

ADMA BIOLOGICS, INC.
Form DEF 14A
April 29, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A

(RULE 14a-101)

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement.

Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2)).

Definitive Proxy Statement.

Definitive Additional Materials.

Soliciting Material Pursuant to §240.14a-12.

ADMA BIOLOGICS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

ADMA BIOLOGICS, INC.
465 State Route 17 South
Ramsey, New Jersey 07446

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 7, 2016

Dear Stockholder:

You are cordially invited to the annual meeting of stockholders (the “Annual Meeting”) of ADMA Biologics, Inc. (the “Company”). The Annual Meeting will be held at 9:00 a.m. Eastern Time on June 7, 2016 at the offices of Dentons US LLP at 1221 Avenue of the Americas, New York, New York 10020 for the following purposes:

1. to elect two Class III directors to serve on the Company’s Board of Directors (the “Board”) for a term of three years, until their successors are elected and qualified (referred to as “Proposal No. 1”);
2. to ratify the appointment of CohnReznick LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2016 (referred to as “Proposal No. 2”); and
3. to transact such other business as may properly come before the Annual Meeting and any meeting following postponement or adjournment thereof.

These items of business are more fully described in the proxy statement accompanying this Notice.

The Board has set the close of business on April 25, 2016 as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting. A list of the stockholders as of the record date will be available for inspection by stockholders, for any purpose germane to the Annual Meeting, at the Company’s offices and at the offices of Continental Stock Transfer & Trust Company, the Company’s independent stock transfer agent, during normal business hours for a period of 10 days prior to the Annual Meeting. The list will also be available for inspection by stockholders at the Annual Meeting.

All stockholders are invited to attend the Annual Meeting in person. Regardless of whether you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote by mail by following the instructions on the proxy card or voting instruction card. Voting by written proxy or voting instruction card will ensure your representation at the Annual Meeting regardless of whether you attend in person.

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting to be Held on June 7, 2016:

The Proxy Statement and Annual Report to Stockholders are available at www.admabiologics.com

By Order of the Board,

/s/ Adam S. Grossman
Adam S. Grossman
President and Chief Executive Officer

April 29, 2016
Ramsey, New Jersey

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ADMA BIOLOGICS, INC.

PROXY STATEMENT

Our Board is providing these proxy materials to you in connection with the solicitation of proxies by ADMA Biologics, Inc. on behalf of the Board for use at the 2016 Annual Meeting of the Company, which will take place at 9:00 a.m. Eastern Time on June 7, 2016, at the offices of Dentons US LLP at 1221 Avenue of the Americas, New York, New York 10020, and any adjournment or postponement thereof.

The Company intends to mail this proxy statement and the accompanying proxy card, together with the Company's Annual Report on Form 10-K for the year ended December 31, 2015, on or about May 6, 2016 to each stockholder entitled to vote at the Annual Meeting.

Our Annual Report on Form 10-K for the year ended December 31, 2015 as well as this proxy statement will be available through the Securities and Exchange Commission's EDGAR system at <http://www.sec.gov> and will also be available on our website.

In this proxy statement, unless the context otherwise requires, references to "ADMA," "ADMA Biologics," the "Company," "we," "us" and "our" refer to ADMA Biologics, Inc., a Delaware corporation, as well as its subsidiary, ADMA Plasma Biologics, Inc., a Delaware corporation, taken as a whole, and also refer to the operations of ADMA Plasma Biologics, Inc. In each case, references to ADMA Plasma Biologics, Inc. also include its subsidiary ADMA BioCenters Georgia, Inc., or ADMA BioCenters, a Delaware corporation.

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We sent this proxy statement and the enclosed proxy card because the Board of the Company is soliciting your proxy to vote at the Annual Meeting and at any adjournment or postponement thereof. The Annual Meeting will be held on June 7, 2016 at the offices of Dentons US LLP at 1221 Avenue of the Americas, New York, New York 10020. You are invited to attend the Annual Meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, as discussed below.

