

IMMUNOCELLULAR THERAPEUTICS, LTD.

21900 Burbank Boulevard, 3rd Floor
Woodland Hills, California 91367

September 8, 2011

Dear Stockholder:

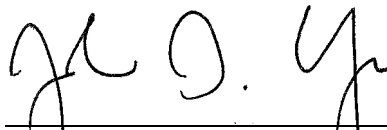
You are cordially invited to attend the 2011 Annual Meeting of Stockholders of ImmunoCellular Therapeutics, Ltd. The meeting will be held at the Fairmont Miramar Hotel, 101 Wilshire Boulevard, Santa Monica, California 90401, beginning at 9:00 A.M., local time, on Monday, October 24, 2011.

The Notice of Meeting and the Proxy Statement on the following pages cover the formal business of the meeting, which includes four items to be voted on by the stockholders. At the Annual Meeting, Dr. Manish Singh, our President and Chief Executive Officer, will also report on ImmunoCellular's current operations and will be available to respond to questions from stockholders.

Whether or not you plan to attend the meeting, it is important that your shares be represented and voted at the meeting. You are urged, therefore, to complete, sign, date and return the enclosed proxy card (or use telephone or Internet voting procedures, if offered by your broker), even if you plan to attend the meeting.

I hope you will join us.

Sincerely,



John S. Yu, M.D.
Chairman of the Board

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS to be held on October 24, 2011

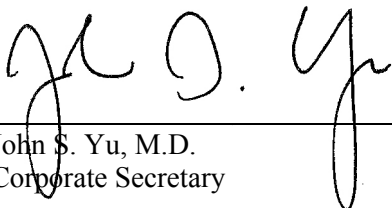
Notice is hereby given to the holders of common stock, \$0.0001 par value per share, of ImmunoCellular Therapeutics, Ltd. (“ImmunoCellular,” the “Company,” “we” or “our”) that the Annual Meeting of Stockholders will be held on Monday, October 24, 2011 at the Fairmont Miramar Hotel, 101 Wilshire Boulevard, Santa Monica, California, beginning at 9:00 A.M., local time, for the following purposes:

- (1) To elect seven directors to serve until the 2012 Annual Meeting of Stockholders;
- (2) To increase the number of the Company’s authorized common stock shares from 74,000,000 to 99,000,000;
- (3) To approve an amendment to the 2006 Equity Incentive Plan (the “Equity Plan”) to increase the number of shares of the Company’s common stock authorized for issuance under the Equity Plan from 6,000,000 to 8,000,000;
- (4) To ratify the appointment of Marcum LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2011; and
- (5) To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment of the Annual Meeting.

Only those stockholders of record at the close of business on September 1, 2011 are entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment of the Annual Meeting. A complete list of stockholders entitled to vote at the Annual Meeting will be available at the Annual Meeting.

By Order of the Board of Directors

September 8, 2011



John S. Yu, M.D.
Corporate Secretary

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY IN THE ENCLOSED BUSINESS REPLY ENVELOPE (OR USE TELEPHONE OR INTERNET VOTING PROCEDURES, IF AVAILABLE THROUGH YOUR BROKER). IF YOU ATTEND THE ANNUAL MEETING YOU MAY, IF YOU WISH, REVOKE YOUR PROXY AND VOTE IN PERSON.

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IMMUNOCELLULAR THERAPEUTICS, LTD.

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Annual Meeting of Stockholders to be Held on October 24, 2011

PROXY STATEMENT

This Proxy Statement is furnished to holders of the common stock, \$0.0001 par value per share, of ImmunoCellular Therapeutics, Ltd., a Delaware corporation, in connection with the solicitation of proxies by our Board of Directors for use at our 2011 Annual Meeting of Stockholders to be held at the Fairmont Miramar Hotel, 101 Wilshire Boulevard, Santa Monica, California, beginning at 9:00 A.M., local time, on Monday, October 24, 2011, and at any postponement or adjournment of the Annual Meeting.

This Proxy Statement and the accompanying proxy card are being mailed to our stockholders on or about September 8, 2011.

