no restriction on Tenant's installation of other signage to be erected or attached inside of the Demised Premises provided it is not visible from outside of the Demised Premises or the Building. At Landlord's sole cost and expense, Tenant shall be listed on the Building-standard directional way-finding signage installed by Landlord in the lobby of the floor on which the Demised Premises is located. All signage described in this Article 9 shall be consistent with the Building standard and shall meet the requirements of all local ordinances and codes and Complex covenants and shall be as determined in accordance with the Building standards as to aesthetics, size of lettering, location and style and type of signage, and no neon or so – called "moving", lighted or "holographic" signage shall be permitted. Any additional signage desired to be installed by Tenant shall be at Tenant's sole cost and expense, shall be subject to Landlord's prior written consent, shall be consistent with the Building standard and shall meet the requirements of all local ordinances and codes and Complex covenants and shall be as determined by Landlord as to aesthetics, size of lettering, location and style and type of signage, and no neon or so – called "moving", lighted or "holographic" signage shall be permitted.

10. Casualty and Insurance.

(a) In the event of partial or total destruction of the Building or of the Demised Premises by reason of fire or any other cause, Tenant shall immediately notify Landlord of the same. Unless Landlord elects by notice to Tenant within ninety (90) days of said destruction not to restore and rebuild the Building and/or Demised Premises, Landlord shall promptly perform such restoration (excluding those items Tenant is required under this Lease to insure, by way of example and not limitation, Tenant's Alterations, trade fixtures, furniture, equipment, and personal property), but only to the extent of the insurance proceeds covering such damage actually received by Landlord and subject to the terms and conditions contained in this Paragraph 10. If Landlord elects to terminate this Lease, this Lease shall terminate upon the date specified in Landlord's notice. During the period of any restoration, if any portion of the Demised Premises is rendered untenantable by said damage, Tenant waives the benefit of N.J.S.A. 46:8-6 and 46:8-7 and agrees Tenant will not be relieved of its obligation to pay Fixed and Additional Rent in case of damage to or destruction of the Demised Premises or the Building, except with respect to the portion of the Fixed and Additional Rent herein reserved relating to the untenantable portion of the Demised Premises. Tenant acknowledges Landlord will not carry insurance on Tenant's Alterations, trade fixtures, furniture, equipment, and personal property; therefore, Tenant agrees Landlord shall have no obligation to repair any damage to the same regardless of cause of loss whatsoever, and Tenant shall be responsible for the prompt restoration of the same upon delivery of the restored area by Landlord to Tenant.

(b) Tenant shall, at Tenant's sole cost and expense, except to the extent prohibited by law with respect to worker's compensation insurance, for the benefit of Tenant, Landlord, and any Additional Insured (as hereinafter defined) and/or any other additional insured as Landlord shall from time to time reasonably determine, maintain or cause to be maintained (i) commercial general liability insurance coverage with a limit of not less than One Million and 00/100 Dollars ($1,000,000.00) per each occurrence and Two Million and 00/100 Dollars ($2,000,000.00) in the aggregate (the "**CGL**"). If the CGL contains a general aggregate, it shall apply separately to the Demised Premises. The CGL shall be written on ISO occurrence form CG00011093 or a substitute providing equivalent coverage and shall cover liability arising from the Demised Premises, operations, independent contractors, personal injury (including death), advertising liability, and contractual liability.; (ii) worker's compensation insurance, in minimum limits as required by the State of New Jersey (as the same may be amended from time to time), covering all persons employed in connection with the construction of any improvements by Tenant and the operation of its business upon the Demised Premises; (iii) Special Causes of Loss ("all risk") property coverage on all of Tenant's Alterations, trade fixtures, furniture, equipment, and personal property, including, but not limited to, rent loss coverage in an amount not less than twelve (12) months' rental income, standard fire and theft insurance in or to the Demised Premises, to the extent of their full replacement value; (iv) terrorism insurance covering against physical damage or loss to property resulting from acts of terrorism; (v) employer's liability insurance, in an amount not less than One Million and 00/100 Dollars ($1,000,000.00) for each accident, One Million and 00/100 Dollars ($1,000,000.00) disease-policy limit, and One Million and 00/100 Dollars ($1,000,000.00) disease-each employee, (or such greater amount as may be mandated by legal requirements), for all employees of Tenant engaged in any work in or about the Demised Premises; (vi) comprehensive automobile liability insurance (covering all owned, non-owned and hired vehicles), in an amount of not less than One Million and 00/100 Dollars ($1,000,000.00) for each accident and One Million and 00/100 Dollars ($1,000,000.00) annual aggregate; (vii) commercial umbrella liability coverage, in an amount not less than Two Million and 00/100 Dollars ($2,000,000.00) per occurrence and Two Million and 00/100 Dollars ($2,000,000.00) annual aggregate (including general liability insurance, auto liability insurance and employer's liability insurance as underlying coverages); and (viii) products/completed operation liability coverage, in an amount not less than Five Million and 00/100 Dollars ($5,000,000.00) per each occurrence, and Five Million and 00/100 Dollars ($5,000,000) annual aggregate. The commercial umbrella liability coverage shall be consistent and follow form with the primary coverage. If, in the opinion of any mortgagees or ground lessors of the Land and/or the Building, the foregoing coverages and/or limits shall become inadequate or less than that commonly maintained by prudent tenants in similar buildings in the area by tenants making similar uses, Landlord shall have the right to require Tenant to increase its insurance coverage and/or limits. Any deductibles or self-insured retention applicable to the above insurance shall be subject to Landlord's prior approval. All such insurance (except worker's compensation and employer's liability insurance) shall, to the extent permitted by law, name any management agents, mortgagees and ground lessors of the Land and the Building and any owners, management agents, mortgagees, and ground lessors of other portions of the Complex, and their successors and assigns (the "**Additional Insureds**") and Landlord, as additional insureds, on a primary non-contributory basis, and shall be written by an insurance carrier authorized to do business in the State of New Jersey and that is rated at least A- XII by A.M. Best Company, Oldwick, New Jersey.

(c) Prior to the Commencement Date and prior to the expiration of any insurance policy, Tenant shall deliver to Landlord a certificate of each policy required under this Lease, which certificate shall be in a form reasonably satisfactory to Landlord and shall, at a minimum: (i) specify the additional insured status of Landlord and of the Additional Insureds, (ii) evidence the waiver of subrogation required pursuant to Paragraph 10(d), and (iii) provide that said policy shall not be reduced in amount (or otherwise materially changed) or canceled or lapse without providing to Landlord at the address specified in Paragraph 18 of this Lease at least thirty (30) days' written notice of such reduction (or other material change), cancellation, or lapse. Tenant agrees to provide to Landlord timely renewal certificates as the coverage renews. Notwithstanding anything herein to the contrary, all policies required to be effected by Tenant under this Lease shall be maintained in force throughout the Term or any Renewal Term.

(d) Landlord and Tenant waive all rights against each other and any of their respective contractors, agents, employees, and the Additional Insureds for any damages caused by fire or any other perils covered by any insurance policy which the waiving party is required to carry under this Paragraph 10. In addition, during the Term, all insurance policies shall contain a waiver of subrogation, to the extent permitted under applicable law. Landlord and Tenant agree that their respective insurance policies represent the sole recourse for loss or damage insured by such policies up to the limits of such policies, and each waive all rights to recover from the other for any loss or damage. Landlord and Tenant shall, upon written request of the other party (made not more frequently than two (2) times each twelve (12) month period during the Term), furnish evidence of such currently effective waiver which shall be in customary form.

(e) [Intentionally Omitted.]

(f) Except with regards to Tenant's property, worker's compensation and employer's liability policies, each insurance policy required to be maintained under this Lease shall state that all provisions of each such insurance policy, except for the limits of liability, shall operate in the same manner as if a separate policy had been issued to each person or entity insured thereunder.

(g) Each insurance policy required to be maintained by Tenant under this Lease shall state that the insurance provided thereunder is primary insurance without any right of contribution from any other insurance which may be carried by or for the benefit of Landlord or the Additional Insureds.

(h) Each insurance policy required to be maintained under this Lease shall recognize the indemnification set forth in Paragraph 11 of this Lease, to the extent that such indemnification is insurable.

(i) The failure of Tenant to maintain any of the insurance required under this Lease, or to cause to be provided in any insurance policy the requirements set forth in this Paragraph 10, shall constitute a default under this Lease.

(j) Landlord shall maintain or cause to be maintained, at a minimum: (i) commercial general liability insurance with respect of the Building and the conduct and operation of its business therein, with combined base and umbrella coverage limits of not less than Ten Million and 00/100 Dollars ($10,000,000.00) for bodily injury or death and property damage in any one occurrence, including water damage and sprinkler leakage legal liability; and (ii) special causes of loss insurance (including, without limitation, rent insurance) with respect to the Building, including, without limitation, the Common Areas, (but not including the property Tenant is required to insure under Paragraph 10(b) and similar property of other tenants and occupants in the Building) for the benefit of the Additional Insureds, as their interests may appear. Landlord's property coverage insurance with respect to the Building shall be in the amount of full replacement value (exclusive of foundation and excavation). Landlord shall have the right to provide any insurance maintained or caused to be maintained by it under blanket policies provided that such policies shall in all other respects comply with the requirements of this Paragraph 10(j). The cost of maintaining the insurance required of Landlord under this subparagraph (j) shall be an Operating Expense under Paragraph 3 hereof.

11. Indemnification. (a) Subject to the releases and waivers of subrogation contained in or required by this Lease, Tenant shall indemnify, defend and hold harmless Landlord and the Additional Insureds (collectively, " **Landlord Parties**"), from and against any expense (including without limitation, reasonable attorneys' fees and expenses), loss, liability or damages (excluding special, indirect or consequential damages, except as may be provided as a remedy to Landlord in Articles 13 or 31 hereof) suffered or incurred as a result of any breach by Tenant of its obligations contained in this Lease or as a result of the negligent acts or omissions or the willful misconduct of Tenant or Tenant's agents, servants, invitees, contractors or employees. The liability of Tenant to indemnify Landlord, as hereinabove set forth, (i) shall not extend to liability resulting solely from the negligence or willful misconduct of Landlord and Landlord's contractors, agents or employees, (ii) shall be in proportion to Tenant's allocable share of any joint negligence or willful misconduct with Landlord, and (iii) shall not extend to any matter against which Landlord shall be effectively protected by insurance; provided, however, that if any such liability shall exceed the amount of the effective and collectable insurance in question, the said liability of Tenant shall apply to such excess.

(b) Subject to the releases and waivers of subrogation contained in or required by this Lease, Landlord shall indemnify, defend and hold harmless Tenant, from and against any expense (including without limitation, reasonable attorneys' fees and expenses), loss, liability or damages (excluding special, indirect or consequential damages) suffered or incurred as a result of any breach by Landlord or Landlord's agents, guests, invitees, contractors or employees, of its obligations contained in this Lease or as a result of the negligent acts or omissions or the willful misconduct of Landlord or Landlord's agents, guests, invitees, contractors or employees. The liability of Landlord to indemnify Tenant, as hereinabove set forth, (i) shall not extend to liability resulting solely from the negligence or willful misconduct of Tenant and Tenant's contractors, agents or employees, (ii) shall be in proportion to Landlord's allocable share of any joint negligence or willful misconduct with Tenant, and (iii) shall not extend to any matter against which Tenant shall be effectively protected by insurance; provided, however, that if any such liability shall exceed the amount of the effective and collectable insurance in question, the said liability of Landlord shall apply to such excess.

(c) The indemnities set forth in this Paragraph 11 shall survive the Expiration Date or sooner termination of the Term of this Lease.

12. Non-Liability of Landlord. Except for any claims arising from the negligence or willful misconduct of Landlord, Landlord shall not be liable for (and Tenant shall make no claim for) any property damage or personal injury that may be sustained by Tenant or by any other person as a consequence of the failure, breakage, leakage, inadequacy, defect, or obstruction of the water, plumbing, steam, sewer, waste or soil pipes, roof drains, leaders, gutters, valleys, downspouts, or the like or of the electrical, gas, power, conveyor, refrigeration, sprinkler, air conditioning, or heating systems, elevators or hoisting equipment; or by reason of the elements; or resulting from the carelessness, negligence, or improper conduct on the part of any other tenant of Landlord or on the part of Landlord's or Tenant's or any other tenant's agents, employees, guests, licensees, invitees, subtenants, assignees, or successors; or attributable to any interference with, interruption, or failure of any services or utilities to be furnished or supplied by Landlord. Tenant shall give Landlord prompt written notice of the occurrence of any events set forth in this Paragraph 12.

13. Remedies and Termination Upon Tenant Default.

(a) In the event:

(i) Tenant shall default in the payment of any Fixed Rent, or any Additional Rent, or other charge payable monthly hereunder by Tenant to Landlord, on any date upon which the same becomes due, and such default shall continue for five (5) days after the same becomes due; or

(ii) Tenant shall default in the payment of any Additional Rent which is not due and payable hereunder on a monthly basis, on any date upon which the same becomes due after notice thereof together with reasonable substantiating information showing the amount due, and such default shall continue for ten (10) days after Landlord shall have given to Tenant a written notice specifying such default; or

(iii) Tenant shall default in the due keeping, observing, or performing of any covenant, agreement, term, provision, or condition of Paragraph 1(c) of this Lease on the part of Tenant to be kept, observed, or performed and if such default shall continue and shall not be remedied by Tenant within three (3) Business Days after Landlord shall have given to Tenant a written notice specifying the same;

(iv) Tenant shall default due to the designation of Tenant as an "industrial establishment" under ISRA, the change of Tenant's SIC or NAICS Number to fall within any of the SIC or NAICS Numbers for which ISRA is now or may hereafter be applicable or the failure of Tenant to otherwise comply with any of the other environmental Laws;

(v) Tenant shall default in the execution and delivery of a complete, accurate estoppel certificate within the period referenced in Paragraph 8(a);

(vi) Tenant shall default in the continuous maintenance of the insurance required of Tenant under Paragraph 10;

(vii) Tenant shall default in providing any information and submission within a reasonable time as required under ISRA, and the same is not cured within five (5) Business Days of notice of non-compliance;

(viii) Tenant shall have been in default under the terms of this Lease more than three (3) times in any twelve (12) month period, notwithstanding any subsequent cure of the default; and/or

(ix) Tenant shall default in the due keeping, observing, or performing of any covenant, agreement, term, provision, or condition of this Lease on the part of Tenant to be kept, observed, or performed (other than a default of the character referred to in clauses (i) – (viii) of this Paragraph 13(a)), and if such default shall continue and shall not be remedied by Tenant within fifteen (15) days after Landlord shall have given to Tenant a written notice specifying the same;

then, Landlord may, in addition to any other remedies herein contained, as may be permitted by law, without being liable for prosecution therefor, or for damages, re-enter the Demised Premises and have and again possess and enjoy the same; and as agent for Tenant or otherwise, re-let the Demised Premises and receive the rents therefor and apply the same first to the payment of such expenses, reasonable attorneys' fees and costs, as Landlord may have been put to in re-entering and repossessing the same and in making such repairs and alterations as may be necessary and second to the payment of the rents due hereunder. In addition to any post-judgment collection fees, Tenant shall remain liable for such rents as may be in arrears and also the rents as may accrue subsequent to the re-entry by Landlord to the extent of the difference between the rents reserved hereunder and the rents, if any, received by Landlord during the remainder of the unexpired Term hereof, after deducting the aforementioned expenses, fees, and costs; the same to be paid as such deficiencies arise and are ascertained each month. In addition, Landlord, at its option, may require Tenant to pay in a single lump sum payment, at the time of such termination or re-entry, as the case may be, a sum which represents the present value (using a discount rate of four (4%) percent per annum) of the excess of the aggregate of the Fixed Rent and Additional Rent that would have been payable by Tenant for the period commencing with such termination or re-entry, as the case may be, and ending on the originally fixed Expiration Date of the Term, over the aggregate fair market rental value of the Demised Premises for the same period.

(b) Upon the occurrence of any of the contingencies set forth in the preceding subparagraph (a) of this Paragraph 13, or should Tenant be adjudicated bankrupt or insolvent or placed in receivership, or should proceedings be instituted by or against Tenant for bankruptcy, insolvency, receivership, agreement of composition, or assignment for the benefit of creditors, or if this Lease or the estate of Tenant hereunder shall pass to another by virtue of any court proceedings, writ of execution, levy, sale, or by operation of law, Landlord may, if Landlord so elects, at any time thereafter, terminate this Lease and the Term hereof, upon giving to Tenant or to any trustee, receiver, assignee, or other person in charge of or acting as custodian of the assets or property of Tenant, five (5) days' notice in writing of Landlord's intention so to do. Upon the giving of such notice, this Lease and the Term hereof shall end on the date fixed in such notice as if the same date were the Expiration Date; and Landlord shall have the right to remove all persons, goods, fixtures, and chattels therefrom by force or otherwise without liability for damages. The foregoing shall not be deemed to limit Landlord's remedies set forth herein.

(c) Tenant hereby appoints Landlord attorney-in-fact, irrevocably, to execute and deliver, on behalf of Tenant, any document reasonably needed by Landlord during any period Tenant is in default of any terms and provisions of this Lease beyond any applicable notice and cure period.

1 4 . Remedies Cumulative; Non-Waiver. The various rights, remedies, options, and elections of either party expressed herein are cumulative, and the failure of a party to enforce strict performance by the other party of the conditions and covenants of this Lease, to exercise any election or option, or to resort or have recourse to any remedy herein conferred, or the acceptance by the owed party, as applicable, or the payment by the owing party, as applicable, of any amount after any breach by such party, as the case may be, in any one or more instances, shall not be construed or deemed to be a waiver or a relinquishment for the future by such party of any such conditions and covenants, options, elections, or remedies, but the same shall continue in full force and effect.

15. Services; Electric Energy

(a) During Business Hours, Landlord shall (i) supply heating, ventilation, and air conditioning to the Demised Premises in accordance with the HVAC specifications attached hereto as Exhibit F; (ii) provide snow and ice removal for the parking area, sidewalks, and driveways in a reasonably expeditious manner; and (iii) provide refuse removal from a dumpster to be provided on site to be used for normal paper waste attendant to an office building. Tenant agrees at all times to cooperate fully with Landlord and to abide by all the regulations and requirements that Landlord may prescribe for the proper functioning and protection of such air conditioning system. Landlord shall clean the Demised Premises in accordance with the cleaning schedule annexed hereto as Exhibit D. The cost of the services and utilities provided pursuant to this Paragraph 15(a) is included in Operating Expenses, as defined in Paragraph 3(a).