Who is entitled to vote at and attend the Annual Meeting?

Only stockholders of record and beneficial owners of the Company's common stock at the close of business on the record date, April 25, 2016, are entitled to receive notice of, to vote at and attend the Annual Meeting. Each outstanding share of the Company's common stock entitles its holder to cast one vote on each matter to be voted upon.

What is the difference between holding shares of common stock as a holder of record and as a beneficial owner?

Certain of our stockholders hold or may in the future hold their shares of common stock beneficially through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares owned beneficially and those held of record.

Beneficial Owner: If your shares of common stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you together with a voting instruction card by your broker, trustee or other nominee, as the case may be. As the beneficial owner, you have the right to direct your broker, trustee or other nominee how to vote. The voting instruction card from your broker, trustee or other nominee contains voting instructions for you to use in directing the broker, trustee or other nominee how to vote your shares.

Because a beneficial owner is not the stockholder of record, you may not vote your shares of common stock in person at the Annual Meeting unless you obtain a "legal proxy" from the broker, trustee or other nominee that holds your shares giving you the right to vote the shares at the Annual Meeting.

Stockholder of Record: If your shares of common stock are registered directly in your name with us or our stock transfer agent, Continental Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares and these proxy materials are being sent directly to you by the Company. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. We have enclosed or sent a proxy card for you to use.

What do I need to do to attend the Annual Meeting?

In order to be admitted to the Annual Meeting, a stockholder must present proof of ownership of their shares on the record date. Any holder of a proxy from a stockholder must present the proxy, properly executed to be admitted. Stockholders and proxyholders must also present a form of valid, government-issued photo identification, such as a driver's license or passport. These items must be presented in order to be admitted to the Annual Meeting. Expired forms of identification will not be accepted.

If you do not bring proof of ownership of common stock on the record date, you will not be admitted to the Annual Meeting. If you are a beneficial owner of common stock and your shares are held in the name of a broker, trustee or other nominee, a brokerage statement or letter from a bank or broker detailing ownership of the common stock as of the record date is an example of proof of ownership.

What constitutes a quorum?

The presence of a quorum is required for business to be conducted at the Annual Meeting. The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding as of the record date and entitled to vote shall constitute a quorum. As of the record date, 10,710,587 shares of common stock were outstanding and entitled to vote. If you submit a properly executed proxy card, regardless of whether you abstain from voting, you will be considered in determining the presence of a quorum.

How do I vote?

You may vote in person at the Annual Meeting or by mail. If you hold your shares of common stock in “street name” through a broker, trustee or other nominee, you must vote in accordance with the voting instructions provided to you by such broker, trustee or other nominee.

Voting by Mail: If you are a holder of record of common stock and choose to vote by mail, simply complete, sign and date your proxy card and mail it in the accompanying pre-addressed envelope. Proxy cards submitted by mail must be received by our Office of the Secretary prior to the Annual Meeting in order for your shares to be voted. If you hold common stock beneficially in street name and choose to vote by mail, you must complete, sign and date the voting instruction card provided by your broker, trustee or other nominee and mail it in the accompanying pre-addressed envelope within the specified time period.

Voting in Person at the Annual Meeting: If you are a record holder of common stock, you may attend and vote in person at the Annual Meeting. If you are a beneficial owner of common stock held in the name of a broker, trustee or other nominee, you must obtain a “legal proxy,” executed in your favor, from such broker, trustee or other nominee to be able to vote in person at the Annual Meeting. You should allow yourself enough time prior to the Annual Meeting to obtain this “legal proxy” from the holder of record.

Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy or voting instructions by mail as described above so that your vote will be counted if you later decide not to attend the Annual Meeting. Any vote properly cast at the Annual Meeting will supersede any previously submitted proxy or voting instructions. For additional information, please see “Can I change my vote or revoke my proxy after I return my proxy card?” below.