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will act upon the matters outlined in the attached Notice of Meeting and described in detail in this Proxy Statement, which are (1) the election of directors, (2) an amendment to our Amended and Restated Certificate of Incorporation to increase the number of our authorized common stock shares from 74,000,000 to 99,000,000, (3) an increase in the number of our authorized shares available for grant under the Equity Plan from 6,000,000 to 8,000,000, and (4) the ratification of our appointment of our independent registered public accounting firm. In addition, management will report on our performance and respond to questions from stockholders.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on September 1, 2011 will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Some of our stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name as the stockholder of record. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

- Stockholder of Record — If your shares are registered directly in your name with our Transfer Agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to vote your proxy directly with us by sending your proxy to Computershare or to vote in person at the Annual Meeting.
- Beneficial Owner — If your shares are held in the name of a stock brokerage account or a bank or other nominee, you are considered the beneficial owner of shares held in street name and your broker or nominee is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker or nominee on how to vote and are also invited to attend the Annual Meeting. However,

since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you receive a proxy from your broker or nominee. Your broker or nominee has provided voting instructions for you to use. If you wish to attend the Annual Meeting and vote in person, please contact your broker or nominee so that you can receive a legal proxy to present at the Annual Meeting.

What are the voting rights of the holders of our common stock?

Each share of our common stock outstanding on the record date is entitled to one vote on each of the seven director nominees, to one vote on each of the other proposals covered by this Proxy Statement. Assuming that a quorum is present, the affirmative vote of a majority of the shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote on the applicable proposal will be required for approval of the proposals to amend our Equity Plan and to ratify our appointment of our independent registered public accounting firm. To increase our authorized shares, the affirmative vote of a majority of our outstanding shares of common stock will be required. With regard to the election of directors, the seven nominees receiving the greatest number of affirmative votes cast will be elected.

Shares not present at the Annual Meeting, shares voting “abstain” and “broker non-votes” will have no effect on the election of directors. For the other proposals to be voted on at the Annual Meeting, abstentions are considered votes cast on the proposal and will have the same effect as votes against the proposal. Broker non-votes on a proposal (shares held by brokers that do not have discretionary authority to vote on the matter and have not received voting instructions from their clients will not be counted as votes cast, or entitled to be cast, on that proposal and therefore will not affect the outcome of any matter being voted on, except for any proposal that requires the affirmative vote of a majority of our outstanding shares of common stock.

What constitutes a quorum?

Our Bylaws provide that the presence, in person or by proxy, at our Annual Meeting of the holders of a majority of the outstanding shares of our common stock will constitute a quorum.

For the purpose of determining the presence of a quorum, proxies marked “withhold authority” or “abstain” will be counted as present. Shares represented by proxies that include broker non-votes also will be counted as shares present for purposes of establishing a quorum. On the record date of September 1, 2011, there were 29,189,468 shares of our common stock issued and outstanding, and those shares are the only shares that are entitled to vote at the Annual Meeting.

What are the Board’s recommendations?

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our Board of Directors. The recommendations of our Board of Directors are set forth together with the description of each proposal in this Proxy Statement. In summary, our Board of Directors recommends a vote:

- “FOR” election of the directors named in this Proxy Statement (see Proposal I);
- “FOR” approval of an amendment to our Amended and Restated Certificate of Incorporation to increase the authorized number of shares of common stock from 74,000,000 to 99,000,000 (see Proposal II);

- “FOR” approval of an amendment to the Equity Plan to increase the number of shares of common stock authorized for issuance under the Equity Plan from 6,000,000 to 8,000,000 (see Proposal III); and
- “FOR” ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 (see Proposal IV).

How can I attend the Annual Meeting?

You may attend the Annual Meeting if you are listed as a stockholder of record as of September 1, 2011 and bring proof of your identity. If you hold your shares through a broker or other nominee, you will need to provide proof of your share ownership by bringing either a copy of a brokerage statement showing your share ownership as of September 1, 2011, or a legal proxy if you wish to vote your shares in person at the Annual Meeting. In addition to the items mentioned above, you should bring proof of your identity.

How can I vote my shares in person at the Annual Meeting?

- Shares held directly in your name as the stockholder of record may be voted in person at the Annual Meeting. If you choose to do so, please bring proof of your identity to the Annual Meeting. Shares beneficially owned may be voted by you if you receive and present at the Annual Meeting a proxy from your broker or nominee, together with proof of your identity. Even if you plan to attend the Annual Meeting, we urge you to vote by telephone, by Internet or by returning your marked proxy to Computershare so that your vote will be counted if you later decide not to attend the Annual Meeting or are unable to attend.
- You may vote over the Internet. Simply follow the instructions on the proxy card. If you vote over the Internet, you should not vote by telephone or vote by returning a proxy card.
- You may vote by telephone. Simply follow the instructions on the proxy card. If you vote over the telephone, you should not vote by Internet or vote by returning a proxy card.
- You may vote by mail. If you received a proxy card through the mail, simply complete and sign your proxy card and mail it in the enclosed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct. If you vote by mail, you should not vote by telephone or over the Internet.