(b) Provided Tenant is not then in default of this Lease, Landlord shall provide to Tenant overtime services and utilities when and to the extent reasonably requested by Tenant in writing at least one (1) Business Day in advance and not later than 12:00 p.m. eastern time on such Business Day, or when activated by Tenant's use of an overtime thermostat and time clock, and in accordance with such reasonable conditions as shall be determined by Landlord. Tenant shall pay to Landlord, as Additional Rent, a charge determined by Landlord for such additional service and utilities, which charge shall cover all costs and expenses of Landlord in providing such overtime services, including, without limitation, the cost of the utility usage, the cost of maintenance, repairs, inspections of such Building Systems, the depreciation of such Building Systems, and employee and administrative costs related to such services. Such charge shall constitute a direct charge to Tenant and not an Operating Expense as defined in Paragraph 3. The cost of HVAC overtime usage is currently at the rate of $75.00 per hour, and after the date hereof said hourly charge may be increased based upon the increase in costs and expenses of Landlord in providing such overtime services as provided above. Tenant's usage of any HVAC overtime usage as contemplated herein shall be payable by Tenant as hereinabove set forth. As of the date hereof, there is no charge for freight elevator service in the Building, other than for overtime services as provided above. There is no separate charge for use of the Building loading dock (if any). Any usage of the freight elevator and the loading dock shall be subject to such reasonable conditions, rules and regulations as shall be determined by Landlord.

(c) (i) Landlord reserves the right, without liability to Tenant and without constituting any claim of constructive eviction, to stop or interrupt any heating, lighting, ventilating, air conditioning, gas, steam, power, electricity, water, or other service and to stop or interrupt the use of any building or Building facilities at such times as may be necessary and for as long as may reasonably be required by reason of accidents, strikes, or the making of repairs, alterations, or improvements, or inability to secure a proper supply of fuel, gas, steam, water, electricity, labor or supplies, or by reason of any other similar or dissimilar cause beyond the reasonable control of Landlord. No such stoppage or interruption shall entitle Tenant to any diminution or abatement of rent or other compensation, nor shall this Lease or any of the obligations of Tenant be affected or reduced by reason of any such stoppage or interruption.

(ii) Notwithstanding anything to the foregoing, provided Tenant is not in default of this Lease (beyond the expiration of any applicable notice or cure period which may be expressly provided for herein), if there is a failure by Landlord to furnish any HVAC, electrical power, domestic water service, elevator service or any other essential services which under the express terms of this Lease is required to be provided by Landlord (collectively, "Essential Services"), and such service interruption (i) is caused as a result of the gross negligence or willful misconduct of Landlord or its agents, employees or contractors (as opposed to a Force Majeure Delay) and (ii) Tenant is prevented thereby from using the entire Demised Premises or a Material Portion (hereafter defined) thereof and conducting its business operations for longer than five (5) consecutive Business Days in the entire Demised Premises or such Material Portion, Tenant shall be entitled to an abatement of Fixed Rent and Additional Rent for Tenant's Proportionate Share of increases in Operating Expenses and Real Estate Taxes of one (1) day for each day such Essential Service interruption continues beyond such five (5) consecutive Business Days period; provided, that to the extent such failure relates to a Material Portion of the Demised Premises, such abatement of Fixed Rent and Additional Rent for Tenant's Proportionate Share of increases in Operating Expenses and Real Estate Taxes shall be in an amount bearing the same ratio that the Material Portion of the Demised Premises bears to the entire Demised Premises. As used herein, the term "**Material Portion**" means twenty-five percent (25%) or more of the rentable square feet of the Demised Premises. Tenant's right to a rent abatement as set forth in this Subparagraph (c)(ii) shall be Tenant's sole and exclusive remedy under this Lease, at law or equity, or otherwise, for any Landlord's failure to provide the aforesaid Essential Services in the condition required by this Lease. Except as may be otherwise expressly provided for herein, the exercise of any such right or the occurrence of any such failure by Landlord shall not (a) constitute an actual or constructive eviction, in whole or in part, (b) entitle Tenant to any compensation or diminution of Fixed Rent or Additional Rent, (c) relieve Tenant from any of its obligations under the Lease except as otherwise provided herein or (d) impose any liability upon Landlord by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise.

(d) Landlord shall furnish to Tenant, through the transmission facilities installed in the Building, electric energy to be redistributed and used by Tenant, at Tenant's expense as provided for in this Paragraph 15, in the Demised Premises. The electricity shall be in such reasonable quantity as shall be sufficient to meet Tenant's ordinary business needs for customary office use for lighting and the operation of its business machines, including, without limitation, photocopy equipment and computer and data processing equipment, provided that Landlord shall not be obligated to provide such electrical energy in any amount in excess of six (6) watts of connected load per rentable square foot of the Demised Premises (exclusive of HVAC). Tenant's use of electric current in the Demised Premises shall not at any time exceed the capacity of any of the electrical conductors and facilities in or otherwise serving the Demised Premises.

(e) In consideration of the electric energy furnished by Landlord to Tenant as above provided, Tenant shall pay to Landlord as Additional Rent, the sum of One and 75/100 Dollars ($1.75) times the rentable square feet of the Demised Premises per annum (calculated as $6,970.25 per annum, $580.85 per month), payable in equal monthly installments, together with, and in addition to, the Monthly Fixed Rent payable hereunder. Tenant will pay, in addition to the electricity charges described above, a sum equal to the percentage of increment in the aforesaid electricity charges caused by any increase in utility rates, charges, fuel adjustment, or by taxes of any kind imposed thereon, or for any other reason, during each Lease Year after the Initial Year. Landlord shall furnish to Tenant in writing its written demand for such costs, together with a breakdown and computation of the basis for such increase. Landlord may, from time to time, at its sole discretion, employ at its own cost and expense a recognized professional consultive agency which shall calculate Tenant's use of such electrical current in the Demised Premises and shall compute the charges for the use so determined at Landlord's then current rates charged generally to tenants of the Building therefor, and Tenant shall pay such charges as Additional Rent in the manner set forth above in lieu of the aforesaid Additional Rent for electric energy of the Demised Premises. Written notices of revised electric energy usage charges shall be rendered from time to time in accordance with this provision, and shall be due and payable at the same time as the next following monthly increment of Monthly Fixed Rent shall be due from the Tenant (but not earlier than fifteen (15) days after such notice). A default in payment of such bills shall be treated as a default in the payment of Monthly Fixed Rent. Landlord shall not in any way be liable or responsible to Tenant for any loss, damage, expenses and causes beyond Landlord's control, which Tenant may sustain or incur if either the quantity or character of electric service is changed.

(f) If the cost to Landlord of electricity shall have been increased or decreased subsequently, by change in Landlord's electric rates, charges, fuel adjustment, or by taxes of any kind imposed thereon, or for any other reason, then the aforesaid electricity charge shall be increased or decreased in the same percentage.

(g) If Landlord discontinues furnishing electric energy to Tenant, Tenant shall arrange to obtain electric energy directly from the public utility company furnishing electric service to the Building. Such electric energy may be furnished to Tenant by means of the then existing Building System feeders, risers, and wiring to the extent that the same are available, suitable and safe for such purposes. All meters and additional panel boards, feeds, risers, wiring, and other conductors and equipment that may be required to obtain electric energy directly from such public utility company shall be installed by Landlord at its expense. There shall be no discontinuance of the furnishing of electric current to the Demised Premises by Landlord until Tenant has completed its arrangements to obtain electric current directly from the public utility company furnishing electric current to the Building so that there is no interruption in the continuity of electric service. Tenant's obligation to pay for electricity as part of Operating Expenses shall be limited to electricity provided in the Common Areas.

(h) In the event that Tenant shall require electric energy for use in the Demised Premises in excess of the quantity to be initially furnished pursuant hereto and if, in Landlord's judgment, such excess requirements cannot be furnished unless additional risers, conduits, feeders, switchboards, and/or appurtenances are installed in the Building, Landlord, upon written request of Tenant, shall proceed with reasonable diligence to install such additional risers, conduits, feeders, switchboards, and/or appurtenances, provided the same and the use thereof shall not cause permanent damage or injury to the Building or the Demised Premises, or cause or create a dangerous or hazardous condition, or entail excessive or unreasonable alterations or repairs, or interfere with or disrupt other tenants or occupants of the Building, and Tenant agrees to pay all costs and expenses incurred by Landlord in connection with such installation on demand as Additional Rent.

(i) Landlord, at Tenant's expense, shall purchase and install all lamps (including, but not limited to, incandescent and fluorescent), starters, and ballasts used in the Demised Premises.

(j) In order that Landlord may at all times have all necessary information which it requires in order to maintain and protect its equipment, Tenant shall not make any material alteration or material addition to the electrical equipment and/or appliances in the Demised Premises without the prior written consent of Landlord in each instance, which Landlord may withhold in its sole discretion, and shall promptly advise Landlord of any other alteration or addition to such electrical equipment and/or appliances. Tenant agrees to advise Landlord in writing as to any material change in the periods of use of the lighting fixtures and Tenant's business machines and equipment.

16. Subordination. (A) This Lease is subject and subordinate in all respects to any underlying leases, ground leases, licenses, or agreements, and to all mortgages which may now or hereafter be placed on or affect such leases, licenses, or agreements or the Land or the Demised Premises, and also to all renewals, modifications, consolidations, and extensions of such underlying leases, ground leases, licenses, agreements, and mortgages. Although no instrument or action on the part of Tenant shall be necessary to effectuate such subordination, Tenant shall, nevertheless, execute and deliver within ten (10) Business Days of receipt of written request for same such further instruments confirming such subordination as may be desired by any holder of any such mortgage or by any lessor, licensor, or party to an agreement under any such underlying lease, ground lease, license, or agreement, respectively. If Tenant fails to deliver such further instruments within such ten (10) Business Day period, Tenant hereby appoints Landlord attorney-in-fact, irrevocably, for the limited purpose of executing and delivering any such instrument on behalf of Tenant. If any underlying lease, ground lease, license, or agreement to which this Lease is subject and subordinate terminates, or if any mortgage to which this Lease is subordinate is foreclosed, Tenant shall, on timely request, attorn to the holder of the reversionary interest or to the mortgagee in possession, as the case may be. If Landlord shall notify Tenant that the Demised Premises, Building, or Land is encumbered by a mortgage, then notwithstanding anything in this Lease to the contrary, no notice intended for Landlord shall be deemed properly given unless a copy thereof is simultaneously sent to such mortgagee in the manner provided for in Paragraph 18, subject to the provisions of this Article 16.

(B) (i) With respect to any mortgage currently encumbering the Land as of the date of this Lease, Landlord shall use commercially reasonable efforts (at no cost, expense or liability to Landlord) to obtain for Tenant a Non-Disturbance Agreement from the holder (a "Holder") of such mortgage. As used herein, the term "Non-Disturbance Agreement" shall mean an agreement by the Holder, providing in substance that (A) Tenant shall not be named or joined as a party defendant or otherwise in any suit, action or proceeding to enforce any rights granted to such Holder under its mortgage (unless required by law), and (B) the possession of Tenant shall not be disturbed or evicted and this Lease, Tenant's leasehold estate and Tenant's rights hereunder shall not be terminated or otherwise adversely affected as a result of any foreclosure of any such mortgage and any sale pursuant to any such foreclosure or the delivery of a deed in lieu of foreclosure, or other acquisition of Landlord's interest in the Land or the Demised Premises pursuant to the enforcement of the Holder's remedies and such Holder shall recognize Tenant as the tenant under this Lease; provided, however, that any such provisions of any Non-Disturbance Agreement may be conditioned upon this Lease being in full force and effect and no default under the terms of this Lease (after the expiration of any notice and applicable grace period expressly provided for in this Lease) having occurred. Landlord shall have no liability, and neither the obligations of Tenant under the Lease, nor the subordination of the Lease to any mortgage, shall be affected by reason of the failure or refusal of any Holder to enter into a Non-Disturbance Agreement in favor of Tenant.

(ii) A Non-Disturbance Agreement shall be deemed to have been obtained for Tenant if either (A) Landlord shall have delivered to Tenant a form of Non-Disturbance Agreement (meeting the criteria set forth above in the definition of the same) executed by the Holder of such mortgage either (x) on such Holder's standard form of Non-Disturbance Agreement (which may also contain subordination and/or attornment language) or (y) on a form of Non-Disturbance agreement otherwise reasonably satisfactory to Tenant or (B) (1) Landlord shall have delivered to Tenant, for execution by Tenant, a form of Non-Disturbance Agreement (meeting the criteria set forth above in the definition of the same) which is not yet executed by the Holder under such mortgage and (2) Tenant shall fail to execute such form and re-deliver the same back to Landlord within ten (10) Business Days after the delivery thereof to Tenant. The reasonable legal fees and expenses incurred by Landlord and the Holder in connection with the preparation of and negotiation of the Holder's standard form of Non-Disturbance Agreement shall constitute Additional Rent and shall be payable by Tenant to Landlord within thirty (30) days after demand.

17. Curing Tenant's Defaults.

If Tenant shall fail or refuse to comply with and perform any conditions and covenants of this Lease, Landlord may, if Landlord so elects, carry out and perform such conditions and covenants, at the cost and expense of Tenant, and said cost and expense shall be payable on demand, or, at the option of Landlord, shall be added to the installment of Monthly Fixed Rent due thereafter and shall be due and payable as such. This remedy shall be in addition to such other remedies Landlord may have hereunder by reason of the breach of Tenant of any of the covenants and conditions in this Lease contained.

18. Notices. Any notice, demand, statement, or other communication which under the terms of this Lease or under any statute or law must or may be given shall be given by hand delivery; or by registered or certified mail, return receipt requested; or by reputable private overnight delivery service providing a receipt of delivery or refusal, delivered, or addressed to the respective parties at the following address:

To Landlord: KBS II 100-200 Campus Drive, LLC
c/o KBS Realty Advisors
590 Madison Avenue, 26th Floor
Asset Management
New York, New York 10022
Attn: Shannon W. Hill

With a copy to:
Law Offices of David J. Feit, Esq., PLLC
22 Cortlandt Street, Suite 803
New York, New York 10007
Attn: David J. Feit, Esq.

With an additional copy to:
KBS II 100-200 Campus Drive, LLC
c/o KBS Realty Advisors
800 Newport Center Drive, Suite 700
Newport Beach, California 92660
Attn: General Counsel

To Tenant: At its address stated in the opening recital.

Any such notice, demand, statement, or other communication shall be deemed to have been given or made (i) upon delivery, if hand delivered, (ii) on the second Business Day after mailing, if mailed, postage paid, certified or registered mail, and (iii) on the next Business Day, if delivered, charges prepaid or charged to sender, by a reputable private overnight delivery service. Any of the above addresses may be changed at any time by notice given as provided above. Legal counsel for the respective parties may provide the requisite notice(s) hereunder on behalf of their respective clients.

19. Quiet Enjoyment. Landlord covenants that Tenant, upon keeping and performing each and every covenant, agreement, term, provision, and condition herein contained on the part and on behalf of Tenant to be kept and performed, shall quietly enjoy the Demised Premises without hindrance or molestation by Landlord or by any other person lawfully claiming by, through, or under the same, subject to the covenants, agreements, terms, provisions, and conditions of this Lease and the effects of the application of same.

20. Security Deposit. Tenant has this day deposited with Landlord the Security Deposit to secure the payment of the Fixed Rent and Additional Rent hereunder and the full and faithful performance by Tenant of the covenants and conditions on the part of Tenant to be performed. The Security Deposit will not be an advance payment of the Fixed Rent and/or Additional Rent. During the Term hereof (as same may be extended or renewed from time to time), Landlord may, if Landlord so elects, have recourse to the Security Deposit, to the extent necessary to make good any default by Tenant beyond any applicable notice and cure period, in which event Tenant shall, on demand, promptly restore the Security Deposit to its original amount in the form of cash. In no event, however, shall Landlord be obligated to apply all or any part of the Security Deposit. Landlord's right to bring a special proceeding to recover damages or otherwise to obtain possession of the Demised Premises before or after Landlord's declaration of the termination of the Lease for nonpayment of rent or for any other reason shall not in any event be affected by reason of the fact that Landlord holds a Security Deposit. The Security Deposit will not be a limitation on Landlord's damages or other rights and remedies available under the Lease or at law or in equity; nor shall the Security Deposit be a payment of liquidated damages. The Security Deposit will not be an advance payment of the Fixed Rent and/or Additional Rent. In the event and/or to the extent Landlord is holding the Security Deposit in cash, Landlord shall not be required to keep the Security Deposit separate from its own funds and may co-mingle said amounts with its own funds. In addition, Landlord shall not be required to keep any Security Deposit in an interest-bearing account. If Landlord keeps the Security Deposit in an interest-bearing account, Landlord shall receive all of the interest that accrues thereon. Tenant shall not mortgage, assign, or encumber the Security Deposit, and neither Landlord nor its successors or assigns shall be bound by any such mortgage, assignment, or encumbrance. Liability to return or repay, as the case may be, said Security Deposit to Tenant shall run with the reversion and title to the Demised Premises, whether any change in ownership thereof be by voluntary alienation or as the result of judicial sale, foreclosure, or other proceedings, or the exercise of a right of taking or entry by any mortgagee, but subject to the terms and conditions of the following sentence. Landlord shall assign or transfer said Security Deposit, for the benefit of Tenant, to any subsequent owner or holder of the reversion or title to Demised Premises, in which case the assignee or transferee shall become liable for the repayment thereof as herein provided, and the assignor or transferor shall be deemed to be released by Tenant from all liability to return such Security Deposit. Landlord shall return to Tenant any unapplied portion of the Security Deposit not used by Landlord as permitted by this Lease within sixty (60) days after the Expiration Date (or last day of the Renewal Term, as applicable). The terms and conditions of this Paragraph shall survive the expiration or sooner termination of this Lease.

21. Inspection and Entry by Landlord.

(a) During the Term, on reasonable advance notice of not less than 24 hours written notice (unless in the event of an emergency) and at reasonable times, Tenant agrees to permit Landlord and Landlord's agents, employees, or other representatives to show the Demised Premises to any lessor under any underlying lease or ground lease, to any mortgagee, or to any persons wishing to purchase the same, the Building, or the Complex. In addition, Tenant agrees, from and after the twelfth (12^{th}) month preceding the end of the Term (or Renewal Term, as applicable), Landlord or Landlord's agents, employees, or other representatives shall have the right to show the Demised Premises to any prospective tenants.

(b) Tenant agrees Landlord and Landlord's agents, employees, or other representatives, shall have the right to enter into and upon the Demised Premises or any part thereof, on reasonable advance notice of not less than 24 hours written notice (unless in the event of an emergency) and at reasonable times, for the purpose of inspecting the same, or reading meters, or performing maintenance, or making such repairs or alterations therein as may be necessary for the safety and preservation thereof. This clause shall not be deemed to be a covenant by Landlord nor be construed to create an obligation on the part of Landlord to make such inspection or repairs.