How does the Board recommend I vote on the proposals?

The Board’s recommendations are set forth after the description of each proposal in this proxy statement. In summary, the Board recommends a vote:

- “FOR” the election of the two directors to serve on the Company’s Board as Class III directors for a term of three years, until their successors are elected and qualified (see Proposal No. 1).
- “FOR” the ratification of the appointment of CohnReznick LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2016 (see Proposal No. 2).

How will my shares of common stock be voted if I do not indicate a vote on my proxy card?

Your shares will be voted as you indicate on the proxy card or voting instruction form, as applicable. If you return your signed proxy card but do not mark the boxes indicating how you wish to vote, your shares will be voted as recommended by the Board on those items. See the question above entitled “How does the Board recommend I vote on the proposals?”

Your shares will be voted in accordance with the discretion of the proxyholders as to any other matter that is properly presented at the Annual Meeting.

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Can I change my vote or revoke my proxy after I return my proxy card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised at the Annual Meeting. If you are a stockholder of record as of the record date, regardless of the way in which you submitted your original proxy, you may change it by:

- Returning a later-dated signed proxy card to us prior to the Annual Meeting at 465 State Route 17 South, Ramsey, New Jersey 07446, Attention: Office of the Secretary;
- Delivering a later-dated written notice of revocation to us prior to the Annual Meeting at 465 State Route 17 South, Ramsey, New Jersey 07446, Attention: Office of the Secretary; or
 - Attending the Annual Meeting and properly voting in person.

Alternatively, you may hand deliver a later-dated written notice of revocation, or later-dated signed proxy to the Secretary at the Annual Meeting before we begin voting.

If your shares of common stock are held through a broker, trustee or other nominee, you will need to contact that nominee if you wish to change your voting instructions. You may also vote in person at the Annual Meeting if you obtain a “legal proxy” as described in the answer to the question above entitled “How do I vote? —Voting in Person at the Annual Meeting.” Mere attendance at the Annual Meeting will not cause your previously granted proxy to be revoked.

What vote is required to approve each proposal?

Election of Directors. For Proposal No. 1, directors are elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors. Thus, the two nominees with the greatest number of votes will be elected. Withheld votes will have no effect on the election of Class III directors.

Ratification of the appointment of CohnReznick LLP as the Company’s independent registered public accounting firm. For Proposal No. 2, a majority of the votes cast will be required for approval. A majority of votes cast means that the number of votes cast “for” must exceed the number of votes “against.” Abstentions will have no effect on Proposal No. 2, as they are not counted as votes cast. Notwithstanding the vote standards described for this Proposal No. 2, please be advised that Proposal No. 2 is advisory only and will not be binding on the Company or the Board and will not create or imply any change in the fiduciary duties of, nor impose any additional fiduciary duty on, the Company or the Board. However, the Board and/or the Audit Committee, as the case may be, will take into account the outcome of the votes when considering what action, if any, should be taken in response to the advisory vote by Stockholders.

A “broker non-vote” would occur only if a broker, trustee or other nominee does not have discretionary authority and has not received instructions with respect to a particular item from the beneficial owner or other person entitled to vote such shares. Brokers will have discretionary voting power to vote shares for which no voting instructions have been provided by the beneficial owner with respect to Proposal No. 2. Brokers will not have discretionary voting power to vote shares with respect to Proposal No. 1. Broker non-votes will have no effect on Proposal No. 1.

What happens if additional matters are presented at the Annual Meeting?

Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxyholders will have the discretion to vote your shares of common stock on any additional matters properly presented for a vote at the Annual Meeting or any

adjournment or postponement of the Annual Meeting. If, for any reason, any of our nominees for director is not available as a candidate for director, the persons named as proxyholders will vote your proxy for such other candidate or candidates as may be nominated by the Board, or the size of the Board will be reduced.

Who will pay for the cost of this proxy solicitation?