How will my proxy card be voted?

If the enclosed proxy card is executed, returned in time and not revoked, the shares represented by the proxy card, telephone vote or Internet vote will be voted at the Annual Meeting and at any postponement or adjournment of the Annual Meeting in accordance with the directions indicated on the proxy card. IF NO DIRECTIONS ARE INDICATED, PROXIES MAILED, VOTED VIA TELEPHONE OR VOTED VIA INTERNET WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF OUR BOARD OF DIRECTORS ON ALL OF THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT AND, AS TO ANY OTHER MATTERS PROPERLY BROUGHT BEFORE THE ANNUAL MEETING OR ANY POSTPONEMENT OR ADJOURNMENT

OF THE ANNUAL MEETING, IN THE SOLE DISCRETION OF THE PERSONS NAMED AS PROXY HOLDERS ON THE PROXY CARD, WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF OUR BOARD OF DIRECTORS.

How may I revoke the voting instructions previously given?

A stockholder who returns a proxy card may revoke it at any time prior to its exercise at the Annual Meeting by (1) giving written notice of revocation to our Corporate Secretary, (2) properly submitting to us a duly executed proxy bearing a later date, or (3) appearing at the Annual Meeting and voting in person. All written notices of revocation of proxies should be addressed as follows: ImmunoCellular Therapeutics, Ltd. 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367, Attention: Corporate Secretary. To revoke a proxy previously submitted by telephone or through the Internet, you may simply vote again at a later date using the same procedures, in which case your later submitted vote will be recorded and your earlier vote revoked. For shares held beneficially by you, you may change your vote by submitting new voting instructions to your broker or nominee.

How may I request multiple sets of proxy materials if two or more stockholders reside in my household?

To minimize our expenses, one Proxy Statement and one 2010 Form 10-K Report may be delivered to two or more stockholders who share an address unless we have received contrary instructions from one or more of the stockholders. We will deliver promptly upon written or oral request a separate copy of these documents to a stockholder at a shared address to which a single copy of the documents was delivered. Requests for additional copies of these documents, and requests that in the future separate documents be sent to stockholders who share an address, should be directed by writing to ImmunoCellular Therapeutics, Ltd. 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367, Attention: Corporate Secretary, or by calling our Corporate Secretary at (818) 992-2907.

How may I request a single set of proxy materials for my household?

If you share an address with another stockholder and have received multiple copies of our proxy materials, you may write or call us at the address set forth in the preceding paragraph to request delivery of a single copy of these materials.

Important Notice Regarding the Internet Availability of Proxy Materials for the Stockholders Meeting to be Held on October 24, 2011

This Proxy Statement, the accompanying proxy and our 2010 Form 10-K Report are also available on our website at www.imuc.com.

PROPOSAL I

ELECTION OF DIRECTORS

Pursuant to our Bylaws, our Board of Directors has fixed the number of our directors at seven. Each director is elected for a term of one year and until his or her successor is elected.

Director Nominees

The following is information concerning the nominees for election as directors. Each nominee currently serves as a director of ImmunoCellular, and each nominee other than Helen Kim was re-elected as a director at our 2010 annual meeting of stockholders. Under his current right to designate two other members of our Board of Directors, Dr. Yu designated Jacqueline Brandwynne in January 2007 to serve as one of our directors and Ms. Helen Kim to serve as one of our directors in August 2011. Our Board of Directors has determined that all of our directors except Dr. Manish Singh and John Yu are independent directors as defined in the NYSE Amex rules governing members of boards of directors.

We believe that each nominee will be able to serve as a director. In the event that a nominee is unable to serve, the proxy holders will vote the proxies for such other nominee as they may determine.

<u>Name</u>	<u>Age</u>
John S. Yu, M.D. ⁽⁵⁾	47
Jacqueline Brandwynne ⁽¹⁾⁽²⁾	73
Richard A. Cowell ⁽²⁾⁽³⁾	64
Navdeep Jaikaria, Ph.D. ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	48
Manish Singh, Ph.D. ⁽⁴⁾	43
Rahul Singhvi, Sc.D. ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	46
Helen Kim ⁽⁵⁾	49

-
- (1) Member of our Compensation Committee
(2) Member of our Nominating and Corporate Governance Committee
(3) Member of our Audit Committee
(4) Member of our Finance Committee
(5) Member of our Strategy Committee

John S. Yu, M.D.