22. Brokerage. Tenant and Landlord warrant and represent to each other neither has dealt with any broker or brokers regarding the negotiation of this Lease, other than the Designated Brokers. Tenant and Landlord agree to be responsible for and to indemnify and hold the other harmless from and against any claim for a commission or other compensation by any broker other than the Designated Brokers claiming to have negotiated with the indemnifying party with respect to the Demised Premises or to have called the said Demised Premises to Tenant's attention or to have called Tenant to Landlord's attention. Landlord shall pay a commission to the Designated Brokers pursuant to a separate written agreement.

23. Parking. Tenant shall have the right under this Lease to the exclusive use of the Exclusive Space reserved in the surface parking area serving the Building, as depicted on the parking plan attached hereto as Exhibit E, and the nonexclusive use of the Non-Exclusive Spaces in the open common parking lot on the Land serving the Building and other buildings on or to be constructed on the Land. Tenant shall comply with such reasonable Rules and Regulations as Landlord may promulgate from time to time with respect to said parking.

24. Renewal Option.

(a) Tenant is hereby granted one (1) option to renew the initial Term of this Lease for one (1) Renewal Term of sixty (60) months, subject to the terms of this Paragraph 24. In the event that Tenant desires to renew the initial Term of this Lease, it shall give irrevocable notice in writing to Landlord of its renewal of the initial Term of this Lease not earlier than fifteen (15) months, nor later than twelve (12) months, prior to the Expiration Date, with time being of the essence. During the Renewal Term, Tenant shall lease the Demised Premises in its then-current "AS-IS" condition, and Landlord shall have no obligation to perform any work to the Demised Premises to prepare the Demised Premises for Tenant's use and occupancy, or to provide Tenant with any allowances (e.g., any Landlord's contribution, construction allowance, and the like) or other tenant inducements, and all of the terms and conditions of this Lease shall otherwise remain in effect during the Renewal Term, except that the annual Fixed Rent payable during the Renewal Term shall be one hundred percent (100%) of the Fair Market Renewal Rent (hereinafter defined) of the Demised Premises during the Renewal Term. The **"Fair Market Renewal Rent**" is herein defined as the annual fair market renewal rental value of the Demised Premises during the Renewal Term based on a comparison of the rents and accrued escalations then being paid by tenants renewing leases for comparable "Class A" space in comparable "Class A" buildings in the Route 24 corridor, excluding from consideration rent concessions, such as free rent and work letter allowances, which may be made to tenants leasing space initially, but taking into consideration rent concessions, such as refitting allowance, made to tenants renewing leases.

(b) The Fair Market Renewal Rent of the Demised Premises for purposes of subparagraph (a) of this Paragraph 24 shall take into account the provisions of this Lease and shall be determined pursuant to the provisions of this subparagraph 24(b). The Fair Market Renewal Rent shall be set forth by Landlord in a notice ("**Landlord's Determination Notice**") sent by Landlord to Tenant within sixty (60) days after Landlord's receipt of Tenant's written notice as aforesaid of its election to exercise its renewal of the Lease Term for the Renewal Term. If Tenant disagrees with Landlord's determination of Fair Market Renewal Rent, Tenant shall notify Landlord ("**Tenant's Notice of Disagreement**") within thirty (30) days of receipt of Landlord's Determination Notice. Time shall be of the essence with respect to Tenant's Notice of Disagreement, and the failure of Tenant to give such notice within the time period set forth above shall conclusively be deemed an acceptance by Tenant of the Fair Market Renewal Rent as determined by Landlord in the Landlord's Determination Notice and to be a waiver by Tenant of any right to dispute such Fair Market Renewal Rent as proposed by Landlord in the Landlord's Determination Notice. If Tenant fails to timely exercise its renewal option for the Renewal Term, then this Article 24 of the Lease is deemed automatically deleted and omitted from the Lease in its entirety and Tenant shall have no right to renew the Term of this Lease. In the event Tenant sends Landlord a Tenant's Notice of Disagreement, then, Tenant, at its own expense, within ten (10) days after sending a Tenant's Notice of Disagreement to Landlord, shall designate an Appraiser, as hereinafter defined, in the Morris County area, on written notice to Landlord within such ten (10) day period. If, within the ten (10) day period referenced in the immediately preceding sentence, Tenant fails to so hire an Appraiser and notify Landlord in writing of the identity of said Appraiser, then such failure shall conclusively be deemed to be an acceptance by Tenant of the Fair Market Renewal Rent as determined by Landlord in the Landlord's Determination Notice and to be a waiver by Tenant to dispute the Fair Market Renewal Rent as determined by Landlord in the Landlord's Determination Notice. As used herein, the term "**Appraiser**" shall mean a duly qualified, impartial, senior MAI real estate appraiser or a licensed senior real estate leasing broker who must have at least ten (10) years prior experience in the leasing of comparable "Class A" office building space in comparable "Class A" buildings in the locale and market where the Building is located (i.e., the Route 24 corridor) and with a working knowledge of current office rental rates and practices in such locale. Within twenty (20) days of its appointment, Tenant's Appraiser shall determine and report to both parties in writing its determination of the Fair Market Renewal Rent of the Demised Premises. Tenant shall require that the Tenant's Appraiser shall notify the parties in writing within said twenty (20) day period of its determination of the Fair Market Renewal Rent. In the event that Landlord objects to Tenant's Appraiser's determination of the Fair Market Renewal Rent, then Landlord shall notify Tenant ("**Landlord's Notice of Disagreement**") of such objection within twenty (20) days following receipt of Tenant's Appraiser's report. In the event of Landlord's Notice of Disagreement, which objection is not resolved by the parties within twenty (20) days thereafter, Landlord, at its own expense, shall designate an Appraiser in the Morris County area on written notice to Tenant within ten (10) days after the expiration of the aforementioned twenty (20) day period. Within twenty (20) days of its appointment, Landlord's Appraiser shall determine and report to both parties in writing its determination of the Fair Market Renewal Rent of the Demised Premises. In the event that Tenant objects to Landlord's Appraiser's determination of the Fair Market Renewal Rent by sending notice of objection to Landlord within ten (10) days following receipt of Landlord's Appraiser's determination of the Fair Market Renewal Rent, then and in such event, the two Appraisers shall within five (5) days jointly appoint a separate and third Appraiser who shall within ten (10) days of his or her appointment determine the Fair Market Renewal Rent by selecting either Landlord's Appraiser's Fair Market Renewal Rent determination or Tenant's Appraiser's Fair Market Renewal Rent determination, as the case may be, according to whichever of the two valuations is closer to the actual Fair Market Renewal Rent in the opinion of such separate and third Appraiser. The costs of such separate and third Appraiser shall be shared equally by Landlord and Tenant. If, however, Landlord's Appraiser and Tenant's Appraiser fail to agree upon the choice of such separate and third Appraiser within five (5) days following Landlord's receipt of Tenant's objection notice to Landlord's Appraiser's determination of the Fair Market Renewal Rent, such separate and third Appraiser shall be appointed by the presiding Judge of the Superior Court of the State of New Jersey for the county in which the Demised Premises are located. Such separate and third Appraiser shall proceed with all reasonable dispatch to determine the Fair Market Renewal Rent as provided above. The decision of such separate and third Appraiser shall be final and shall be unappealable, absent any showing of fraud by such Appraiser. If the Fair Market Renewal Rent has not been determined prior to the commencement of the Renewal Term, Tenant shall pay to Landlord the Fair Market Renewal Rent as determined by Landlord, and once the actual Fair Market Renewal Rent is determined, any overpayments or underpayments shall promptly be reconciled.

(c) It shall be a condition of the exercise of the option set forth in this Paragraph 24, that at the time of the exercise of said option and on the first day of the Renewal Term, (i) Tenant shall not be in default under this Lease which continues beyond the expiration of any applicable notice or cure period which may be expressly provided for in this Lease, (ii) Tenant or any Affiliated Entity shall be occupying all or substantially all of the Demised Premises and shall not have sublet any portion thereof other than to an Affiliated Entity and (iii) Landlord shall be in receipt from Tenant of an amendment (in form approved by Landlord) of any Letter of Credit held by Landlord as the Security Deposit thereby extending the expiration date of the Letter of Credit for a term ending no sooner than ninety (90) days after the expiration date of the Renewal Term.

(d) Tenant acknowledges and agrees the option set forth in this Paragraph 24 shall be personal to the original Tenant hereunder and an Affiliated Entity and shall not be exercisable by any party (including, without limitation, any assignees) other than the original Tenant named herein and an Affiliated Entity.

(e) All notices, mailings and documents to be given, executed and/or delivered by Tenant hereunder shall be given, executed and/or delivered in accordance with the provisions of Article 18 above and same must be given within the time periods set forth in this Article, with time being of the essence.

(f) Within fifteen (15) days after the date on which the Fair Market Renewal Rent payable for the Renewal Term has been determined, Landlord and Tenant shall confirm same by executing an instrument reasonably satisfactory to Landlord and Tenant; provided that that failure by Landlord or Tenant to execute such instrument shall not affect the determination of the Fair Market Renewal Rent payable for the Renewal Term and Tenant's obligations to pay Fixed Rent and Additional Rent for the Renewal Term as provided for herein and to perform its obligations and covenants hereunder in accordance with this Article.

25. Landlord's Inability to Perform. Except as may be otherwise expressly provided in this Lease, this Lease and the obligations of Landlord and Tenant to comply with the covenants, terms and conditions hereof shall not be affected, curtailed, impaired, or excused because of any events of Force Majeure (hereinafter defined). **"Force Majeure**" shall mean and include those situations beyond either party's control, including by way of example and not limitation, acts of God; accidents; repairs; strikes; shortages of labor, supplies, or materials; inclement weather; scheduling of planning board meetings or other municipal action affecting any issuance of construction permits and/or approvals, including, without limitation, where applicable, the passage of time while waiting for an adjustment of insurance proceeds; or war, terrorism, or bioterrorism. Landlord shall be excused for the period of any delay in the performance of any obligation hereunder when prevented from so doing by a Force Majeure event provided nothing contained in this Article or elsewhere in this Lease shall be deemed to excuse or permit any delay in the performance of payment obligations on the part of Landlord. Tenant shall similarly be excused for the period of any delay in the performance of any obligation hereunder when prevented from so doing by a Force Majeure event, provided nothing contained in this Article or elsewhere in this Lease shall be deemed to excuse or permit any delay in the payment of Fixed Rent or Additional Rent by Tenant to Landlord, or any delay in the cure of any Tenant default which may be cured by the payment of money.

26. Condemnation.

(a) In the event the whole of the Demised Premises shall be lawfully condemned or taken in any manner for any public or quasi-public use or purpose or is transferred, under threat of condemnation, by Landlord to any party having the right of condemnation (any of such acts are referred to herein as "**eminent domain**"), this Lease and the Term and estate hereby granted shall forthwith cease and terminate as to the date of vesting of title ("**date of taking**"), and Tenant shall have no claim against Landlord for, or make any claim for the value of, any unexpired term of this Lease, and the Fixed Rent and Additional Rent shall be apportioned as of such date.

(b) In the event any part of the Demised Premises shall be so condemned or taken, this Lease shall be and remain unaffected by such condemnation or taking, except that the Fixed Rent and Additional Rent allocable to the part so taken shall be apportioned as of the date of taking, and Tenant shall have no claim against Landlord for, or make any claim for the value of, the portion of the unexpired Term of this Lease allocable to the part so taken, provided, however, that Landlord may elect to cancel this Lease in the event that more than twenty-five (25%) percent of the Demised Premises should be so condemned or taken, provided such notice of election is given by Landlord to Tenant not later than sixty (60) days after the date when title shall vest in the condemning authority. Upon the giving of such notice, this Lease shall terminate on the thirtieth (30th) day following the date of such notice, and the Fixed Rent and Additional Rent shall be apportioned as of such termination date, and Tenant shall have no claim against Landlord for, or make any claim for the value of, the unexpired Term of this Lease. Upon such partial taking and this Lease continuing in force as to any part of the Demised Premises, the Fixed Rent and Additional Rent shall be reduced proportionately by an amount representing the part of the Fixed Rent and Additional Rent properly applicable to the portion or portions of the Demised Premises that may be so condemned. If, as a result of the partial taking (and this Lease continuing in force as to the part of the Demised Premises not so taken), any part of the Demised Premises not taken is damaged, Landlord agrees with reasonable promptness to commence the work necessary to restore the damaged portion to the condition existing immediately prior to the taking and to prosecute the same with reasonable diligence to its completion. In the event Landlord and Tenant are unable to agree as to the amount by which the Fixed Rent and Additional Rent shall be diminished, the matter shall be determined by a mutually acceptable third party. Pending such determination, Tenant shall pay to Landlord the Fixed Rent and Additional Rent as fixed by Landlord, subject to adjustment upon resolution of such dispute.

(c) Nothing herein provided shall preclude Tenant from appearing, claiming, proving, and receiving in the condemnation proceeding Tenant's moving expenses and the value of trade fixtures provided such claim shall be separate from and shall not adversely affect or diminish to any extent the Landlord's award.

(d) Subject to the provisions of Paragraph 26(c), the entire award for any act of eminent domain shall be paid to Landlord, and, in the event of a partial taking, if this Lease is not canceled by either party pursuant to the provisions of this Paragraph 26, Landlord, at Landlord's own expense, shall restore the unaffected part of the Demised Premises to substantially the same condition and tenantability as existed prior to the taking. Until said unaffected portion is restored, Tenant shall be entitled to a proportionate abatement of Fixed Rent and Additional Rent of that portion of the Demised Premises that is being restored and is not usable until the completion of the restoration or until said portion of the Demised Premises is used by Tenant, whichever occurs sooner. Said unaffected portion shall be restored within a reasonable time, provided, however, if Landlord is delayed by Force Majeure, the time for completion shall be extended for a period equivalent to the delay. If such partial taking shall occur in the last year of the Term, either party, irrespective of the area of the space remaining, may elect to cancel this Lease and the Term hereby granted, provided such party shall, within sixty (60) days after such taking, give notice to that effect, and upon the giving of such notice, the Fixed Rent and Additional Rent shall be apportioned and paid to the date of expiration of the term specified, which date shall be not more than thirty (30) days after the date of such notice, and this Lease and the Term hereby granted shall cease, expire and come to an end upon the expiration of the period specified in said notice. If either party shall so elect to end this Lease and the Term hereby granted, Landlord need not restore any part of the Demised Premises and the entire award for partial condemnation shall be paid to Landlord, and Tenant shall have no claim whatsoever to any award.

(e) If the temporary use or occupancy of all or any part of the Demised Premises shall be so taken, (i) the Term shall not be reduced or affected in any way except as provided in (iv) below, (ii) Tenant shall continue to be responsible for all of its obligations hereunder and shall continue to pay all Fixed Rent and Additional Rent when due, (iii) Tenant shall be entitled to receive that portion of the award that represents reimbursement for the cost of restoration of the Demised Premises, compensation for the use and occupancy of the Demised Premises and for any taking of Tenant's property, except that, if the temporary period of taking shall extend beyond the expiration of the Term, the portion of the award representing compensation for the use and occupancy of the Demised Premises shall be apportioned between Landlord and Tenant as of the Expiration Date, and Landlord shall receive that portion of the award which represents reimbursements for the cost of restoration of the Demised Premises, and (iv) if the date of taking shall occur during the last year of the Term and the taking shall exceed twenty-five (25%) percent of the Demised Premises, Tenant may elect to cancel this Lease by notice of election given by Tenant to Landlord not later than sixty (60) days after the date when title shall vest in the condemning authority. Upon the giving of such notice, this Lease shall terminate on the thirtieth (30th) day following the date of such notice, and the Fixed Rent and Additional Rent shall be apportioned as of such termination date, with Landlord, and not Tenant, to receive the portion of the award that represents reimbursement for the cost of restoration of the Demised Premises and the portion of the award representing compensation for the use and occupancy of the Demised Premises for the time subsequent to the cancellation date.

27. Assignment and Subletting.

Tenant may not mortgage, hypothecate, pledge, assign, transfer, or sublet all or a portion of the Demised Premises or this Lease, as the case may be, except as specifically permitted in this Paragraph 27.

(a) In the event Tenant desires to assign this Lease or sublease all or any portion of the Demised Premises, Tenant shall provide to Landlord the following information in writing at least forty-five (45) days prior to the effective date of any such assignment or sublease: (i) the terms and conditions of such assignment or sublease (including, but not limited to, the proposed assignment or sublease agreement, as the case may be), and (ii) complete and accurate banking, financial, and other credit information with respect to the proposed assignee or sublessee, which information must be sufficient to enable Landlord to judge the fiscal strength of said proposed assignee or sublessee. Then, at least thirty (30) days prior to such effective date, Landlord shall have the option, exercisable in writing to Tenant, to recapture this Lease, or the space intended to be sublet if the sublease is scheduled to expire during the last twelve (12) calendar months of the Term, as the case may be, (and, at Landlord's option, have such prospective assignee or sublessee then become the sole tenant of Landlord hereunder), and, except with respect to those obligations that expressly survive, if such recapture option is so exercised by Landlord then Tenant shall be fully released from any and all obligations accruing thereafter with respect to the Demised Premises, in case of an assignment, or with respect to the space to have been sublet, in the case of a sublease. Notwithstanding anything herein to the contrary, if Landlord exercises its recapture option as set forth in the preceding sentence, Tenant shall have the right, by no later than five (5) calendar days after the date of Tenant's receipt of Landlord's recapture notice, with time being of the essence, to notify Landlord in writing that Tenant rescinds its request for a proposed assignment or sublease, as the case may be, in which event Landlord's exercise of its recapture option shall be deemed to be a nullity and this Lease shall continue in full force and effect as if such Landlord's recapture option had not been exercised. If Tenant's notice covers all of the space hereby demised, and if Landlord gives its recapture notice with respect thereto, the Term of this Lease shall expire on the date stated in Tenant's notice as fully and completely as if that date had been herein definitely fixed for the expiration of the Term and the Fixed Rent and Additional Rent shall be paid to such date. If, however, this Lease is terminated pursuant to the foregoing with respect to less than the entire Demised Premises, then this Lease, with respect to the portion of the Demised Premises affected by such subletting, shall end and expire upon the date that such subletting was to commence, the Fixed Rent payable hereunder and the Additional Rent payable pursuant to this Lease hereof (and Tenant's Proportionate Share) shall be adjusted in proportion to the portion of the Demised Premises affected by such termination and Tenant shall at its sole cost and expense (and prior to the effective date of such sublease) erect such demising walls as are necessary to separate the terminated portion of the Demised Premises from the remainder of the Demised Premises and to provide access thereto, and this Lease as so amended shall continue thereafter in full force and effect provided that Tenant shall pay all costs (and prior to the effective date of such sublease) in connection with the physical subdivision of any portion of the Demised Premises.