We will pay the cost of soliciting proxies. Our directors, officers and other employees, without additional compensation, may solicit proxies personally or in writing, by telephone, e-mail, or otherwise. We are required to request that any brokers, trustees and other nominees who hold shares in their names furnish our proxy materials to the beneficial owners of the shares, and we must reimburse these brokers, trustees and other nominees for the expenses of doing so in accordance with statutory fee schedules.

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PROPOSAL NO. 1:
ELECTION OF DIRECTORS

The Company's certificate of incorporation divides the Board into three classes with staggered three year terms. The Class III directors, whose terms of office will expire at the Annual Meeting in 2016, are Jerrold B. Grossman D.P.S. and Lawrence P. Guiheen. At the meeting, the stockholders will be asked to elect two directors to serve for three-year terms expiring at the annual meeting of stockholders in 2019. The Board has nominated, upon the recommendation of our Governance and Nominations Committee, the two members of the Board named below. Proxies solicited by the Board will, unless otherwise directed, be voted to elect the two nominees named below. Each nominee is currently serving as a director of the Company and has indicated a willingness to continue to serve. In case any nominee is not a candidate at the meeting, the proxies named in the enclosed form of proxy intend to vote in favor of the remaining nominee and to vote for a substitute nominee in their discretion in such class, as they shall determine. Information regarding the nominees as of April 29, 2016 is set forth below.

NOMINEES FOR A THREE YEAR TERM EXPIRING AT THE 2019 ANNUAL MEETING

CLASS III DIRECTORS

Jerrold B. Grossman D.P.S., 68 - Founder and Vice Chairman

Dr. Grossman has been a director of the Company since 2007 and has over 35 years of experience in the blood and plasma industry. He served as the Chief Executive Officer of ADMA, on a part-time basis, between 2007 and October 2011. He is the founder and Chief Executive Officer of Technomed, Inc. (formerly National Hospital Specialties), a wholesaler of specialty biological and pharmaceutical products, and has served as Chief Executive Officer of that company since 1980. Additionally, Dr. Grossman is the founder and President of GenesisBPS, a medical device firm specializing in blood collection and processing equipment, and has served as President of that company since 1990. Previously, he has held positions at the New York Blood Center, Immuno-U.S., Inc. and previously served as the Chairman of the Board of Bergen Community Blood Services. Currently, Dr. Grossman is a member of the New Jersey Blood Bank Task Force and a founder and director of the New Jersey Association of Blood Bank Professionals. He was a founder and former director of Pascack Bancorp, Inc. which was acquired by Lakeland Bancorp, Inc. in January 2016 and is currently a member of the Corporate Advisory Council of Lakeland Bancorp Inc. Dr. Grossman has also provided consulting services to various government agencies and international organizations. He received a B.A. in Economics and Finance from Fairleigh Dickinson University, an M.B.A. from Fairleigh Dickinson University, and his D.P.S. in Business Management from Pace University. Dr. Grossman is the father of Adam S. Grossman, our President and Chief Executive Officer. He was chosen to serve on the Board of Directors because of his role as our founder and past CEO, as well as his more than 35 years of experience serving a variety of companies and associations in the blood and plasma industry.

Lawrence P. Guiheen, 65 - Director

Mr. Guiheen, who became a director of the Company in July 2012, has over 25 years of experience in the blood and plasma industry. Since July 2013, Mr. Guiheen has been Chief Commercial Officer of Kedrion BioPharma, Inc, based in Barga, Italy and Fort Lee, New Jersey. Kedrion markets therapies globally for hemophilia, hemolytic disease of the newborn, immune and neurological disorders. Prior to July 2013, Mr. Guiheen was principal of Guiheen and Associates, a consulting group that specialized in biopharmaceutical, pharmaceutical and medical device commercialization. Before July 2011, Mr. Guiheen was with Baxter Healthcare Corporation for over 30 years. Most recently he held the positions of General Manager Global Hemophilia Franchise (from December 2010), President of Global BioPharmaceuticals for Baxter Healthcare's BioScience Division (March 2010 – December 2010) and President of BioPharmaceuticals US (January 2004 – March 2010). Mr. Guiheen had been a member of the BioScience Senior