Dr. Yu has served as our Chief Scientific Officer and a director since November 2006 and Chairman of the Board since January 2007. He is a member of the full-time faculty in the Department of Neurosurgery at Cedars-Sinai Medical Center. An internationally renowned neurosurgeon, Dr. Yu's clinical focus is on the treatment of malignant and benign brain and spinal tumors. He is also conducting extensive research in immune and gene therapy for brain tumors. He has also done extensive research in the use of neural stem cells as delivery vehicles for brain cancers and neurodegenerative diseases. He was inducted into Castle and Connolly's America's Top Doctors in 2005. Dr. Yu has published articles in a number of prestigious journals, including The Lancet, Cancer Research, Cancer Gene Therapy, Human Gene Therapy, Journal of Neuroimmunology, Journal of Neurological Science and Journal of Neurosurgery. Dr. Yu earned his bachelor's degree in French literature and biological sciences from Stanford University and spent a year at the Sorbonne in Paris studying French literature. He also pursued a fellowship in immunology at the Institut Pasteur in Paris. He earned his medical degree from Harvard Medical School and master's degree from the Harvard University's Department of Genetics. He completed his neurosurgical residency at Massachusetts General Hospital in Boston. In addition, he was a

Neuroscience Fellow at the National Institutes of Mental Health in the Neuroimmunology Unit at Massachusetts General Hospital from 1988 to 1989 and was a Culpepper Scholar at the Molecular Neurogenetics Unit at that hospital from 1993 to 1995. His other honors include the Preuss Award, Joint Section on Tumors, American Association of Neurological Surgeons and Congress of Neurologic Surgeons in 1995. He received the Academy Award from the American Academy of Neurological Surgery at its 1996 annual meeting. Other honors include the Young Investigator Award from the Congress of Neurological Surgeons in 2000, the National Brain Tumor Foundation Grant in 2001, and the Mahaley Clinical Research award from the American Association of Neurological Surgeons in 2005.

Dr. Yu, as a recognized leader in the field of neurosurgery, has extensive knowledge of current therapies and therapies under development for the treatment of brain tumors and has participated in numerous clinical trials for potential therapies in this field. As our Chief Scientific Officer and the co-inventor of our brain tumor vaccine technologies, Dr. Yu brings to the Board significant scientific expertise directly relevant to our product research and development activities.

Jacqueline Brandwynne

Ms. Brandwynne has served as a director since January 2007. Since 1981, Ms. Brandwynne has served as President and CEO of Brandwynne Corporation, which has co-founded and assisted in the development of several healthcare and biotech companies. Ms. Brandwynne is a business strategist with more than 25 years of experience working with companies such as Bristol Myers/Clairol, National Liberty Life, Seagram & Sons and Neutrogena. From 1974 to 1981 she was in charge of developing Citicorp's global business strategy. From 2000 to 2006, Ms. Brandwynne was a director of Microvision, Inc., a public company that develops sophisticated miniature displays and Neutrogena Corporation. She has served in multiple advisory roles in several administrations, including as an Advisor to the Council of Economic Advisors, a member of the US Trade Representatives Services Policy Advisory Committee, a negotiator of the North American Trade Agreement, a participant in GATT negotiations and a member of The Committee on Critical Choices for America, and Chair of an Economic Summit at the White House. She currently serves on the board of the Proteus Venture Biotech Fund and on several non-profit boards, including the Cedars-Sinai Health Systems Board of Governors. Ms. Brandwynne also serves on the Board of Advisors of Histogen, Inc.

Ms. Brandwynne's extensive involvement with early stage healthcare and biotech companies provides the Board with valuable expertise in the operation and development of the Company. With an extensive background as a business strategist for major corporations, she also assists the Board in its strategic planning activities.

Colonel Richard A. Cowell, USA, (Ret.)

Colonel Richard A. Cowell, USA, (Ret.) has served as a director since June 2007. Colonel Cowell retired in 2011 as a Principal at Booz Allen Hamilton, Inc., where he was involved in advanced concepts, technology experimentation and integration, and establishing new business operations. Prior to joining Booz Allen Hamilton in March 1996, Colonel Cowell served in the United States Army for 25 years. Mr. Cowell serves as a director and Chair of the Audit Committee for Microvision, Inc. He holds a Top Secret security clearance with special accesses based on a special background investigation. Mr. Cowell holds a B.S. degree in accounting from Ohio State University.