(i) For the avoidance of doubt, Tenant acknowledges and agrees that Tenant may not sublease less than the entire Demised Premises under any circumstances and only a sublease of the entire Demised Premises shall be considered for approval by Landlord.

(ii) Except as provided hereinafter, any sale or other transfer, whether voluntary or involuntary, by operation of law or otherwise (including, without limitation, by consolidation, merger, or reorganization), of a majority of the outstanding voting stock of Tenant, if Tenant is a corporation, or a majority of the partnership interests in Tenant, if Tenant is a partnership, or a majority of the membership interests in Tenant, if Tenant is a limited liability company, shall be an assignment for purposes of this Paragraph 27 whether such transfer is accomplished in one (1) transaction or a series of transactions.

(b) In the event Landlord elects not to recapture the Lease in the event of a proposed assignment of the Lease or sublease of the entire Demised Premises or in the event that Landlord elects not to recapture the proposed sublease premises in the event of a proposed sublease of a portion of the Demised Premises as hereinabove provided, as the case may be, and provided that Tenant is not in default of any of Tenant's obligations under this Lease beyond the expiration of any applicable grace or cure period expressly provided for in this Lease, Tenant may nevertheless assign the Lease or sublet the entire Demised Premises, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, and subject to the consent of any mortgagee or ground lessor if required under the terms of any mortgage or ground lease, on the basis of the following terms and conditions:

(i) Tenant shall provide to Landlord (1) the name and address of the assignee or sublessee and the terms and conditions of such assignment or sublease (including, but not limited to, the proposed assignment or sublease agreement, as the case may be), (2) complete and accurate banking, financial, and other credit information with respect to the proposed assignee or sublessee, which information must be sufficient to enable Landlord to judge the fiscal strength of said proposed assignee or sublessee, and (3) any other information reasonably requested by Landlord.

(ii) The assignee or sublessee shall assume, by written instrument, all of the obligations of this Lease (but in the case of a sublease, only to the extent applicable to the space sublet for the term of the sublease), and a copy of such assumption agreement shall be furnished to Landlord within ten (10) days of its execution, but in no event later than the effective date of any such assignment or sublease.

(iii) Tenant and each assignee or sublessee shall be and remain liable for the observance of all of the covenants and provisions of this Lease, including, but not limited to, the payment of Fixed Rent, Additional Rent, and other charges due hereunder through the entire Term of this Lease, as the same may be renewed, extended, or otherwise modified.

(iv) If Tenant, having first obtained Landlord's consent to any sublease or assignment, or if Tenant or a trustee in bankruptcy for Tenant pursuant to the United States Code, Title 11 (or the Bankruptcy Code), assigns this Lease or sublets the Demised Premises, or any part thereof, at a rental or for other consideration in excess of the Fixed Rent and Additional Rent or pro rata portion thereof due and payable by Tenant under this Lease, then Tenant shall pay to Landlord as Additional Rent fifty percent (50%) of any such excess rent or other monetary consideration immediately upon receipt under any such assignment after deducting therefrom Tenant's Costs (as defined below), or, in the case of a sublease, (a) on the first day of each month during the term of any sublease, fifty percent (50%) of the excess of all rent and other consideration due from the subtenant for such month over the Fixed Rent and Additional Rent then payable to Landlord pursuant to the provisions of this Lease for said month after deducting therefrom Tenant's Costs (or, if only a portion of the Demised Premises is being sublet, fifty percent (50%) of the excess of all rent and other consideration due from the subtenant for such month over the portion of the Fixed Rent and Additional Rent then payable to Landlord pursuant to the provisions of this Lease for said month which is allocable on a square footage basis to the space sublet) after deducting therefrom Tenant's Costs) and (b) immediately upon receipt thereof, fifty percent (50%) of any other consideration realized by Tenant from such subletting after deducting therefrom Tenant's Costs; it being agreed, however, that Landlord shall not be responsible for any deficiency if Tenant assigns this Lease or sublets the Demised Premises or any part thereof at a rental less than that provided for herein. Acceptance by Landlord of any payments due under this subparagraph shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right to inspect and audit Tenant's books and records relating to any assignment or sublease.

For purposes hereof, the term **"Tenant's Costs"** shall mean, (1) the amount of any customary and reasonable brokerage fees or commissions actually paid to a broker as a result of any assignment or subletting by Tenant hereunder and any customary and reasonable advertising fees actually expended by any such broker; and (2) the actual out of pocket cost to Tenant of any additional improvements made to prepare the space in question for the occupancy of the subtenant or the assignee thereof, and in the case of a subletting, any rent abatement and/or concession or work allowance granted by Tenant to such subtenant in lieu of or in addition to Tenant's performance of any such improvements. Tenant's Costs shall be deemed to have been fully amortized over the term of the sublease, in the case of a sublease, or the remaining term of the Lease, in the case of an assignment.

(v) In any event of the acceptance by Landlord of any rent from any of the subtenants or the failure of Landlord to insist upon the strict performance of any of the terms, conditions and covenants herein from any assignee or subtenant shall not release Tenant herein from any and all of the obligations herein during and for the entire Term of this Lease, as the same may be extended or renewed.

(vi) The assignment or sublease shall provide that there shall be no further assignments and/or subletting without Landlord's consent.

(vii) Together with Tenant's request for Landlord's consent, Tenant shall pay to Landlord, as Additional Rent, the Landlord's estimate of the actual and reasonable legal costs, not to exceed $3,500.00 (the "Consent Fees Cap") for each request for consent, incurred by Landlord and Landlord's handling charges for each request for consent to any assignment or sublet. Within thirty (30) days following Landlord's written demand, subject to the Consent Fees Cap, Tenant shall reimburse Landlord for any balance of such reasonable legal fees (or Landlord shall reimburse Tenant for any overpayment, as the case may be). Tenant acknowledges its sole remedy with respect to any assertion that Landlord's failure to consent to any assignment or sublet is unreasonable shall be the remedy of specific performance, and Tenant shall have no other claim or cause of action against Landlord as a result of Landlord's actions in refusing to consent thereto.

(viii) [Intentionally Omitted.]

(ix) Tenant shall provide Landlord with an original executed representation and warranty from Tenant and the assignee/subtenant that (1) the transaction with assignee/subtenant does not trigger ISRA and that ISRA is not otherwise applicable to such assignee/subtenant's operations (and further satisfy any requirements of Paragraph 28), and (2) the statements set forth in Paragraph 34 and 35 are also true and accurate for such assignee/subtenant.

(x) If Landlord consents to any proposed assignment or sublease and Tenant fails to consummate the assignment or sublease to which Landlord consented within ninety (90) days after the giving of such consent, Tenant shall be required again to comply with all of the provisions and conditions of this Paragraph 27 before assigning this Lease or subletting the Demised Premises.

(xi) The use and occupancy of space in the Demised Premises by a proposed assignee or subtenant does not violate any restrictions or other agreements to which Landlord or its affiliate is bound or which Landlord or its affiliate may have in place with other tenants or other occupants of the Complex.

(c) Tenant expressly acknowledges any of the following instances shall be deemed to be a reasonable basis on which Landlord may withhold its consent under this Paragraph:

(i) the proposed assignee or subtenant is not, in Landlord's reasonable opinion, appropriate for the Building or in keeping with the character of its existing tenancies;

(ii) the proposed assignee's or subtenant's occupancy will cause a density of traffic or make demands on Building services, maintenance, or facilities unreasonably in excess of those related to Tenant's occupancy;

(iii) the proposed assignee or subtenant (or any entity that is in common control with said assignee or subtenant, controlled by said assignee or subtenant, or controls said assignee or subtenant) (1) is a tenant of the Building or any other building owned by or through the persons constituting Landlord hereunder or any affiliate, subsidiary, or parent of Landlord or (2) is vacating premises in such a building;

(iv) the proposed sublease is for the entire Demised Premises;

(v) Landlord (or any affiliate, subsidiary, or parent of Landlord) is negotiating or has negotiated with the proposed assignee or subtenant (or any entity that is in common control with said assignee or subtenant, controlled by said assignee or subtenant, or controls said assignee or subtenant) within the period of twelve (12) months preceding Tenant's request for consent to such assignment or sublease;

(vi) Landlord (or any affiliate, subsidiary, or parent of Landlord) has competing premises available for occupancy within the relevant timeframe; or

(vii) The use and occupancy of space in the Demised Premises by the proposed assignee or subtenant may violate any restrictions or other agreements to which Landlord or its affiliate is bound or which Landlord or its affiliate may have in place with other tenants or other occupants of the Complex.

Tenant further expressly acknowledges that the foregoing is not a complete list and shall in no way be construed to be a limitation on Landlord's ability to reasonably withhold its consent for other reasons not included above.

(d) Notwithstanding any other provision of this Section 27 or of this Lease to the contrary, Tenant may assign this Lease or sublease the Demised Premises to an "Affiliated Entity" without Landlord's prior written consent provided that in any of such events (i) the Affiliated Entity is a reputable individual or entity of good character and has a reported tangible net worth, as of the end of its then most recent reporting period, as evidenced by its most recent audited financial statement, prepared in accordance with GAAP, consistently applied, at least equal to or greater than the higher of the reported tangible net worth of the Tenant as of the date hereof or on the date of the proposed assignment or sublease, (ii) proof reasonably satisfactory to Landlord of such reported tangible net worth and a copy of the most recent financial statement of Tenant and of such Affiliated Entity shall have been delivered to Landlord at least thirty (30) days prior to the effective date of any such transaction (but if due to confidentiality restrictions imposed on Tenant such information may not be legally disclosed by Tenant to Landlord prior to the effective date of any such transaction, then such information shall be disclosed by Tenant to Landlord not later than ten (10) days after the effective date of any such transaction), (iii) in the event that the Tenant hereunder immediately after such transfer is other than the Tenant herein named ("New Tenant"), a duplicate original instrument of assignment in form and substance reasonably satisfactory to Landlord, duly executed by Tenant, shall have been delivered to Landlord at least thirty (30) days prior to the effective date of any such transaction, in which such New Tenant assumes (as of the effective date of any such assignment or sublease) observance and performance of, and agrees to be personally bound by, all of the terms, covenants and conditions of this Lease on Tenant's part to be performed and observed, (iv) such transfer shall be for a valid business purpose with a view toward continuing Tenant's business as an on-going concern and not principally for the purpose of transferring this Lease and (v) such transfer shall not operate to relieve or release Tenant from any covenant or obligation under this Lease. For the purposes hereof, an "Affiliated Entity" shall be defined as any entity (i) which, directly or indirectly, "controls" Tenant or which is, directly or indirectly, controlled by Tenant or which is, directly or indirectly, controlled by the same entity as Tenant, (ii) with which or into which Tenant is merged or consolidated or (iii) to which substantially all of Tenant's assets and/or stock are transferred. The term "control", as used herein, means the power, directly or indirectly, to direct or cause the direction of the management or policies of Tenant.

(e) Notwithstanding anything to the contrary contained in this Article 27, provided that Tenant shall not be in default in the payment of Fixed Rent or Additional Rent and Tenant shall not be in default of any of its other obligations under this Lease beyond the expiration of any applicable notice and cure period which may be expressly provided for in this Lease, Tenant shall be entitled, without Landlord's consent, to permit up to fifteen (15%) percent of the rentable square footage of the Demised Premises to be comprised of individual offices within the Demised Premises (and Tenant may provide associated "back-office" support in connection therewith) to be used by individual clients of Tenant or by individuals or entities affiliated or doing daily business with Tenant (collectively, " Desk Users") provided the use and occupancy by such parties of any space therein does not violate any restrictions or other agreements to which Landlord or its affiliate or Tenant is bound or which Landlord or its affiliate may have in place with other tenants or other occupants of the Complex (and such use thereof shall not be deemed to be an assignment or sublease for purposes hereof); provided, that, (i) each such Desk User is a reputable entity whose use is a Permitted Use hereunder, (ii) the portions of the Demised Premises so used shall not be separately demised from the remainder of the Demised Premises, the use thereof shall be undivided occupancy and no signage identifying a Desk User shall be installed anywhere outside of the Demised Premises or within the Demised Premises if it is visible from outside of the Demised Premises, without Landlord's prior consent (which may be granted or denied in its sole discretion), (iii) Tenant shall not provide a separate entrance to any Desk Users or otherwise alter the Demised Premises to facilitate such Desk User and shall not separately demise any space within the Demised Premises or otherwise act in any way to cause the Demised Premises to appear other than as a single tenant space (iv) Tenant shall be in actual occupancy of the remainder of the Demised Premises, and (v) prior to entering into any arrangement for use of the Demised Premises by such Desk User pursuant to this Section 27(e), Tenant shall notify Landlord in writing of the name and address of the Desk User, and the space to be occupied by the Desk User. Such arrangement shall terminate automatically upon the termination of this Lease, such use shall be subject to all of the terms and conditions of this Lease and the occupancy by the Desk User shall not create unusual amounts of traffic in the Building or tend to impair the character or dignity of the Building. Tenant understands and agrees that the use of the Demised Premises for such purposes shall not result in the vesting of any interest in the Demised Premises or the Building in such Desk User, nor shall such Desk User have any rights or claims whatsoever pursuant to this Lease. It is a condition of this Section 27(e), that Tenant furnish to Landlord, upon notice, such information reasonably requested by Landlord regarding the satisfaction of the conditions set forth in this Section 27(e). As used in this Section 27(e), the term "Tenant" shall mean and refer only to the original tenant named herein or an Affiliated Entity.

28. Environmental Laws.

(a) Tenant agrees to comply with all present or future federal, state, or local laws, rules, or regulations dealing with environmental protection ("Environmental Laws"), including, but not limited to, the Industrial Site Recovery Act (N.J.S.A. 13:lK-6, et seq.) ("ISRA") having jurisdiction over the Demised Premises, provided the foregoing shall not in and of itself require Tenant to perform any work or make any alterations to the Demised Premises in connection with such compliance that affect the structural, mechanical, or life safety systems or components of the Demised Premises of Building unless same is made necessary due to Tenant's particular use or manner of use of the Demised Premises. Tenant agrees such compliance shall be at Tenant's sole cost and expense. Tenant shall immediately provide Landlord, as they are issued or received by Tenant, with copies of all correspondence, reports, notices, orders, findings, declarations, and other materials pertinent to Tenant's compliance with Environmental Laws.

(b) Tenant represents to Landlord Tenant's Standard Industrial Classification (SIC) Number and Tenant's NAICS Code are as set forth in the Preamble of this Lease. Tenant shall not conduct any operations at the Demised Premises that shall cause the Building or the Demised Premises to be deemed an "industrial establishment" as currently defined in ISRA or otherwise trigger ISRA. If, due to an amendment to ISRA or otherwise Tenant's operations become subject to ISRA during the Term of the Lease, Tenant shall comply with all ISRA requirements at Tenant's sole cost and expense. Such expenses shall include, but not limited to, any applicable state agency fees, engineering fees, clean-up costs, filing fees, and suretyship expenses. In addition, in the event any other Building tenant or Landlord triggers ISRA, Tenant agrees to reasonably cooperate with Landlord and provide any information relating to Tenant and its operations at the Demised Premises that is needed by Landlord to comply with ISRA. The foregoing undertakings shall survive the expiration or sooner termination of the Lease and surrender of the Demised Premises and shall also survive the sale, lease, or assignment of the Demised Premises by Landlord.

(c) Tenant shall not generate, store, manufacture, refine, transport, treat, dispose of, or otherwise permit to be present on or about the Demised Premises any Hazardous Substances with the exception of de minimis quantities of Hazardous Substances commonly used in the cleaning and maintenance of general business offices in quantities appropriate to such use. As used herein, "**Hazardous Substance**" shall be defined as any "hazardous chemical," "hazardous substance," "hazardous waste," or similar term as defined in the Comprehensive Environmental Response Compensation and Liability Act, as amended (42 U.S.C. §§9601, *et seq.),* ISRA, the New Jersey Spill Compensation and Control Act, as amended, (N.J.S.A. 58:10-23.llb, *et seq.),* any rules or regulations promulgated thereunder, or in any other present or future Environmental Laws.

(d) Tenant agrees to indemnify, defend, and hold harmless Landlord and Landlord Parties from and against any and all liabilities, damages, claims, losses, judgments, causes of action, costs, and expenses (including the reasonable fees and expenses of counsel) that may be incurred or threatened by Landlord or by Landlord Parties relating to or arising out of any breach by Tenant of this Paragraph 28, which indemnification shall survive the expiration or sooner termination of this Lease.

(e) Landlord represents and warrants to Tenant that, to the best of Landlord's knowledge as of the date hereof, there are no Hazardous Substances in the Demised Premises and/or the Building, with the exception of *de minimis* quantities of Hazardous Substances commonly used in the cleaning and maintenance and operation of general business offices in quantities appropriate to such use.

(f) Landlord shall comply in all material respects with any Environmental Laws applicable to the Common Areas, the Land and the Complex. The costs of such compliance shall be passed through to the Building tenants as an Operating Expense.

(g) Notwithstanding anything to the contrary herein, Tenant shall have the right to store certain drug/compound samples related to Tenant's business in a dedicated freezer in the Demised Premises, which freezer shall be of a size and in a location as reasonably agreed upon by Landlord and Tenant; provided, however, that (i) Tenant fully complies with all relevant Environment Laws with regards to the foregoing, (ii) the foregoing does not violate any of the provisions of this Lease, including, without limitation, Section V of the Preamble to this Lease and Article 10 hereof, and (iii) Tenant shall not dispose of in the Demised Premises, Building and/or Complex any solid or liquid wastes, water, chemicals or other substances, other than ordinary human and office wastes (collectively, "Wastes"), including, without limitation, the aforementioned drug/compound samples which Tenant may use or may be the byproduct of Tenant's operations in the Demised Premises and shall not allow any fumes or vapors to escape from the Demised Premises. Tenant agrees that it will independently contract for the removal of all Wastes from the Demised Premises. The removal of such Wastes shall be subject to such rules and regulations as, in the judgment of Landlord, are necessary for the proper operation of the Building.

29. Parties Bound.

(a) The covenants, agreements, terms, provisions, and conditions of this Lease shall bind and benefit the respective successors, assigns, and legal representatives of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Paragraph 7(d) or of Paragraph 27 hereof shall operate to vest any rights in any successor, assignee, or legal representative of Tenant and that the provisions of this Paragraph 29 shall not be construed as modifying the conditions contained in Paragraph 13 hereof.