Management Team for over 14 years and has extensive experience leading global and domestic commercial organizations in the plasma and recombinant therapies. Mr. Guiheen is past Chairman of the Global Board of Directors for the Plasma Proteins Therapeutics Association (PPTA) and a past member of the Board of Directors of California Healthcare Institute (CHI). Mr. Guiheen holds a Bachelor of Arts degree in business administration from Rutgers University. Mr. Guiheen was chosen to serve on the Board of Directors because of his extensive experience in the plasma and pharmaceutical industries.

The Board unanimously recommends that Stockholders vote “FOR” the election of each of the nominees for director named above.

CLASS I DIRECTORS CONTINUING IN OFFICE UNTIL THE 2017 ANNUAL MEETING

Dov A. Goldstein, M.D., 48 – Director

Dr. Goldstein has been a director of the Company since 2007. Dr. Goldstein has been a partner at Aisling Capital since 2008 and was employed as a principal at Aisling Capital from 2006 to 2008. Dr. Goldstein served as the Chief Financial Officer of Loxo Oncology, Inc. between July 2014 and January 2015, and has been its acting Chief Financial Officer since January 2015. From 2000 to 2005, Dr. Goldstein served as Chief Financial Officer of Vicuron Pharmaceuticals, Inc., which was acquired by Pfizer, Inc. in September 2005. Prior to joining Vicuron, Dr. Goldstein was Director of Venture Analysis at HealthCare Ventures. Dr. Goldstein also completed an internship in the Department of Medicine at Columbia-Presbyterian Hospital. Dr. Goldstein serves as a director of Cempra, Inc. and Esperion Therapeutics, Inc. Dr. Goldstein received a B.S. from Stanford University, an M.B.A. from Columbia Business School and an M.D. from Yale School of Medicine. ADMA believes that Dr. Goldstein’s medical training and his experience in the biopharmaceutical industry as a venture capital investor, as an executive of Vicuron and a member of the boards of directors of other biopharmaceutical companies, as well as his valuable perspective on ADMA’s business, give him the qualifications and skills to serve as a director.

Bryant E. Fong, 43 – Director

Mr. Fong, who became a director of the Company in May 2012, has over 19 years of experience in the life sciences industry. Mr. Fong is a founding Managing Director and General Partner at Biomark Capital Fund, a life sciences private equity firm formed in 2013. Prior to BioMark Capital, Mr. Fong was a Managing Director and General Partner of Burrill & Company, where he spent almost 16 years investing in and managing investments in private and public companies in the biotechnology industry. Some of Mr. Fong's most notable investments include Pharmasset (VRUS), Novadaq Technologies (NVDQ), Galapagos (GLPG), Ceptris Therapeutics and Ferrokis Biosciences. In addition, Mr. Fong has played key roles in the formation of a number of portfolio companies including serving as Nora Therapeutic’s first president and founder and initial CEO of i2Dx. Prior to joining Burrill & Company, Mr. Fong held positions as a research scientist with two early stage biotechnology companies located in the San Francisco Bay Area. Mr. Fong currently serves on the boards of directors of a number of private life science companies. Mr. Fong earned his B.S. with honors in Molecular and Cell Biology-Biochemistry from the University of California, Berkeley. He was nominated by Biomark Capital to serve on the Board of Directors because of his extensive experience in the biotechnology industry.