Mr. Cowell brings to the Board both financial and accounting expertise as well as experience in the handling of Audit Committee matters for a public company. As consultant with a major consulting firm in the fields of technology experimentation and establishing new business operations, he brings to the Board strategic and business planning experience.

Navdeep Jaikaria, Ph.D.

Dr. Jaikaria has served as a director since June 2008. He currently is the Founder, Chairman and Chief Executive Officer of NewGen BioPharma, a nanotechnology drug-delivery based specialty pharmaceutical company. Dr. Jaikaria held various positions with Rodman & Renshaw from 2003 until 2008, when he retired as Managing Director, Senior Equity Research Analyst – Biotechnology. Dr. Jaikaria previously held positions in equity research with Leerink Swann and Mehta Partners from 2000 to 2003 and has also served as a consultant to biotechnology and pharmaceutical companies from 1996 until 1999. Dr. Jaikaria holds a Ph.D. in Cell Biology and Anatomy from New York Medical College, conducted a research fellowship at Rockefeller University and holds a B.S. in Human Biology from All India Institute of Medical Sciences.

As a highly regarded and experienced former healthcare analyst for major healthcare investment banks, Dr. Jaikaria brings to the Board extensive healthcare industry knowledge in the area of capital raising and investment banking as well as a broad understanding of the healthcare market and competitive conditions.

Helen S. Kim

Ms. Kim has served as a director since August 2011. She has been Chief Business Officer of NGM Pharmaceuticals, Inc., a privately held drug discovery company, since 2009, where she is responsible for all business functions and is active in raising capital. Ms. Kim served as President & Chief Executive Officer of KOSAN Biosciences from 2007 to 2008 where she restructured and repositioned the company prior to the successful sale of the company to Bristol-Myers Squibb. Ms. Kim served as Chief Program Officer for the Gordon and Betty Moore Foundation from 2003 to 2007. Ms. Kim previously held senior positions with Affymax, Inc., Onyx Pharmaceuticals, Inc., Protein Design Labs, Inc., and Chiron Corporation. She currently serves on the Board of Directors of Sunesis Pharmaceuticals. Ms. Kim received a M.B.A. in Marketing/Finance from the University of Chicago and a B.S. in Chemical and Biomedical Engineering from Northwestern University.

Having spent over twenty years in the biotech industry in various marketing, development and strategy positions, Ms. Kim brings to the Board significant experience and contacts in the pharmaceutical and life sciences industry. She has extensive knowledge in pharmaceutical product development and strategic planning that is directly relevant to the Company's activities.

Manish Singh, Ph.D.

Dr. Singh has served as our President, Chief Executive Officer and as a director since February 2008. Dr. Singh served as a Director at California Technology Ventures, a venture capital firm from June 2003 to December 2007. He managed investments made by that venture capital firm in a number of medical device and biotechnology companies and served as a board director or board observer for several of the firm's portfolio companies. From October 1995 to June 2002, he held various management and scientific positions with Odysseus Solutions, Cell Genesys, Chiron Corporation and Genetic Therapy, Inc. Dr. Singh has an MBA from UCLA, a Ph.D. in Chemical and Biochemical Engineering from the University of Maryland Baltimore County, an M.S. in Chemical Engineering from Worcester Polytechnic Institute and a B.S. in Chemical Engineering from the Indian Institute of Technology, Roorkee.

Dr. Singh has had extensive prior experience as both an operating executive and board member in the biotechnology field. He also brings to the Board extensive knowledge and experience in the area of financing early stage healthcare companies through his prior work in the venture capital field.

Rahul Singhvi, Sc.D., Director

Dr. Singhvi has served as a director since June 2010 and as our Lead Director since December 2010. He is Managing Partner of MLV Healthcare Partners, a New York based boutique merchant bank. Dr. Singhvi was with Novavax, Inc., a biopharmaceutical company focused on developing novel, highly potent recombinant vaccines since 2004 and served as President, Chief Executive Officer and a director of Novavax from August 2005 to April 2011. Dr. Singhvi was the Senior Vice President and Chief Operating Officer of Novavax from April 2005 to August 2005 and Vice President - Pharmaceutical Development and Manufacturing Operations from April 2004 to April 2005. For ten years prior to joining Novavax, Dr. Singhvi served in various positions with Merck & Co., Inc., culminating as Director of the Merck Manufacturing Division., where he helped develop several vaccines, including Zostavax®, the only vaccine on the market to prevent shingles. Dr. Singhvi received his M.S. and Sc.D. degree in Chemical Engineering from the Massachusetts Institute of Technology. He also holds an M.B.A. from the Wharton School.