(b) Tenant acknowledges and agrees neither Landlord nor any limited liability company member, manager, agent, tenant-in-common, venturer, trustee, trust beneficiary, grantor, trustee-grantor, or other individual or entity having an interest in Landlord shall have any personal liability for the performance of any of the terms, covenants, or conditions to be performed by Landlord under this Lease; rather, Tenant agrees to look solely to Landlord's interest and estate in the Land and the Building for the satisfaction of Tenant's remedies arising out of or related to this Lease.

(c) The term "**Landlord**" as used in this Lease means only the owner, or the mortgagee in possession, for the time being, of the Demised Premises (or the owner of a lease of the Demised Premises) so that in the event of, and from and after the date of, any sale or other transfer of the Land, the Building, or the Demised Premises, or of this Lease, such Landlord shall be and hereby is entirely freed and relieved of all thereafter accruing covenants and obligations of Landlord under this Lease, and it shall be deemed and construed without further agreement between the parties or their successors-in-interest, or between the parties and the purchaser under any sale or otherwise, or the said lessee of the Land, Building, or of the Demised Premises, that the purchaser or other transferee of the same has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

30. Miscellaneous.

(a) This Lease contains the entire contract between the parties. The terms set forth in the Preamble contain acknowledgments and covenants by the respective parties and are deemed to be restated herein. No representative, agent, or employee of Landlord has been authorized to make any representations or promises with reference to the leasing of the Demised Premises, except as may be otherwise expressly set forth in this Lease, or to vary, alter, or modify the terms hereof. No additions, changes or modifications, renewals, or extensions hereof shall be binding unless reduced to writing and signed by Landlord and Tenant.

(b) The terms, conditions, covenants, and provisions of this Lease shall be deemed to be severable. If any clause or provision herein contained be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, but such other clauses or provisions shall remain in full force and effect.

(c) The paragraph headings in this Lease are for convenience only and are not to be considered in construing the same.

(d) If, in connection with obtaining financing for the Building, a banking, insurance, or other recognized institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant shall not unreasonably withhold, delay, or defer its consent thereto, provided that such modifications do not in any material manner increase the obligations of Tenant hereunder (including, but not limited to, the nature or amount of Tenant's financial obligations hereunder) and do not affect the leasehold interest created or the conduct of Tenant's business operations at the Demised Premises.

(e) This Lease shall be governed by and construed in accordance with the laws of the State of New Jersey.

(f) Any litigation arising out of this Lease shall be venued in the Superior Court of New Jersey. Each party waives trial by jury in any action or proceeding arising out of this Lease. In addition, if Landlord commences any summary proceedings or an action for nonpayment of Fixed or Additional Rent, Tenant shall not interpose any non-mandatory counterclaim of any nature or description in any such proceeding or action.

(g) Tenant shall not do or cause anything to be done whereby the Demised Premises may be encumbered by a construction lien. If any construction lien is filed against the Demised Premises, the Building, the Complex, or the Land as a result of any Alterations, repairs, or any other work or act of Tenant (or allegedly in connection with Tenant or any Tenant Parties), Tenant shall discharge or bond the same within twenty (20) days from the date of the filing of said lien. If Tenant shall fail to discharge or bond the lien, Landlord may bond or pay lien or claim for the account of Tenant without inquiring into the validity of the lien or claim, and Tenant shall reimburse Landlord upon demand for the costs incurred by Landlord therefor.

(h) Tenant represents that the undersigned officer(s)/member(s)/partner(s) have been duly authorized to enter into this Lease and that the execution and consummation of this Lease by Tenant does not and shall not violate any provision of any by-laws, certificate of incorporation or formation, agreement, order, judgment, governmental regulation, or any other obligations to which Tenant is a party or is subject.

(i) In any case where Landlord's consent, permission, or approval is requested (or required to be requested) by Tenant in connection with this Lease, Landlord shall have the right to charge Tenant all reasonable and customary third party costs (architectural, engineering and legal) on demand as Additional Rent that Landlord incurs in determining whether such consent, permission, or approval shall be granted.

(j) Tenant shall pay upon demand, as Additional Rent, all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Landlord in enforcing the Tenant's performance of its obligations under this Lease, or resulting from Tenant's default hereunder, or incurred by Landlord in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

(k) With respect to any provision of this Lease which provides, in effect, that Landlord shall not unreasonably withhold or unreasonably delay any consent or any approval, Tenant in no event shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim, for money damages; nor shall Tenant claim any money damages by way of setoff, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval; but Tenant's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

(l) This Lease may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute but one and the same instrument. Photocopies and electronically scanned or faxed copies of original signature pages shall be deemed originals in all respects. At either party's request, both parties hereto shall execute and deliver to each other originally-executed conforming duplicates of this Lease.

(m) It is agreed and understood that Tenant may acknowledge only the existence of an agreement between Landlord and Tenant pertaining to this Lease and that Tenant may not disclose any of the terms and provisions contained in this Lease to any third party (other than to such party's employees, brokers, bankers, agents, consultants, contractors and attorneys or to a prospective assignee or subtenant, or as required by law or court order), including, without limitation, any broker or any tenant or other occupant in the Complex or to any agent, broker, employee, subtenant or assignee of such tenant or occupant.

(n) This Lease may not be recorded or filed with any applicable township or authority or records without Landlord's prior written consent. Provided, however, in the event Landlord requests the execution of a memorandum of this Lease for recording purposes, Tenant agrees to execute, acknowledge and deliver to Landlord a memorandum of this Lease in form required by Landlord for recording purposes within ten (10) days after Landlord's written request made to Landlord and at Tenant's sole expense.

31. Hold Over Tenancy. If Tenant shall remain in the Demised Premises after the expiration of the Term of this Lease without having executed and delivered a new lease (or amendment to this Lease) with Landlord, such holding over shall not constitute a renewal or extension of this Lease. Landlord may, at its option, (a) elect to treat Tenant as one who has not removed at the end of its Term and thereupon be entitled to all the remedies against Tenant provided by law in that situation, or (b) construe such holding over as a month-to-month tenancy subject to all the terms and conditions of this Lease, except as to the duration thereof. In the case of both (a) and (b) above, if Tenant shall remain in the Demised Premises after the expiration of the Term of this Lease, Tenant shall pay to Landlord the following: (a) for up to the first three (3) months of such holding over, one hundred fifty (150%) percent of the Monthly Fixed Rent and Additional Rent and all other sums due hereunder in effect on the Expiration Date, with Tenant timely making such payments to Landlord in accordance with this Lease; and (b) thereafter, for all other periods of such holding over, two hundred (200%) percent of the Monthly Fixed Rent and Additional Rent and all other sums due hereunder in effect on the Expiration Date, with Tenant timely making such payments to Landlord in accordance with this Lease. The parties recognize and agree the damages to Landlord resulting from any failure by Tenant to timely surrender possession of the Demised Premises will be extremely substantial, will exceed the amount of the Monthly Fixed Rent and Additional Rent payable hereunder and will be impossible to accurately measure. If the Demised Premises are not surrendered on or prior to the date which is thirty (30) days after the expiration of the Term, in addition to the use and occupancy charges set forth above, Tenant shall indemnify and hold harmless Landlord against any and all losses, damages and liabilities resulting therefrom, including, without limitation, any claims made by any succeeding tenant founded upon such delay, this provision to survive the expiration or sooner termination of this Lease. The provisions of this Article shall not serve as permission for Tenant to hold-over, nor serve to extend the Term (although Tenant shall remain bound to comply with all provisions of this Lease until Tenant vacates the Demised Premises) and Landlord shall have the right at any time thereafter to enter and possess the Demised Premises and remove all property and persons therefrom or to require Tenant to surrender possession of the Demised Premises as provided in this Lease upon the expiration or earlier termination of the Term.

32. Relocation.

(a) Landlord, at its expense, at any time during the Term, but no more than once during the Term, may relocate Tenant from the Demised Premises to space within ten (10%) percent of (plus or minus) the initial Demised Premises and of equal or greater utility to the initial Demised Premises ("**Relocation Premises**") within the Building in Landlord's reasonable judgment upon one hundred twenty (120) days' prior written notice to Tenant. Such Relocation Premises shall be located on the same floor or no more than two floors above or below the initial Demised Premises, and shall be improved, prior to such relocation, at Landlord's sole cost and expense, to a functional, architectural, and aesthetic standard equal to or greater than that of the initial Demised Premises in its condition immediately prior to such relocation, including but not limited to with respect to views from the Relocation Premises to the exterior of the Building. From and after the date of the relocation, the Fixed Rent and Tenant's Proportionate Share shall be adjusted based on the rentable square footage of the Relocation Premises if such Relocation Premises contains fewer rentable square feet than the initial Demised Premises. If such Relocation Premises contains more rentable square feet than the initial Demised Premises, the Fixed Rent and Tenant's Proportionate Share shall remain the same as they were prior to the relocation. Landlord shall pay the reasonable and actual Tenant's costs of relocation, including but not limited to costs to improve the Relocation Premises to the standard set forth above and costs related to moving Tenant's furniture, equipment, supplies and other personal property, the cost of printing and distributing change of address notices, one month's supply of stationery showing the new address, IT cabling costs, and all other reasonable and actual costs incurred by Tenant in connection with the relocation. Additionally, the first Monthly Fixed Rent payment (but not any Additional Rent, electricity charges or any other charges or payments due hereunder, which such Additional Rent, electricity charges and other charges and payments shall be due and payable commencing on the date Tenant takes possession of the Relocation Premises) payable by Tenant hereunder for the Relocation Premises shall be abated. Notwithstanding any other provision of this Section 32, Tenant shall not be required to relocate from the initial Demised Premises to the Relocation Premises until the Relocation Premises has been improved by Landlord to the standard set forth above, as determined by Landlord in its reasonable discretion; provided, that if Tenant agrees to take occupancy of the Relocation Premises prior to Landlord completing its renovation of the Relocation Premises to the standard set forth above, as determined by Landlord in its reasonable discretion, in addition to the Fixed Rent abatement set forth above, Tenant shall be entitled to two (2) days of abated Fixed Rent for each day that Tenant occupies the Relocation Premises prior to Landlord completing its renovation of the Relocation Premises to the standard set forth above.

(b) In the event Landlord exercises its right to relocate Tenant, Landlord and Tenant hereby agree to amend promptly those provisions of this Lease that are affected by the relocation and the change, if any, in the rentable square footage.

(c) After Tenant takes possession of the Relocation Premises, the term "Demised Premises" as used in this Lease, shall be deemed to refer to and include the Relocation Premises.

33. Financial Statements. At Landlord's request from time to time during the Term but no more than one (1) time per calendar year, or otherwise in connection with any assignment or sublet by Tenant under Article 27 hereof, Tenant agrees on ten (10) Business Days written notice to furnish to Landlord and to any mortgagee or ground lessor of the Building and/or Land a financial statement prepared in accordance with GAAP for such year and certified by either of Tenant's certified public accountant or Tenant's chief financial officer, at Tenant's option. Tenant shall not be required to furnish Landlord with the aforesaid financial documentation at any time Tenant's stock or other beneficial interests of Tenant is listed and traded on a nationally recognized stock or securities exchange or other over-the-counter exchange and its then current financial statement is readily available on its public website.

34. USA Patriot Act. Tenant represents, warrants, and covenants neither Tenant nor any of its partners, officers, directors, members or shareholders, assignees, or subtenants (a) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("**OFAC**") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("**Order**") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (b) is listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (c) is listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (d) is listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (e) is listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ. L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 6001-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "**Orders**"); (f) is engaged in activities prohibited in the Orders; or (g) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 *et. seq*.).

35. Telecommunications.

(a) Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative vendor service companies, shall have no right of access to or within the Building and/or the Land for the installation or operation of telecommunications services or systems, including, but not limited to, voice, video, data, and other telecommunications services provided over wire, fiber optic, microwave, wireless, or any other transmission system, for all or part of Tenant's telecommunications within the Building and from the Building and/or the Land to any other location without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Subject to Landlord's prior written consent, which consent Landlord shall not be unreasonably withheld, conditioned or delayed, and compliance by Tenant and Tenant's Telecommunications Provider with Landlord's reasonable and non-discriminatory rules and regulations therefor subject to the requirements in Section 8(b) hereof, Tenant and/or Tenant's Telecommunications Provider shall be permitted access to the Building's riser system, at no separate rental cost, for the installation of the telecommunications cabling and other equipment and, in order to install, maintain, and operate the telecommunications cabling or other equipment; (2) Tenant and Tenant's Telecommunications Provider shall be permitted access to the telecommunications closet(s) on the floor on which the Demised Premises is located and (3) Tenant shall at all times, (i) have reasonable access to the point of entry or telco riser closet in the Building, to which the applicable Tenant's Telecommunications Provider delivers its telephone, data and other information cabling into the Building ("POE") and shall be permitted to install and maintain all appropriate cabling in the POE and through the Building's existing conduits and/or existing floor penetrations and (ii) be permitted to install and maintain any horizontal conduit or pathways reasonably required by Tenant, in order to connect the POE to Tenant's main distribution frame.

(c) In the event Landlord consents in writing to the installation by Tenant of any cabling, wiring, risers and similar installations appurtenant thereto (collectively, "Wiring"), then the parties acknowledge and agree that Landlord shall retain the Wiring, and Tenant covenants that:

(i) Tenant shall surrender such Wiring, and such Wiring shall be free of all liens and encumbrances; and

(ii) All Wiring shall be left in good condition, reasonable wear and tear excepted, working order, properly labeled at each end and in each telecommunications/electrical closet and junction box, and in safe condition.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF Landlord and Tenant have caused this Lease to be executed as of the date first above written.

LANDLORD:

KBS II 100-200 CAMPUS DRIVE, LLC,
a Delaware limited liability company

Witnessed by:

By: KBS Capital Advisors, LLC,
a Delaware limited liability company,
its Authorized Agent

/s/ Michelle Katter
Name: Michelle Katter

By:/s/ Shannon W. Hill
Name: Shannon W. Hill
Title: Senior Vice President

TENANT:

Witnessed by:

CELLECTAR BIOSCIENCES, INC.,
a Delaware corporation

/s/ Jim Caruso
Name: Jim Caruso

By:/s/ Brian M. Posner
Name: Brian M. Posner
Title: CFO

EXHIBIT A

FLOOR PLAN

[See attached.]

KIMMERLE NEWMAN
ARCHITECTS, PA

architecture
planning
interiors

264 South Street
Morristown, New Jersey 07960
973 538 6885
www.kimmerle.com

Cellectar Exhibit A

100 Campus Drive

Park Avenue at Morris Township
Florham Park, NJ
Suite 207

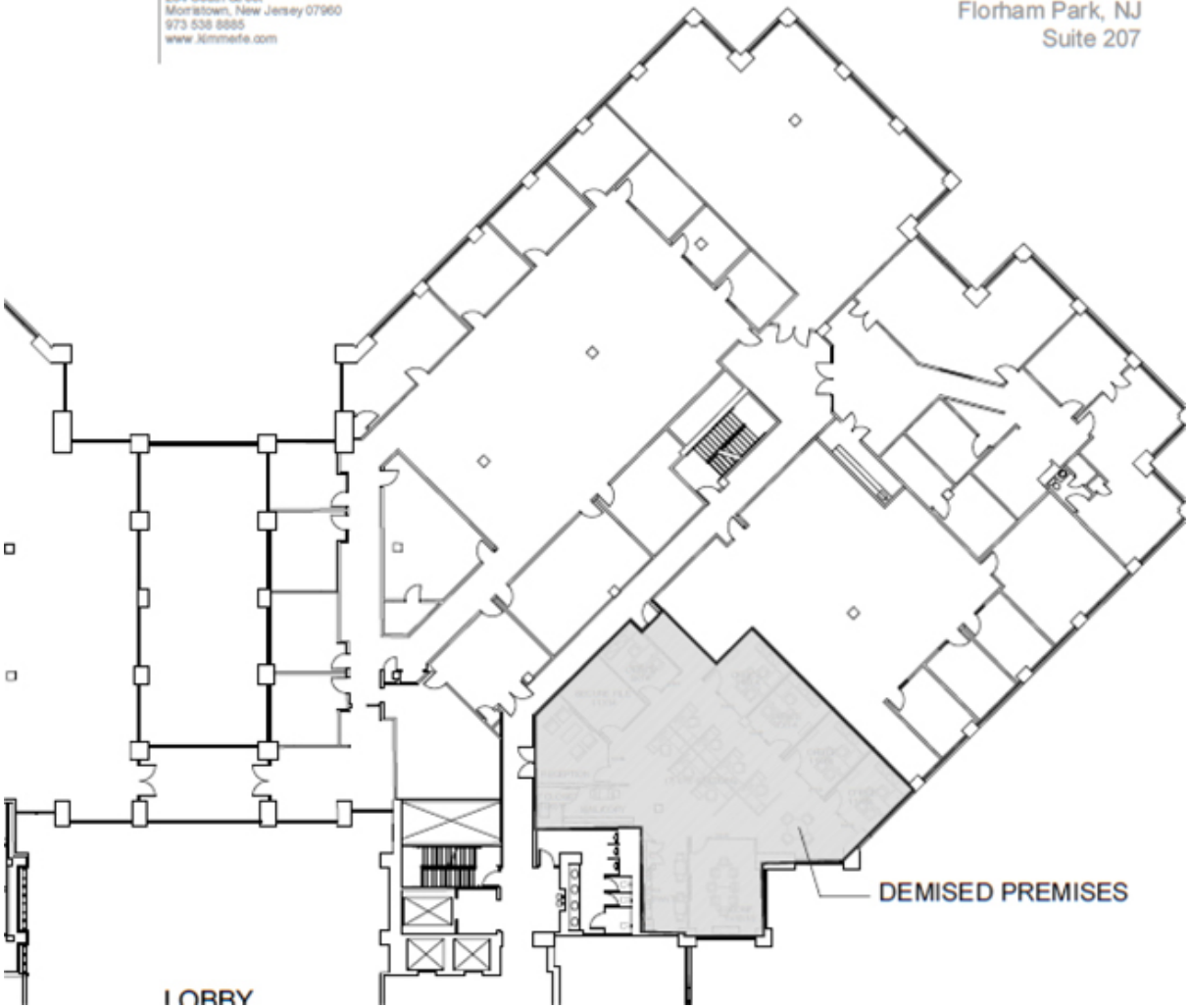


EXHIBIT A-1

SITE PLAN OF BUILDING

[See attached.]