CLASS II DIRECTORS CONTINUING IN OFFICE UNTIL THE 2018 ANNUAL MEETING

Steven A. Elms, 52 – Chairman

Mr. Elms has been a director of the Company since 2007. Mr. Elms serves as a Managing Partner at Aisling Capital, which he joined in 2000. Previously, he was a Principal in the Life Sciences Investment Banking Group of Hambrecht & Quist. During his five years at Hambrecht & Quist, Mr. Elms was involved in over 60 financing and merger and acquisition transactions, helping clients raise in excess of \$3.3 billion in capital. Prior to joining Hambrecht & Quist, Mr. Elms traded mortgage-backed securities at Donaldson, Lufkin & Jenrette. His previous healthcare sector experience includes over two years as a pharmaceutical sales representative for Marion Laboratories and two years as a consultant for The Wilkerson Group. Mr. Elms currently serves on the boards of directors of Cidara Therapeutics, Inc., Loxo Oncology, Inc. and Pernix Therapeutics Holdings Inc. Mr. Elms received a B.A. in Human Biology from Stanford University and an M.B.A. from Kellogg Graduate School of Management at

Northwestern University. Mr. Elms was chosen to serve on the Board of Directors because of his valuable experience in the investment banking industry, particularly with respect to strategic and financing transactions.

Adam S. Grossman, 39 – Founder, Director, President and Chief Executive Officer

Mr. Grossman has been a director of the Company since 2007, has served as the Company's President and Chief Executive Officer since October 2011 and as the Company's President and Chief Operating Officer between 2007 and October 2011. Mr. Grossman has over 20 years of experience in the blood and plasma industry. Prior to founding the Company, Mr. Grossman was the Executive Vice President of National Hospital Specialties and GenesisBPS, a position he held between 1994 and 2011. He has experience in launching new products, building and managing national and international sales forces, managing clinical trials and completing numerous business development transactions. Previously, he worked at MedImmune, Inc., where he worked on marketing teams for RSV and CMV immunoglobulins and at the American Red Cross, where he launched new products with the Biomedical Services division. Mr. Grossman received a B.S. in Business Administration, with a specialization in International Business and Marketing, from American University. Mr. Grossman is the son of Dr. Jerrold B. Grossman, our Vice Chairman. Mr. Grossman was chosen to serve on the Board because, as the Company's Chief Executive Officer, he is able to provide the Board with critical insight into the day-to-day operations of the Company.

Eric I. Richman, 55 – Director

Mr. Richman has been a director of the Company since 2007. Mr. Richman served as the President and Chief Executive Officer of PharmAthene, Inc. between October 2010 and March 2015. He served as the President and interim Chief Executive Officer of PharmAthene between May and October 2010, as President and Chief Operating Officer between March and May 2010 and as Senior Vice President, Business Development and Strategic Planning between August 2003 and March 2010. He has also served on PharmAthene's board of directors since May 2010. Prior to joining PharmAthene, Mr. Richman held various commercial and strategic positions of increasing responsibility over a 12 year period at MedImmune, Inc. from its inception and was Director, International Commercialization at that company. Mr. Richman served as director of Lev Pharmaceuticals and Chairman of its Commercialization Committee and served as a director of American Bank. Mr. Richman received a Bachelor of Science in Biomedical Science from the Sophie Davis School of Biomedical Education and a Master of Business Administration from the American Graduate School of International Management. Mr. Richman was chosen to serve on the Board of Directors because of his experience in the development and commercialization of plasma-derived products and experience as an executive officer of PharmAthene.

PROPOSAL NO. 2:

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has appointed CohnReznick LLP as the Company's independent registered public accounting firm for the year ending December 31, 2016. In connection with this appointment, CohnReznick LLP will examine and report to Stockholders on the consolidated financial statements of the Company and its subsidiaries for 2016.

Although not required, the Board has put this proposal before the stockholders because it believes that seeking stockholders' ratification of the Audit Committee's appointment of our independent registered public accounting firm is good corporate practice. This vote is only advisory, however, because the Audit Committee has the sole authority to retain and dismiss our independent registered public accounting firm. If the appointment of CohnReznick LLP is not ratified, the Audit Committee will evaluate the basis for the stockholders' vote when determining whether to continue the firm's engagement. Even if the appointment is ratified, the Audit Committee in its sole discretion may direct the appointment of a different independent registered public accounting firm at any time if it determines that such a change would be in the best interests of the Company and its stockholders.