Dr. Singhvi brings to the Board experience and knowledge in the operation and leadership of early stage public healthcare companies. He also has extensive expertise and experience in the development and manufacturing of vaccines, which may assist the Board in its oversight of our cancer vaccine programs.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE NOMINEES FOR ELECTION AS DIRECTORS.

Board of Directors

Our property, affairs and business are conducted under the supervision and management of our Board of Directors as called for under the laws of Delaware and our Bylaws. Our Board of Directors has established a standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, each member of which is “independent” under the independence standards of both the NYSE Amex and the Securities and Exchange Commission (the “SEC”).

The Board of Directors held six meetings during the 2010 fiscal year. Each director attended at least 75% of the aggregate of the total meetings of the Board and the total number of meetings of all Board committees on which he or she served that were held during the portion of the 2010 fiscal year in which he or she served as a director or served on such committees, as applicable.

Committees of the Board of Directors

Our Board of Directors has established an Audit Committee, which currently consists of Mr. Cowell, as Chairman, and Drs. Jaikaria and Singhvi. The Audit Committee held five meetings during the 2010 fiscal year.

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to:

- the quality and integrity of our financial statements and reports;
- the independent registered public accounting firm’s qualifications and independence; and
- the performance of our internal audit function and independent registered public accounting firm.

The Audit Committee appoints the independent registered public accounting firm, reviews with that accounting firm the plans and results of the audit engagement, approves permitted non-audit services provided by our independent registered public accounting firm and reviews that firm's independence. Mr. Cowell has been designated as an "audit committee financial expert" as defined under Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934 (the "Exchange Act").

Our Board of Directors has established a Compensation Committee, which currently consists of Dr. Jaikaria, as Chairman, Ms. Brandwynne and Dr. Singhvi. The Compensation Committee reviews, and makes recommendations to the full Board of Directors relating to, the compensation of our officers and directors, including our officers' annual salaries and bonuses and the terms and conditions of option grants to our officers and directors under our 2006 Equity Incentive Plan. The Compensation Committee held three meetings during the 2010 fiscal year.

Our Board of Directors has established a Finance Committee currently consisting of Dr. Singhvi, as Chairman, and Drs. Jaikaria and Singh. The Finance Committee has oversight responsibility for all material financial matters affecting the Company, including capital management, funding strategy and investing activities related to our financial position and financing activities. The Finance Committee held two meetings during the 2010 fiscal year.

Our Board of Directors has established a Nominating and Corporate Governance Committee, which currently consists of Ms. Brandwynne, as Chairwoman, Mr. Cowell and Drs. Jaikaria and Singhvi. The Nominating and Corporate Governance Committee develops and recommends corporate governance guidelines to the Board, selects or recommends for selection nominees to serve on the Board, and oversees the evaluation of the Board and its committees. The Nominating and Corporate Governance Committee held four meetings during the 2010 fiscal year.

Our Board of Directors established a Strategy Committee in August 2011 currently consisting of Ms. Kim as Chairman and Dr. Yu, Dr. Singhvi and the Chairman of our Scientific Advisory Board, currently Dr. Keith Black, as members. The Strategy Committee reviews and makes recommendations to the full Board concerning development and execution of the Company's corporate and product development strategies.

The Charters of the Audit, Compensation and Nominating and Corporate Governance Committees are available on our website at www.imuc.com.

Stockholder Recommendations of Director Candidates; Qualifications of Director Nominees

The Nominating and Corporate Governance Committee will consider Board nominees recommended by stockholders. In order for a stockholder to nominate a candidate for director, timely notice of the nomination must be given in writing to us at our principal executive office at 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367, Attention: Corporate Secretary. To be timely, the notice must be received by us no later than 120 days prior to the date on which the proxy statement for the preceding year's Annual Meeting of Stockholders was mailed to stockholders. Notice of a nomination must include the proposer's name, address and number of shares he or she owns; the name, age, business address, residence address and principal occupation of the nominee; and the number of shares beneficially owned by the nominee. It must also include any other information that would be required to be disclosed in the solicitation of proxies for election of directors under the federal securities laws. A stockholder must submit the nominee's consent to be elected and to serve. The Nominating and Corporate Governance Committee may require any nominee to furnish any other information that may be needed to determine the eligibility and qualifications of the nominee. Any recommendations in proper form

received from stockholders will be evaluated in the same manner that potential nominees recommended by our Board members or management are evaluated.