Parking Lot Breakup - 100 Campus Drive

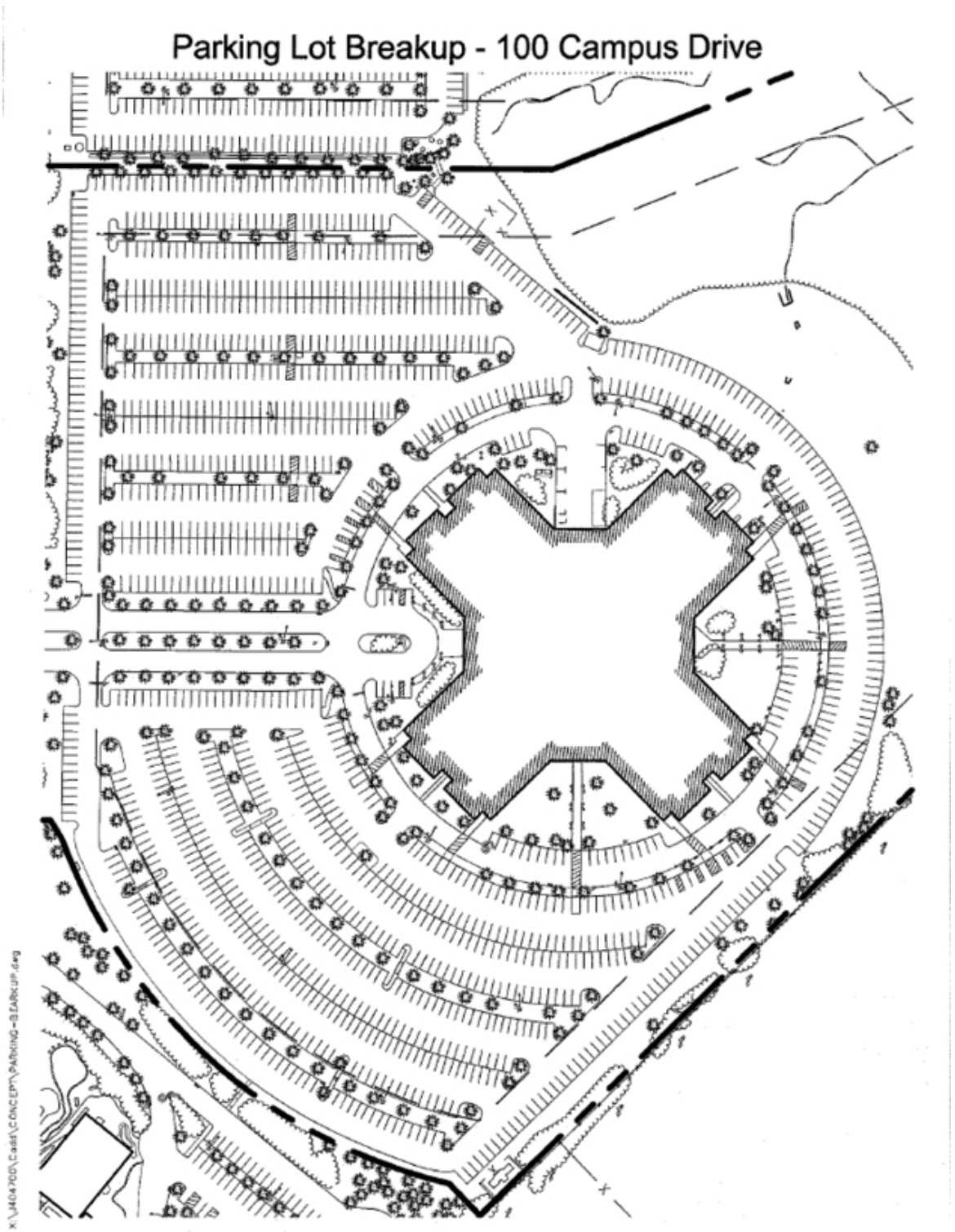


EXHIBIT A-2

SITE PLAN OF COMPLEX

[See attached.]

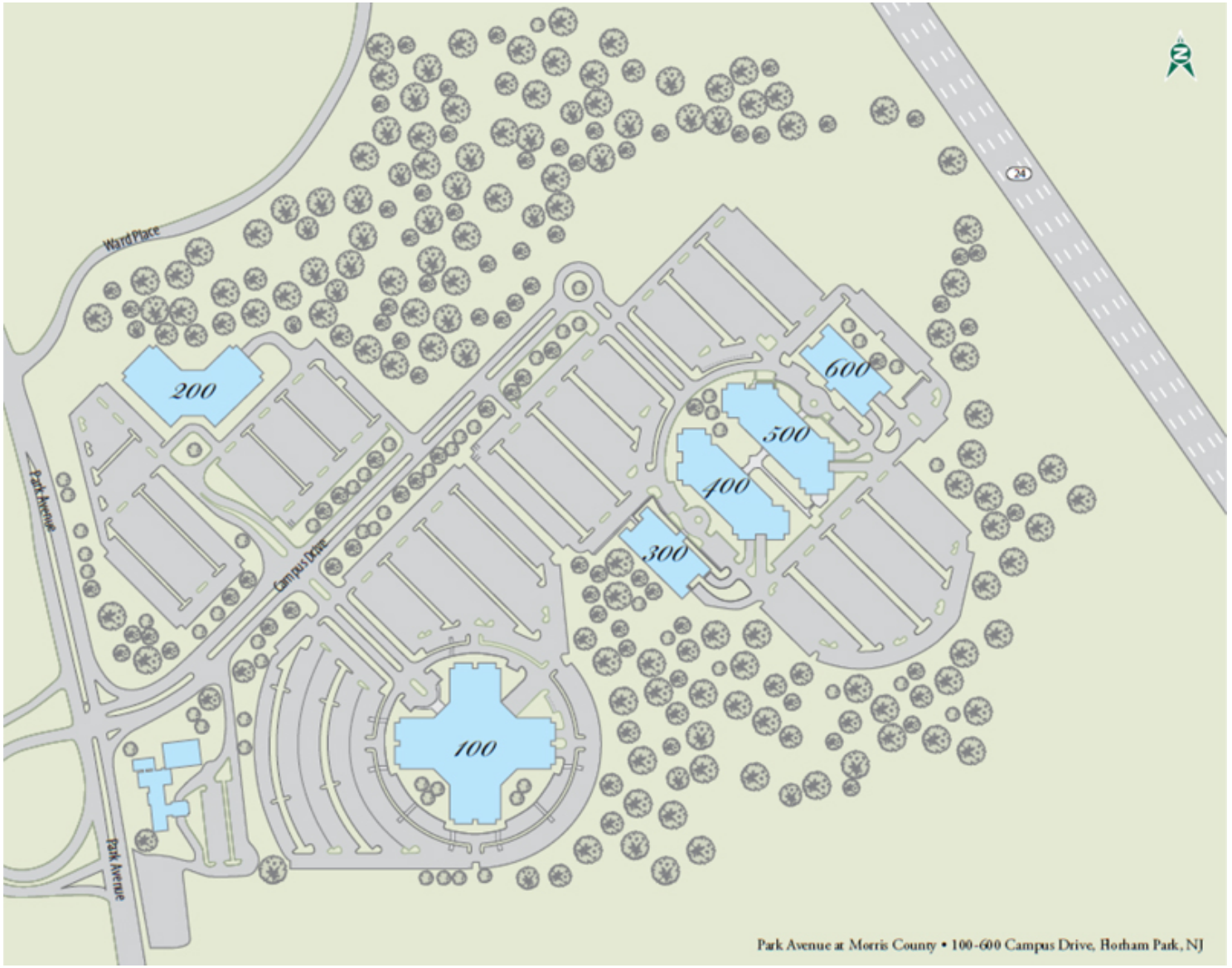

Ward Place
Park Avenue
Campus Drive
Park Avenue
200
100
300
400
500
600
24
Park Avenue at Morris County • 100-600 Campus Drive, Florham Park, NJ

EXHIBIT B

Work Letter to Lease

between

KBS II 100-200 CAMPUS DRIVE, LLC, as Landlord

and

CELLECTAR BIOSCIENCES, INC., as Tenant

Capitalized terms used herein, unless otherwise defined in this Exhibit, shall have the respective meanings assigned to them in the Lease.

For and in consideration of the agreement to lease the Demised Premises and the mutual covenants contained herein and in the Lease, Landlord and Tenant hereby agree as follows:

1 . **Tenant Improvements**. (a) Landlord shall cause to be performed the Tenant Improvements (herein, the "**Tenant Improvements**" or the "**Work**") in the Demised Premises provided for in the Work Plans (as defined in Paragraph 2 hereof). Landlord shall proceed diligently to cause the Tenant Improvements to be Substantially Completed at or before the Commencement Date, subject to "Tenant Delay" and "Force Majeure Delay (as such terms are defined in Paragraph 4 hereof).

(b) Except as may be otherwise expressly provided in this Lease (including, without limitation, this Workletter), Tenant hereby accepts the Base Building (hereinafter defined) and the Building Systems in their present "as is" condition and with no representations or warranties as to their condition or suitability for Tenant's purposes. The term "**Base Building**" shall mean the structural portions of the Building, and the public restrooms, Building Systems and the systems and equipment located in the internal core of the Building on the floor on which the Demised Premises are located. The term "**Building Systems"** shall be defined as set forth in the Lease, including, without limitation, the mechanical, gas, steam, electrical, sanitary, HVAC, elevator, plumbing, and life-safety systems of the Building up to the point of connection of localized distribution to the Demised Premises (it being understood that the Building Systems shall not include any systems that Tenant installs in the Demised Premises). Nothing contained in this Section shall require Landlord to maintain or repair any systems located within the Demised Premises that distribute within the Demised Premises electricity, HVAC or water. Landlord represents and warrants that the Base Building and the Building Systems shall be in good working order and condition as of the Commencement Date.

2. **Design Drawings; MEP Drawings; CDs; Work Plans; and Cost Estimate**.

(a) (1) As of the date hereof, Tenant has submitted to Landlord the following (collectively, the "Design Drawings"): (i) the final space plan and test fitting for the Tenant Improvements and the Demised Premises (the "Tenant's Space Plan"), which Tenant's Space Plan generally indicates the functional and organizational relationship of the Demised Premises, the location and size of the Demised Premises, all demising partitions, interior walls and doors, the location and configuration of office areas, the layout of typical furniture and other special conditions and requirements of Tenant's space; (ii) a complete description of all of the Tenant's chosen finishes for the Tenant Improvements, and (iii) the technical requirements of the MEP Drawings (as such term is hereinafter defined) for the Tenant Improvements.

(2) By no later than twenty-one (21) days after the date Landlord and Tenant have mutually executed and delivered to each other a copy of this Lease, Landlord shall deliver to Tenant for its review final construction drawings (the "CDs") and complete and fully coordinated and detailed mechanical, electrical and plumbing drawings ("MEP Drawings") for the Tenant Improvements, for all mechanical, electrical and plumbing improvements set forth in the Design Drawings and which are included in the CDs and based on the Design Drawings prepared and submitted by Tenant to Landlord by Tenant. The Design Drawings, CDs and MEP Drawings shall include at least the minimum information shown on the preliminary space plan attached hereto and incorporated herein as **Attachment A**.

(3) By no later than five (5) days after the date Tenant receives from Landlord the CDs and MEP Drawings, Tenant shall respond to Landlord in writing whether it approves the CDs and MEP Drawings, with such review and approval to be subject to the provisions hereinbelow set forth and if Tenant fails to approve same within such time period then same shall constitute a Tenant Delay (as described in Article 4 below). The CDs and MEP Drawings shall also be revised, and the Tenant Improvements shall be changed, to incorporate any work required in the Demised Premises by any local governmental field inspector, but such changes shall require the written approval of Tenant within two (2) days of submission of same by Landlord to Tenant, and if Tenant fails to approve same within such time period then same shall constitute a Tenant Delay (as described in Article 4 below). The CDs and MEP Drawings shall be subject to Tenant's reasonable approval and the approval of all local governmental authorities requiring approval, if any. Tenant shall give its approval or disapproval (giving specific reasons in case of disapproval) of the CDs and MEP Drawings within five (5) days after their delivery to Tenant. Tenant agrees not to unreasonably withhold, delay or condition its approval of the CDs and MEP Drawings. Failure of Tenant to respond in writing to Landlord within said 5-day period shall be deemed approval of the CDs and MEP Drawings by Tenant; provided, however, that Landlord may at its option elect not to rely on any such "deemed approval" and may instead elect to require Tenant to approve same in writing. Tenant shall cooperate with Landlord by discussion or reviewing preliminary plans and specifications at Landlord's request prior to completion of the full, final detailed CDs and MEP Drawings in order to expedite preparation of the CDs and MEP Drawings and the approval process.

(b) Once the CDs and MEP Drawings have been approved as described hereinabove by Tenant, then the term "Plans" or "Work Plans", as used herein, shall mean the approved CDs and MEP Drawings for the Work. Following Tenant's approval of the Work Plans, Landlord shall then obtain and submit to Tenant an estimate (**"Cost Estimate"**) of the Cost of the Work (as defined in Paragraph 3 below) from the General Contractor (hereinafter defined) and a proposed construction schedule established by the General Contractor. Within five (5) days after receipt of the Cost Estimate, Tenant shall either (i) approve such Cost Estimate or (ii) request that Landlord prepare revised Plans, modified so as to reduce costs, which revised Plans shall again be subject to Tenant's approval and for Landlord's subsequent preparation of a new Cost Estimate. Landlord shall have no obligation to commence or perform the Work until the Cost Estimate has been approved in writing by Tenant.

(c) Landlord shall revise the Cost Estimate from time to time to reflect any estimated cost increases or decreases for the Work, including such adjustments as may be required with respect to any revisions to Plans requested by Tenant and approved by Landlord, or required by any local governmental agencies. As to revised costs resulting from revisions to the Plans requested by Tenant, Tenant shall approve in writing such revised costs shown in the Cost Estimate within three (3) Business Days after Landlord submits the revised Cost Estimate to Tenant. If such approval is not received by Landlord within such three (3) Business Day period, Tenant shall be deemed to have failed to approve such Cost Estimate and to have abandoned its request for revisions to the Plans. If any revisions to the Plans are required by a local governmental agency, Tenant shall be deemed to have approved any adjustments to the Cost Estimate resulting therefrom. If Landlord approves the revisions to the Plans requested by Tenant and Tenant approves the revised Cost Estimate, the Work to be performed by Landlord shall include the revisions to the Work shown in the revised Plans, and the total cost of such revisions to the Work and Plans requested by Tenant shall be included in and added to the Cost of the Work (as hereinafter defined) paid by Tenant. The Work to be performed by Landlord shall also include revisions to the Work required by any local governmental agency or local governmental field inspector, and the cost of any such revisions or changes to the Plans or Work shall also be added to and included in the Cost of the Work.

(d) Landlord, in its sole discretion, may substitute for items, materials or finishes designated in the Work Plans other items, materials or finishes of comparable kind and quality, provided that Landlord shall not make any substitution for any items, materials or finishes that are specified by Tenant in the Plans. All Tenant Improvements to be done by Landlord and any installations in the Demised Premises as set forth in the Work Plans or otherwise shall be done using Building-standard specifications, materials, finishes and supplies, unless otherwise specified in the Plans. Landlord, at its sole option, may also change mechanical plans and specifications where necessary for the installation of air conditioning systems and ductwork, heating, electrical and plumbing and other mechanical plans for the Tenant Improvements, provided that any such changes shall not affect the aesthetics of the Demised Premises in Tenant's reasonable judgment nor materially and adversely affect Tenant's use and occupancy of the Demised Premises for its intended purpose.

(e) Landlord shall select a general contractor ("General Contractor") of its choosing for construction of the Tenant Improvements.

3. **Cost of the Work and Landlord's Maximum Contribution**.

(a) For purposes hereof, the **"Cost of the Work"** shall mean and include the following costs attributable by Landlord to the Work: (i) the cost of all materials and labor for contractor and subcontractor trade costs; (ii) general conditions (including rubbish removal, hoisting, permits, temporary facilities, safety and protection, cleaning, tools, blueprints and reproduction, telephone, temporary power, field supervision and other out-of-pocket costs of the Landlord or its agent and the General Contractor, and the like); (iii) premium cost of workers' compensation, public liability, casualty and other insurance charged by contractors; (iv) contractors' charges for overhead and fees; (v) architectural and engineering fees and any other "soft costs" incurred by Landlord, including, without limitation, the cost of the Plans and any revised Plans; and (vi) a fee payable to Landlord equal to two percent (2%) of the sum of the foregoing costs for Landlord's overhead and construction management services.

(b) Provided that Tenant is not in default hereunder or under the Lease, Landlord shall contribute a maximum amount (**"Landlord's Maximum Contribution"**) of One Hundred Seventy Nine Thousand Two Hundred Thirty-Five and 00/100 Dollars ($179,235.00), as Landlord's share of the Cost of the Work (which is equal to $45.00 per rentable square foot of the Demised Premises), for application to the extent thereof to the "hard" and "soft" costs of the Work, provided that a maximum of up to Thirty Five Thousand Eight Hundred Forty-Seven and 00/100 Dollars ($35,847.00) (which sum is equal to twenty percent (20%) of the Landlord's Maximum Contribution) of such Landlord's Maximum Contribution in the aggregate may be used and applied toward "soft" costs associated with the Work (which includes only architectural, engineering, design and moving fees).

Tenant shall pay to Landlord, within ten (10) Business Days of demand, as Additional Rent under the Lease, any excess of the Cost of the Work over the amount of Landlord's Maximum Contribution (**"Excess Costs"**). Landlord shall not be obligated to commence or continue the Work until Tenant has paid Landlord the Landlord's estimate of such Excess Costs and all other costs and charges in connection with the Work for which Tenant is responsible hereunder. If, after the Plans have been approved or Work has commenced, the Cost Estimate or Work is revised such that Tenant owes Landlord additional amounts on account of the Cost of the Work, Landlord shall not be obligated to proceed or continue with the Work until Tenant has paid Landlord any such deficit. Any such deficit owed by Tenant shall be paid to Landlord within ten (10) days after issuance of the revised Cost Estimate. If the actual Cost of the Work is less than Landlord's Maximum Contribution, Tenant shall not be entitled to receive a payment or a credit for such difference.

(c) Tenant shall, in a timely manner, pay directly for all soft costs, including, but not limited to, all legal fees of Tenant's counsel and moving expenses, incurred as a result of the Work, and such fees shall not be included as part of the Cost of the Work nor shall such fees be covered by Landlord's Maximum Contribution, except as otherwise hereinabove expressly provided.

(d) For the avoidance of any doubt, Tenant agrees that it shall be responsible, at its sole cost, for the installation of its telephone and data communications wiring and cabling and wired desk systems necessary or required for the operation of its business in the Demised Premises in accordance with the terms and conditions of the Lease and this Workletter, and such costs shall not be included as part of the Cost of the Work nor shall such fees be covered by Landlord's Maximum Contribution.