Representatives of CohnReznick LLP are expected to be present at the Annual Meeting and are expected to be available to respond to appropriate questions from stockholders. They also will have the opportunity to make a

statement if they desire to do so.

The Board unanimously recommends that Stockholders vote “FOR” the ratification of the Audit Committee’s appointment of CohnReznick LLP as our independent registered public accounting firm for 2016.

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Principal Accountant Fees and Services

Audit Fees, Audit Related Fees, Tax Fees and Other Fees

During the fiscal years ended December 31, 2014 and December 31, 2015, the Company had retained CohnReznick LLP, to provide audit and other services as follows:

	2014	2015
Audit Fees (1)	\$ 269,083	\$ 229,023
Audit Related Fees (2)	-	-
Tax Fees (3)	34,000	27,250
All Other Fees (4)	-	-
TOTAL	\$ 303,083	\$ 256,273

(1) Audit Fees consist of fees billed for professional services rendered for the audit of the Company's consolidated annual financial statements included in our Annual Report on Form 10-K, the review of the interim consolidated financial statements included in our Quarterly Reports on Form 10-Q, the professional services rendered relating to the Company in connection with public offerings of securities, related comfort letters and services that are normally provided by our independent registered public accountants in connection with statutory and regulatory filings or engagements. For the fiscal years ended December 31, 2014 and 2015, fees for professional services billed by CohnReznick LLP were \$269,083 and \$229,023, respectively.

(2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." This category includes fees related to non-routine SEC filings. For the fiscal years ended December 31, 2014 and 2015, fees for professional services billed by CohnReznick LLP were \$0 and \$0, respectively.

(3) Tax Fees were billed for services including assistance with tax compliance and the preparation of tax returns, tax consultation services, assistance in connection with tax audits and tax advice related to mergers, acquisitions and dispositions. For the fiscal years ended December 31, 2014 and 2015, fees for professional services billed by CohnReznick LLP were \$34,000 and \$27,250, respectively.

(4) All Other Fees were \$0 for each of the fiscal years ended December 31, 2014 and 2015.

Pre-Approval of Audit and Permissible Non-Audit Services

Our Audit Committee requires pre-approval of all audit and non-audit services in one of two methods. Under the first method, the engagement to render the services would be entered into pursuant to pre-approval policies and procedures established by the Audit Committee, provided (i) the policies and procedures are detailed as to the services to be performed, (ii) the Audit Committee is informed of each service, and (iii) such policies and procedures do not include delegation of the Audit Committee's responsibilities under the Securities Exchange Act of 1934 (the "Exchange Act") to the Company's management. Under the second method, the engagement to render the services would be presented to and pre-approved by the Audit Committee (subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Audit Committee prior to the completion of the audit). The Chairman of the Audit Committee has the authority to grant pre-approvals of audit and permissible non-audit services by the independent registered public accounting firm, provided that all pre-approvals by the Chairman must be presented to the full Audit Committee at its next scheduled meeting.

Report of the Audit Committee

The following Report of the Audit Committee shall not be deemed incorporated by reference into any of our filings under the Securities Act of 1933 or the Exchange Act, except to the extent we specifically incorporate it by reference therein.

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The Audit Committee reviews our financial reporting process on behalf of our Board. Management has the primary responsibility for the financial statements, the reporting process and maintaining our system of internal control over financial reporting. Our independent registered public accounting firm was engaged to audit and express opinions on the conformity of our financial statements to generally accepted accounting principles in the United States.

The Audit Committee of the Board has:

- Reviewed and discussed the Company's audited financial statements for the year ended December 31, 2015 with management;