The Nominating and Corporate Governance Committee has not established any specific minimum qualifications for director candidates or any specific qualities or skills that a candidate must possess in order to be considered qualified to be nominated as a director. Qualifications for consideration as a director nominee may vary according to the particular areas of expertise being sought as a complement to the existing Board composition. In making its nominations, our Nominating and Corporate Governance Committee generally will consider, among other things, an individual's business experience, industry experience, financial background, breadth of knowledge about issues affecting our company, time available for meetings and consultation regarding company matters and other particular skills and experience possessed by the individual. Although the Nominating and Corporate Governance Committee believes that director nominees should add to the range of backgrounds and experiences of the Company's directors, neither the Committee nor the Board of Directors has a policy regarding the consideration of diversity in identifying and evaluating director nominees.

Board Leadership Structure and Role in Risk Oversight

John S. Yu, M.D. serves as the Chairman of the Board of Directors, Rahul Singhvi serves as Lead Director, and Manish Singh, Ph.D. serves as the Company's President and Chief Executive Officer. The Board of Directors believes that having two persons, rather than only one, serving as Chairman of the Board and President and Chief Executive Officer, assists the Board in performing its obligation to oversee both management and risks facing the Company.

The full Board of Directors has responsibility for general oversight of risks facing the Company, with reviews of certain areas of risk being conducted by the relevant Board committees, which then provide reports to the full Board. The Board receives reports from management on areas of risk facing the Company and periodically conducts discussions with management regarding the identification, assessment and management of these risks.

Stockholder Communication with Board Members

Stockholders who wish to communicate with our Board members may contact us at our principal executive office at 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367, Attention: Corporate Secretary. Written communications specifically marked as a communication for our Board of Directors, or a particular director, except those that are clearly marketing or soliciting materials, will be forwarded unopened to the Chairman of our Board, or to the particular director to whom they are addressed, or presented to the full Board or the particular director at the next regularly scheduled Board meeting.

Board Members' Attendance at Annual Meetings

We do not have a specific policy regarding our directors attending our annual stockholders meetings; however, directors are encouraged to attend these meetings. Four of our then directors attended our 2010 annual stockholders meeting.

Compensation of Directors

On November 5, 2007, the Board of Directors adopted a compensation program for the directors whereby each non-employee director would receive compensation in the form of cash and stock options for serving on the Board as well as serving on Board committees. The cash compensation consisted of an

annual retainer of \$10,000 for serving as a director, a fee of \$1,000 for each Board meeting attended, and a fee of \$750 for each Board committee meeting attended. In addition, the Chairman of the Board would receive a \$25,000 annual retainer, and the Chairperson of each of the Board committees would receive a \$15,000 annual retainer. All fees were to be paid quarterly. Seven-year non-qualified stock options to purchase 25,000 shares of the Company's common stock were to be granted annually on the date of the annual shareholders' meeting to each non-employee director at an exercise price equal to the last reported trading price of the Company's common stock on that day, with such option to vest quarterly over the one-year period following the date of grant.

On June 4, 2009 the Board of Directors revised the compensation program for the directors whereby each non-employee director will receive compensation in the form of cash and stock options for serving on the Board as well as serving on Board committees. The cash compensation consists of an annual retainer of \$10,000 for serving as a director, a fee of \$1,000 for each quarterly Board meeting attended, and a fee of \$500 for each non-quarterly Board meeting and each committee meeting attended. In addition, the Chairman of the Board will receive a \$15,000 annual retainer, the Chairperson of the Audit Committee will receive a \$7,500 annual retainer, the Chairpersons of the Compensation Committee and the Nominating and Corporate Governance Committees will each receive a \$5,000 annual retainer. All fees are to be paid quarterly. Seven-year non-qualified stock options to purchase shares of the Company's common stock are to be granted annually on the date of the annual shareholders' meeting to each non-employee director at an exercise price equal to the last reported trading price of the Company's common stock on that date, with such option to vest quarterly over the one-year period following the date of grant in the following amounts: Chairman of the Board – 50,000 shares, Board members (other than Chair) 30,000 shares, Audit Committee Chair – 20,000 shares, Compensation Committee and Nominating and Corporate Governance Committee Chairs each to receive 10,000 shares, and members of Committees (other than Chairs) to receive 5,000 shares, with all vested options to be exercisable for 24 months after termination for any reason except termination for cause by us.