4 . **Delays in the Tenant Improvements**. Notwithstanding any date which may be provided in the Lease for the commencement of the Term thereof, the Commencement Date and Tenant's obligation to pay Monthly Fixed Rent and/or Additional Rent thereunder for the Demised Premises shall not commence until Landlord shall have Substantially Completed the Tenant Improvements as set forth in Paragraph l hereof; provided, however, if Landlord shall be delayed in Substantially Completing the Tenant Improvements for any reason set forth in the following subparagraphs (a) through (j) ("**Tenant Delay**") or for any reason set forth in the following subparagraph (k) ("**Force Majeure Delay")**, then neither the Commencement Date nor the payment of Monthly Fixed Rent and Additional Rent thereunder for the Demised Premises shall be affected or deferred on account of such delay:

(a) Tenant's failure to respond and/or approve or disapprove the Plans, CDS, MEP Drawings or any changes requested to the Tenant Improvements by Landlord or any governmental authority, or Tenant's failure to furnish the information required for the preparation of the same, as and when required hereby;

(b) Tenant's failure to approve the Cost Estimate within the initial time period prescribed in this Workletter after submittal by Landlord, or Tenant's failure to approve any subsequent revisions to the Cost Estimate within the time periods prescribed herein for such approval;

(c) Tenant's request for or use of any "Long Lead Items", which are defined to be: (i) unique materials, finishes or installations or construction procedures which are substantially different from that which is standard or customary for the Building, or (ii) materials, finishes or installations or construction procedures substantially different from that shown in the initial space plan or any subsequent amendment made thereto (and approved by Tenant), or (iii) materials, finishes or installations or construction procedures resulting in the Tenant Improvements required by the Work Plans (as same may be revised from time to time), which identify any such Long Lead Item(s) and as a result thereof, taking longer to complete under standard construction procedures (e.g., without use of overtime or additional shifts and without necessitating other measures to expedite long lead time items) than originally projected by Landlord at the execution of this Lease (i.e., when Landlord developed its schedule for construction of the Tenant Improvements without the benefit of the Work Plans); provided, however, that Landlord shall designate any item as a Long Lead Item within five (5) Business Days after the later of (x) the date of its receipt of Tenant's request for such item from Tenant and (y) the date Landlord determines such item is a Long Lead Item, failing which such item(s) shall not be deemed to be Long Lead Item(s).

(d) Tenant's failure to pay for any portion of the Tenant Improvements as and when payable by Tenant hereunder, within the time period described in Paragraph 3 above;

(e) Tenant's changes in the Tenant Improvements or the Work Plans, CDS, or MEP Drawings, after the approval thereof or deemed approval thereof as provided in Paragraph 2 above (notwithstanding Landlord's approval of any such changes);

(f) Any Change Order (as such term is hereinafter defined) requested by Tenant;

(g) Landlord's determination that base building modifications are necessary in order to accommodate the Tenant Improvements; provided, however, Landlord shall advise Tenant in advance if any base building modifications will be necessary and whether the same may cause a delay in Substantially Completing the Tenant Improvements;

(h) [Intentionally omitted;**]**

(i) The entry by Tenant or Tenant's Contractors (as defined in Paragraph 6 below) in or about the Demised Premises or Building;

(j) any other act, omission or delay by Tenant, its agents or contractors or persons employed by any of such persons, which actually delays Substantial Completion of the Tenant Improvements; and/or

(k) any other cause beyond the reasonable control of Landlord, including, without limitation, strikes, lockouts, labor trouble, disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties and acts of God.

5. **Completion — Punch List**.

(a) When Landlord or its architect considers that the Tenant Improvements have been Substantially Completed or are about to be Substantially Completed in accordance with the provisions of subparagraph (d) below, Landlord shall notify Tenant as to the date or anticipated date of Substantial Completion and of a reasonable time and date for inspection of the Tenant Improvements. If such time and date for inspection are not reasonably acceptable to Tenant, Landlord and Tenant shall mutually agree upon another time and date, provided that Tenant shall not unreasonably delay such inspection. Tenant agrees to inspect the Demised Premises at such time and on such date and to execute at the time of such inspection Landlord's form of inspection report which shall be prepared by Landlord's architect and shall list items designated by said architect as not yet completed and any additional items which Landlord and Tenant, in good faith, agree are not yet completed (said list is hereinafter referred to as a "**Punch List**"). If Tenant does not appear for inspection on the date designated or agreed upon, Tenant shall be deemed to have accepted the Demised Premises as Substantially Completed and Landlord or its representative may execute such Punch List on behalf of both Landlord and Tenant. In the event of any dispute as to whether or not Landlord has Substantially Completed the Tenant Improvements, the decision of Landlord's architect, made in accordance with the provisions of subparagraph (d) below, shall be final and binding on the parties. Tenant agrees that, at the request of Landlord from time to time after the initial inspection, Tenant shall initial such Punch List or execute revised Punch Lists to reflect completion or partial completion of prior Punch List items.

(b) At any time after Substantial Completion of the Tenant Improvements, Landlord may enter the Demised Premises to complete Punch List items, and such entry by Landlord or its agents, employees or contractors for such purpose shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under the Lease, or impose any other liability upon Landlord or its agents, employees or contractors.

(c) Except as may be otherwise expressly provided in this Lease (including, without limitation, this Workletter), if the Demised Premises or any part thereof are used or occupied by the Tenant or Tenant's agents, contractors or employees to conduct its business therein prior to Substantial Completion, it is agreed that the Tenant Improvements affecting said Demised Premises shall then be deemed accepted by Tenant "as is" and Landlord shall have no obligation to complete any incomplete items; provided, however, that at the request of either party hereunder, Landlord and Tenant, acting reasonably, shall prepare a Punch List prior to such occupancy showing incomplete items to be completed by Landlord. Notwithstanding the foregoing, no such use or occupancy prior to Substantial Completion shall be permitted without Landlord's consent, in Landlord's sole discretion, except as may be otherwise expressly provided in Section 6 hereof.

(d) The phrases "**Substantial Completion**", "**Substantially Completed**" or "**Substantially Complete**", as used in the Lease and/or this Exhibit (whether such terms, as used herein, are initially capitalized or not), shall mean that the Tenant Improvements have been completed (except for such incomplete items as would not materially interfere with the use of any portion of the Demised Premises for its intended uses as described in the Lease) and final inspection approvals have been granted by the local governing authority. Landlord shall use commercially reasonable efforts to obtain a temporary or final certificate of occupancy (or its reasonable equivalent) for the Demised Premises within sixty (60) days after the Commencement Date, but if Landlord fails to so obtain same within such period it further covenants in any event to obtain same as soon as is reasonably practicable under the circumstances.

The Tenant Improvements shall be deemed to be Substantially Complete on the date on which the Tenant Improvements would have been Substantially Complete but for Tenant Delay or Force Majeure Delay or on such earlier date as the Work shall be deemed to be Substantially Complete pursuant to Paragraph 5(c) above.

6. **Access by Tenant Prior to the Commencement Date**.

(a) Landlord shall permit Tenant and Tenant's agents, suppliers, contractors, subcontractors and workmen (collectively, "**Tenant's Contractors**"), who have been approved by Landlord as hereinafter provided, to enter the Demised Premises no earlier than fourteen (14) days prior to the Commencement Date to enable Tenant to install its telephone and computer cabling and its furniture, fixtures or equipment or do such other things as may be reasonably required by Tenant to make the Demised Premises ready for Tenant's occupancy, and to inspect the progress of the Tenant Improvements. Any such permitted entry or access by Tenant or Tenant's Contractors and any work which may be performed in the Demised Premises in connection therewith shall be subject to all of the applicable terms and conditions of this Workletter and the Lease, including, without limitation, Articles 6 and 10 thereof. Tenant covenants and agrees that it shall at its sole cost commence the installation and wiring of telephone, data, cabling and communications equipment and wired desk systems, necessary or required for the operation of its business in the Demised Premises in accordance with the terms and conditions of the Lease and this Workletter, within three (3) days after receipt of written notice from Landlord or its agent directing Tenant to commence such work and Tenant covenants that it shall complete such installation and wiring within the timeframe allotted by the General Contractor to complete such work, within the early access period stated in this Section 6(a). Subject to the provisions of this Section 6, Tenant shall have access to the Demised Premises during the progress of the Work to perform the foregoing work.

(b) Tenant shall notify Landlord of the identity of Tenant's Contractors not less than five (5) days prior to the initial entry into the Demised Premises by any such Tenant's Contractors, and Landlord shall have the right to approve or disapprove any of Tenant's Contractors.

(c) Tenant agrees that if permission is granted Tenant for early entry under this Paragraph, then Tenant covenants and agrees that (i) Tenant and Tenant's Contractors and their activities in the Demised Premises and Building will not interfere with or delay the completion of the Tenant Improvements to be done by Landlord and will not interfere with other construction by Landlord, its contractors and subcontractors and their agents and employees or occupants of the Building and their contractors in or about the Demised Premises or Building, and (ii) Landlord, its contractors and subcontractors and their agents and employees shall have priority over Tenant and Tenant's Contractors in performing work within the Demised Premises or Building, including, without limitation, the use of hoists and elevators.

(d) Landlord shall have the right to withdraw its early occupancy permission given under this Paragraph 6 upon written notice to Tenant if Landlord determines that any material or substantial interference or delay has been or may be caused. Tenant agrees that any such entry into the Demised Premises shall be at Tenant's own risk and Landlord shall not be liable in any way for any injury, loss or damage which may occur to any of the Tenant's property or installations made in the Demised Premises.

(e) Tenant shall promptly pay to each of Tenant's Contractors when due the cost of any work done by such Tenant's Contractor and, if required by Landlord, shall deliver to Landlord evidence of payment to each such party, together with contractors' affidavits, partial and full and final waivers of all liens for labor, service or materials and such other documents as Landlord may request.

(f) Any work performed by Tenant or Tenant's Contractors shall be done in a first-class workmanlike manner using only first-class grades of materials and shall comply with all of Landlord's rules and requirements and all applicable laws, ordinances, rules and regulations of governmental departments or agencies.

(g) Any work done by Tenant or Tenant's Contractors will be scheduled and coordinated through Landlord and shall be performed under the supervision and control of Landlord to the extent Landlord determines to be necessary.

(h) Subject to the releases and waivers of subrogation contained in or required by this Lease, Tenant agrees to protect, defend, indemnify and save harmless Landlord and its officers, directors, managers, members, partners, employees and agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Tenant or Tenant's Contractors in or about the Demised Premises or Building, including, without limitation, the cost of any repairs to the Demised Premises or Building necessitated by activities of Tenant or Tenant's Contractors. The liability of Tenant to indemnify Landlord, as hereinabove set forth, (i) shall not extend to liability resulting solely from the negligence or willful misconduct of Landlord and Landlord's contractors, agents or employees, (ii) shall be in proportion to Tenant's allocable share of any joint negligence or willful misconduct with Landlord, and (iii) shall not extend to any matter against which Landlord shall be effectively protected by insurance; provided, however, that if any such liability shall exceed the amount of the effective and collectable insurance in question, the said liability of Tenant shall apply to such excess. In addition, prior to the initial entry into the Building or the Demised Premises by Tenant or any of Tenant's Contractors, Tenant shall furnish Landlord, at Tenant's sole cost, with policies of insurance required by the Lease and with any additional insurance covering Landlord and its officers, directors, partners, managers, members, employees and agents as insured parties, with such coverages and in such amounts as Landlord may then reasonably require, in order to insure Landlord and its officers, directors, partners, employees or agents against loss or liability for injury or death or damage to property arising out of or connected with any activities of Tenant or Tenant's Contractors. Tenant acknowledges that the foregoing indemnity shall be in addition to the insurance requirements set forth herein and shall not be in discharge of or in substitution for same.

(i) Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to be attached to or be placed upon Landlord's title or interest in the Demised Premises, Building or underlying land and the Complex, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed upon the Demised Premises, Building or land and the Complex, with respect to work or service claimed to have been performed for, or materials claimed to have been furnished to, Tenant or the Demised Premises by Tenant's Contractors, and in case of any such lien attaching, Tenant covenants and agrees to cause it to be immediately released and removed of record. In the event that such lien is not immediately released and removed or bonded within twenty (20) days after such lien, or notice thereof, is filed, Landlord, at its sole option, may take all action necessary to release and remove such lien (without any duty to investigate the validity thereof) and Tenant shall promptly upon notice reimburse Landlord for all actual sums, costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection with such lien.

7. **Waiver of Claims; One (1) Year Warranty.** (A) Except as may be otherwise expressly set forth herein, Tenant hereby waives all claims by the Tenant, except those arising from Landlord's failure to complete in due course the Tenant Improvements and the incomplete items, if any, described on the Punch List. **THE FOREGOING RELATING TO COMPLETION OF PUNCH LIST ITEMS ONLY CONSTITUTES LANDLORD'S ONLY WARRANTY. ALL IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY NEGATED AND WAIVED.**

(B) Landlord shall cause the General Contractor to guarantee to Tenant and for the benefit of Landlord that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of Substantial Completion of the Tenant Improvements and shall cause the General Contractor to assign to Tenant any assignable warranties. The General Contractor (and not Landlord) shall be responsible for the replacement or repair, without additional charge, of all Work done or furnished in accordance with the construction contract it entered into that shall be discovered as defective within such one (1) year period, provided, however, if the General Contractor does not resolve any such claims within a commercially reasonable period after a claim has been submitted by Tenant to the General Contractor (with a copy thereof simultaneously sent to Landlord), then Landlord shall use commercially reasonable efforts to cause the General Contractor to resolve such claim with Tenant and Landlord shall also use commercially reasonable efforts to enforce said warranty as described above.

8. **Changes in Tenant Improvements**.

(a) Landlord or any contractor hired by Landlord may make minor changes in the Tenant Improvements arising during the construction process not inconsistent with the intent hereof and Landlord shall use commercially reasonable efforts to notify Tenant of such change to the extent reasonably feasible.

(b) Tenant, at its own expense, may make changes in the Tenant Improvements by submitting to Landlord the required revised Work Plans for approval or disapproval in accordance with the approval/disapproval standards described in Paragraph 2 hereof. In the event Tenant submits revised Work Plans which are approved by Landlord, Landlord will thereafter submit a proposal (the "**Proposal**") to Tenant for approval showing (i) the increased cost of the Tenant Improvements resulting from the proposed changes and (ii) the delay in completion of the Tenant Improvements anticipated as a result of the proposed changes (it being understood that Tenant's request for a change may constitute "Tenant Delay" pursuant to Paragraph 4 and the date of Substantial Completion shall not be delayed or extended by reason thereof). The increased cost of the Tenant Improvements shall reflect all anticipated changes relating to said Tenant changes, and shall be paid for by Tenant to Landlord on demand at any time as Additional Rent. The Proposal shall include a form of Change Order which shall set forth the anticipated time to perform such change(s) and the anticipated adjustment to the cost of the Tenant Improvements ("**Change Order**"). Tenant may approve the Proposal by executing and delivering the Change Order to Landlord within the time period specified in the Proposal (or within forty-eight (48) hours, if no period is required). If Tenant fails to approve the Proposal within the specified time period, Tenant shall be deemed to have abandoned its request for changes in the Tenant Improvements and Landlord may proceed with the Tenant Improvements without regard to such requested changes. If at any time Tenant has requested changes, or Landlord has delivered a Proposal to Tenant and Tenant has not yet approved the Proposal, Landlord may at its election cease any portions of Tenant Improvements affected by such changes, and delays caused by such cessation of Tenant Improvements shall constitute a "**Tenant Delay**" as defined in Paragraph 4 hereof.

9. **Miscellaneous**.

(a) The Tenant Improvements shall be done by Landlord, or its designees, contractors or subcontractors, in accordance with the terms, conditions and provisions herein contained.

(b) Except as herein expressly set forth or in the Lease, Landlord has no agreement with Tenant and has no obligation to do any other work with respect to the Demised Premises including, but not limited to, Tenant's telephone, computer cabling and fixture and furniture installation, all of which shall be Tenant's sole responsibility. Any other work in the Demised Premises which Tenant may be permitted by Landlord to perform prior to the Commencement Date shall be done at Tenant's sole cost and expense and in accordance with the terms and conditions of the Lease and the terms and provisions of Paragraph 6 of this Work Letter and such other requirements as Landlord deems necessary or desirable. Any additional work or alterations to the Demised Premises desired by Tenant after the Commencement Date shall be subject to the provisions of the Lease.

(c) If the Work Plans for the Tenant Improvements require the construction and installation of more fire hose cabinets or telephone/electrical closets than the number regularly provided by Landlord in the core of the Building in which the Demised Premises are located, Tenant agrees to pay all reasonable costs and expenses arising from the construction and installation of such additional fire hose cabinets or telephone/electrical closets as part of the Cost of the Work hereunder.

(d) Landlord is entitled to all available investment tax credits, if any, for the Tenant Improvements paid for and property acquired by Landlord pursuant to the Lease and this Work Letter. Nothing in the Lease or this Work Letter shall be construed as an agreement by Landlord to pass any investment tax credits through to Tenant.

(e) Time is of the essence of this Work Letter.

(f) This Work Letter shall not be deemed applicable to any additional space added to the Demised Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the Demised Premises or any additions thereto in the event of a renewal or extension of the Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided herein, in the Lease or any amendment or supplement thereto.

(g) Tenant's failure to pay any amounts owed by Tenant hereunder when due (beyond the expiration of any applicable notice or cure periods provided in the Lease) or Tenant's failure to perform its obligations hereunder shall also constitute a default under the Lease, and Landlord shall have all the rights and remedies granted to Landlord under the Lease for nonpayment of any amounts owed thereunder or failure by Tenant to perform its obligations thereunder. Notices under this Work Letter shall be given in the same manner as under the Lease.

(h) The liability of Landlord hereunder or under any amendment hereto or any instrument or document executed in connection herewith (including, without limitation, the Lease) shall be limited to and enforceable solely against Landlord's interest in the Building.

1 0 . **LEED Certification**. Provided that Tenant shall not incur any material expense in connection therewith, Tenant shall fully cooperate with Landlord in any programs in which Landlord may elect (if any) to participate relating to the Building's (i) energy efficiency, management, and conservation; (ii) water conservation and management; (iii) environmental standards and efficiency; (iv) recycling and reduction programs; and/or (v) safety, which participation may include, without limitation, the Leadership in Energy and Environmental Design (LEED) program and related Green Building Rating System promoted by the U.S. Green Building Council. All carbon tax credits and similar credits, offsets and deductions are the sole and exclusive property of Landlord.

ATTACHMENT A

MINIMUM INFORMATION FOR WORK PLANS

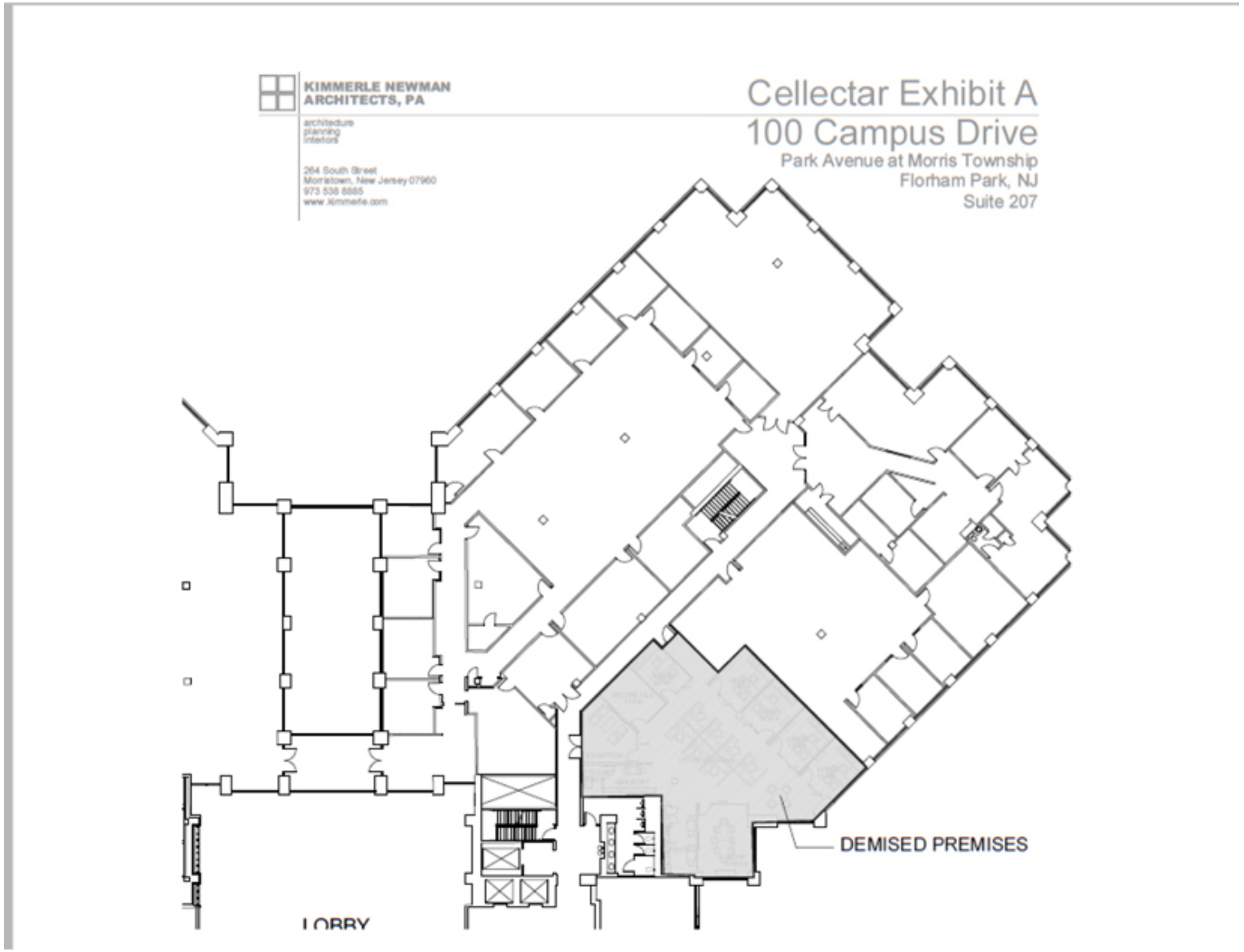

KIMMERLE NEWMAN
ARCHITECTS, PA
architecture
planning
interiors
264 South Street
Morristown, New Jersey 07960
973 538 8885
www.kimmerle.com
Cellectar Exhibit A
100 Campus Drive
Park Avenue at Morris Township
Florham Park, NJ
Suite 207
DEMISED PREMISES
LOBBY

EXHIBIT C

RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name, or notice shall be installed or displayed on any part of the exterior or interior Common Areas of the Building without the prior written consent of Landlord, which consent Landlord may withhold using its sole discretion. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person chosen by Landlord.

2. No awning shall be permitted on any part of the Demised Premises. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Demised Premises.

3. Landlord shall retain the right to control and prevent access to the Building of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation, and interests of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no employee or invitees of any tenant shall go upon the roof of the Building.

4. All cleaning and janitorial services for the Building and for the Demised Premises shall be provided exclusively through Landlord and, except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Demised Premises.

5. Landlord will furnish Tenant, free of charge, a reasonable number of access cards (but in any event, a minimum of thirteen (13)), to the Building and the Demised Premises. Landlord may charge a reasonable amount for any additional cards requested by Tenant. Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Demised Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord any cards that have been furnished to Tenant, and in the event of loss of any cards so furnished, shall pay Landlord therefor.

6. If Tenant requires telephonic, burglar alarm, or similar services, it shall first obtain, and comply with, Landlord's instructions in their installation.

7. Any freight elevator shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord, in its discretion, shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise, or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord.

8. Tenant shall not place a load down upon any floor of the Demised Premises that exceeds the load per square foot which such floor was designed to carry and that is allowed by law. Landlord shall have the right to prescribe the weight, size, and position of all equipment, materials, furniture, or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Any object belonging to Tenant that causes noise or vibration that may be transmitted to the structure of the Building or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord shall not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

9. Tenant shall not use or keep in the Demised Premises any kerosene, gasoline, or inflammable or combustible fluid, or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Demised Premises any foul or noxious gas or substance, or permit or allow the Demised Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, nor shall Tenant bring into or keep in or about the Demised Premises any birds or animals.

10. Tenant shall not use any method of heating or air-conditioning other than that supplied by Landlord.

11. Tenant shall cooperate fully with Landlord to assure the most effective operation of the Building's heating and air-conditioning and to comply with any governmental energy-saving rules, laws, or regulations of which Tenant has actual notice, provided that Tenant shall not incur any unreasonable expense in connection therewith, and shall refrain from attempting to adjust controls other than room thermostats installed for Tenant's use. In addition, Tenant shall cooperate with Landlord in any other reasonable efforts to promote energy efficiency and/or "green" initiatives, provided that Tenant shall not incur any unreasonable expense in connection therewith.

12. [Intentionally Omitted.]

13. Landlord reserves the right to exclude from the Building, between the hours of 6 p.m. and 8 a.m. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays and legal holidays, any person, unless that person is known to the person or employee in charge of the Building or has a pass and is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error in regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement, or other commotion by closing the doors or by other appropriate action.

14. Tenant shall not obtain for use on the Demised Premises ice, drinking water, food, beverage, towel, or other similar services, or accept barbering or bootblacking services upon the Demised Premises, except at such hours and under such regulations as may be fixed by Landlord.

15. The toilet rooms, urinals, wash bowls, and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown into same. The expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.

16. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theater tickets, or any other goods or merchandise to the general public in or on the Demised Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the Building.

17. Tenant shall not install any radio or television antenna, loudspeaker, or other device on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

18. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Demised Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Demised Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

19. Tenant shall not install, maintain, or operate upon the Demised Premises any vending machine without the written consent of Landlord.

20. Canvassing, soliciting, and distribution of handbills or any other written material, and peddling in the Building are prohibited, and each tenant shall cooperate to prevent same.

21. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

22. Tenant shall store all of its trash and garbage within the Demised Premises. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash and garbage disposal or that does not originate from materials utilized by Tenant at the Demised Premises. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

23. The Demised Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Demised Premises be used for any improper, immoral, or objectionable purpose. No cooking shall be done or permitted by any tenant on the Demised Premises, except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate, and similar beverages and for heating pre-prepared foods (such as a microwave oven) shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county, and city laws, codes, ordinances, rules, and regulations.

24. Tenant shall not use in any space or in the public halls of the Building any hand trucks, except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building.

25. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant, except as Tenant's address.

26. Tenant shall comply with all safety, fire protection, and evacuation procedures and regulations established by Landlord or any governmental agency.

27. Tenant assumes any and all responsibility for protecting the Demised Premises from theft, robbery, and pilferage.

28. The requirements of Tenant will be attended to only upon written application to the office of the Building Manager by an authorized individual.

29. Tenant shall not park its vehicles in any parking areas designated by Landlord as areas for parking by visitors to the Building. Tenant shall not leave vehicles in the Building parking areas overnight. Landlord reserves the right, but shall not be obligated to, require that (i) Tenant's and Tenant's employees' vehicles be stickered with an identification sticker and (ii) vehicles parked in violation of the Lease (including the rules and regulations) be towed at Tenant's expense without any liability of Landlord with respect to the same. Furthermore, Tenant consents to the municipal enforcement of Title 39 of the New Jersey Statutes regarding handicapped parking spaces.

30. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

31. These Rules and Regulations are in addition to and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements, and conditions of any lease of premises in the Building. In the event of conflict between the provisions contained in this Lease and these Rules and Regulations, the provisions of this Lease shall prevail.

32. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and the Complex and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.

33. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees, and guests.

34. All noisy work to be performed by Tenant, its agents or employees, that will affect the neighboring occupants of the Building, such as core drilling, trenching, shooting track, assembling of metal studs, etc., must be completed before 8 am or performed after 6pm.

EXHIBIT D

CLEANING SERVICES

1. General Cleaning:

Nightly

a. Empty and clean all waste receptacles, removing waste to a designated central location for disposal. Landlord is to provide for disposal of waste.

b. Empty and clean all ash trays and receptacles.

c. Remove all fingerprints, smudges, and other marks from metal partitions, doors, and other surfaces.

d. With respect to a kitchen area (if applicable), rinse out coffee pots, turn off burners to coffee pots, spot clean walls for coffee spillage, clean sink, and clean tables and chairs in such area.

Weekly

e. Hand dust and clean all office furniture that has been cleared of papers, boxes, and/or personal items, ledges, chair rails, baseboards, and window sills.

2. Floors

Group A - Granite, ceramic tile, marble, terrazzo

Group B - Linotile, asphalt, koroseal, plastic vinyl, wood, rubber, or other composition floors and base.

Nightly

a. All floors in Group A to be swept, wet mopped and rinsed.

b. All floors in Group B to be dry mopped.

Weekly

c. All floors in Group B to be damp mopped.

Every six (6) months

d. All floors to be scrubbed and buffed.

3. Vacuuming

Nightly

a. Vacuum or carpet sweep all rugs and carpeted areas.

Monthly

b. Brush or dust by hand carpet edges inaccessible to high pressure vacuum attachments.

4. High Dusting

Every six (6) months

a. Dust all clothes closet shelving, pictures, charts, graphs, etc.

b. Dust clean all vertical surfaces such as walls, partitions, door bucks, and other surfaces.

c. Dust all venetian blinds.

Special service

Records and General Storage Area

Floors are to be broom cleaned weekly. Files and exposed open shelves dusted once every three (3) months.

5. Other Services

a. Landlord shall supply all soap, towels, and toilet tissue in both men's and women's rooms and sanitary napkins in coin dispensers in the women's rooms.

b. Landlord shall supply all coin operated dispensers and shall be responsible for the servicing of same and for the collection of money from the machine.

c. During the Term of this Lease the dispenser price for sanitary napkins shall not exceed a price equal to 150% of the wholesale price paid by Landlord.

6. Carpeting

In addition to the aforementioned nightly and weekly vacuuming, Landlord shall do the following:

Weekly

All carpeting is to be spot cleaned, removing all stains, smudges, and unsightly appearances.

7. Glass

Monthly

a. Clean all partitions and furniture glass.

Annually

b. Clean all perimeter windows, both inside and out.

8. Kitchen Areas

Nightly

a. Clean all tables, chairs, counters, and sinks.

b. Spot cleaning of walls.

c. Cleaning of coffee pots.

9. General

a. All lights are to be extinguished and the doors as specified by Tenant are to be locked after cleaning is completed.

b. All personnel are to be uniformed and clean in appearance during business hours.

c. Cleaning of all private bathrooms shall be subject to additional charges shall be determined on a case-by-case basis.

EXHIBIT E

PARKING PLAN

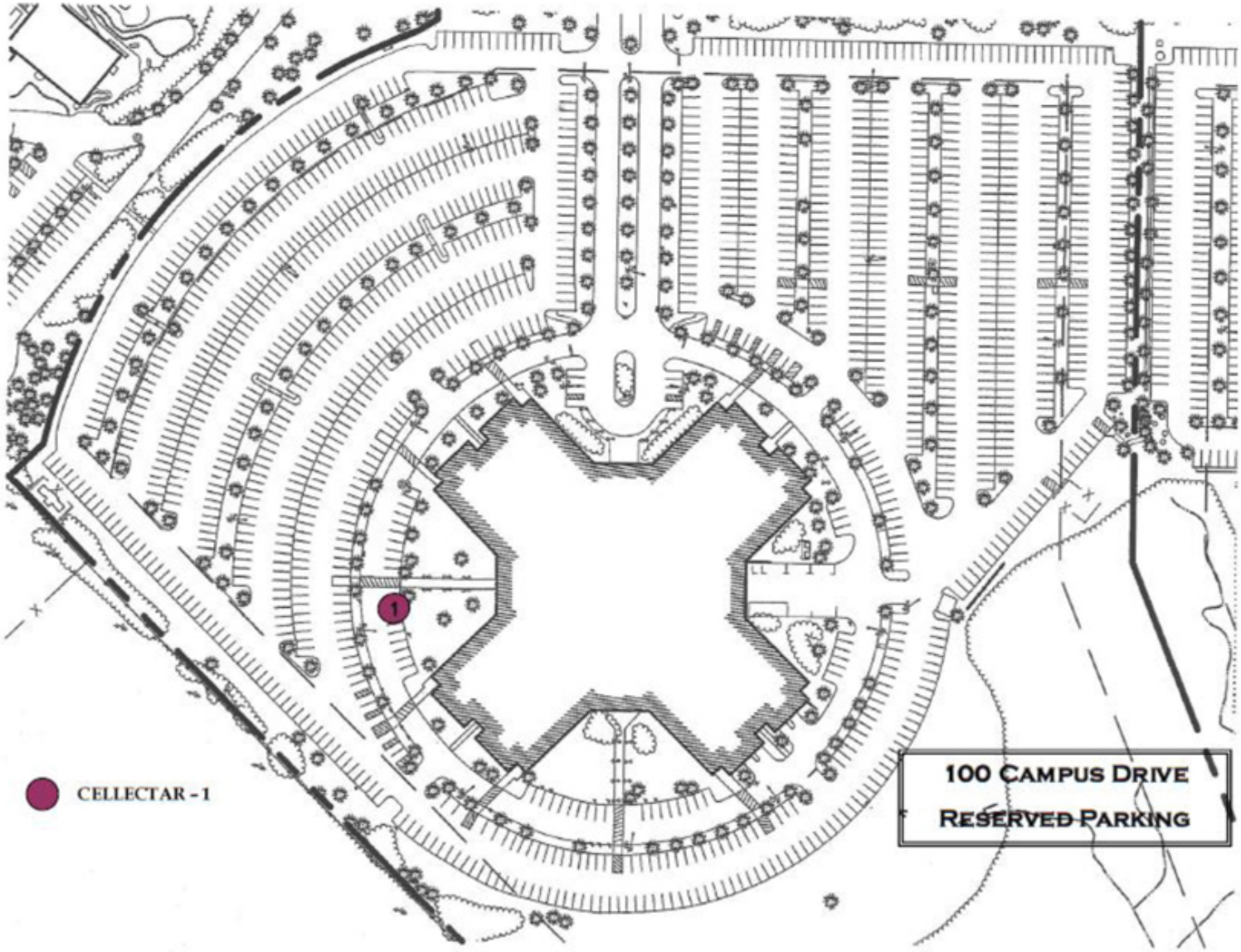

1
CELLECTAR - 1
100 CAMPUS DRIVE
RESERVED PARKING

EXHIBIT F

HVAC SPECIFICATIONS

The design criteria for the HVAC system are as follows:

1. Outside design conditions:
   Summer: 91 degrees dry bulb/76 degrees wet bulb
   Winter: 14 degrees dry bulb

2. Inside design conditions:
   Summer: 75 degrees dry bulb
   Winter: 70 degrees dry bulb

3. Interior heat gains:
   Tenant power and lights: 4.1 watts/square foot
   Density of people: 1 per 200 square feet.

EXHIBIT G

CONTRACTOR REGULATIONS

1. PARKING. All loading, unloading, and parking of vehicles of the contractor approved by Landlord (the " **Approved Contractor**") and of its employees shall be done only in areas designated by Landlord.

2. STORAGE OF EQUIPMENT. Storage of all tools, equipment, and supplies is limited to the Demised Premises.

3. ENTRY TO DEMISED PREMISES. Deliveries and all entries by Approved Contractor shall be arranged and approved by Landlord, prior to the commencement of any deliveries or entries, through Landlord's management agent's office.

4. OUTSIDE WORK. All work is to be completed in the Demised Premises only. No work is to be performed in the Common Areas or other tenant spaces without Landlord's prior approval, which may be withheld using its sole discretion.

5. LOANING OF EQUIPMENT. No Building equipment will be loaned to the Approved Contractor.

6. QUALITY OF WORK. Approved Contractor work shall be performed in a thorough, first-class, and workmanlike manner and shall be in good and usable condition at the date of completion thereof.

7. ODORS. Proper care must be taken when working with glues, paints, and any other materials requiring special ventilation so that objectionable odors do not waft into the Common Area or other tenant spaces.

8. ROOF. Approved Contractor shall not go on the roof without the prior written approval of Landlord, which may be withheld using its sole discretion.

9. NO ASBESTOS. All materials incorporated in the Demised Premises by the Approved Contractor shall be 100 percent free of asbestos-containing materials.

10. ELECTRICAL ROOM. The Approved Contractor shall not enter the electrical room without Landlord's permission.

11. FIRE EXTINGUISHER. The Approved Contractor shall keep fire extinguishers in the Demised Premises at all times.

12. NO SMOKING. No smoking in the Building, including the Demised Premises.

EXHIBIT 21.1

CELLECTAR BIOSCIENCES, INC.
LIST OF SUBSIDIARIES

Set forth below is a list of the subsidiaries of Cellectar Biosciences, Inc.:

Subsidiary Name	Jurisdiction of Organization
Cellectar, Inc.	Wisconsin

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 21, 2018, with respect to the consolidated financial statements of Cellectar Biosciences, Inc. and Subsidiary included in the Annual Report on Form 10-K for the years ended December 31, 2017 and 2016, which are incorporated by reference in this Amended Registration Statement. We consent to the incorporation by reference of the aforementioned report in this Registration Statement, and to the use of our name as it appears under the caption "Experts."

/s/ BAKER TILLY VIRCHOW KRAUSE, LLP

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 17, 2018