On December 10, 2010, the Board of Directors revised the compensation program for the directors whereby each non-employee director will receive compensation in the form of cash and stock options for serving on the Board as well as serving on Board committees. The cash compensation consists of an annual retainer of \$10,000 for serving as a director, a fee of \$1,500 for each quarterly Board meeting attended, and a fee of \$1,000 for each non-quarterly Board meeting attended and \$500 for each committee meeting attended (other than committee chairpersons). In addition, the Chairman of the Board receives an additional \$5,000 annual retainer, the Chairperson of the Audit Committee will receive a \$7,500 annual retainer, the Chairpersons of the Compensation Committee, Finance Committee, and Nominating and Corporate Governance Committee will each receive a \$5,000 annual retainer. As of January 1, 2011, the Lead Director will receive an additional \$5,000 annual retainer. All fees are to be paid quarterly. Seven-year non-qualified stock options to purchase shares of the Company's common stock are to be granted annually on the date of the annual shareholders' meeting to each non-employee director at an exercise price equal to the last reported trading price of the Company's common stock on that date, with such option to vest quarterly over the one-year period following the date of grant in the following amounts: Chairman of the Board – 50,000 shares, Lead Director – 20,000 shares, Board members (other than Chair) 30,000 shares, Audit Committee Chair – 20,000 shares, Compensation Committee and Nominating and Corporate Governance Committee Chairs each to receive 10,000 shares, and members of Committees (other than Chairs) to receive 5,000 shares, with all vested options to be exercisable for 24 months after termination for any reason except termination for cause by us. Each member of the Board also receives an annual restricted stock grant of 10,000 shares.

During the fiscal year ended December 31, 2010, we paid our non-employee directors cash compensation for serving on the Board of Directors and committees of the Board and granted a non-qualified option to purchase shares of common stock to each of our directors for their service as a director

for the one-year period commencing September 27, 2010. Each of the options granted to the directors has a term of seven years, has an exercise price of \$0.90 per share, vests in four equal quarterly installments following the date of grant, and may be exercised within their term during the period the grantee provides services to us and for 24 months after the grantee ceases providing services for any reason other than termination by us for cause. The amounts of the annual and interim grants were: Jacqueline Brandwynne, 45,000 shares; Richard Cowell, 55,000 shares; Dr. Navdeep Jaikaria, 55,000 shares; Dr. Manish Singh, 30,000 shares; Dr. Rahul Singhvi, 55,000 shares and Dr. John Yu, 50,000 shares.

The following table sets forth information concerning the compensation paid to each of our non-employee directors during 2010 for their services rendered as directors. The compensation of Dr. Singh, who serves as a director and as our President and Chief Executive Officer, is described in the Summary Compensation Table of Executive Officers.

DIRECTOR COMPENSATION FOR FISCAL YEAR 2010

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards ⁽¹⁾⁽⁷⁾	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Jacqueline Brandwynne	\$20,500	-	\$27,900 ⁽²⁾	-	-	-	\$48,400
Richard A. Cowell	\$24,500	-	\$34,100 ⁽³⁾	-	-	-	\$58,600
Navdeep Jaikaria	\$24,250	-	\$34,100 ⁽⁴⁾	-	-	-	\$58,350
Robert L. Martuza	\$27,000	-	-	-	-	-	\$27,000
Rahul Singhvi	\$13,861	-	\$41,900 ⁽⁵⁾	-	-	-	\$55,761
John Yu	\$30,750	-	\$31,000 ⁽⁶⁾	-	-	-	\$61,750

- (1) This column represents the aggregate grant date fair value of options awarded computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to the option grants, refer to Note 2 of our financial statements in this Annual Report. These amounts do not correspond to the actual value that will be recognized by the named directors from these awards.
- (2) On September 27, 2010 we granted to Ms. Brandwynne a seven-year non-qualified option to purchase 45,000 shares of the Company's common stock at an exercise price of \$0.90 per share, vesting quarterly over a one-year period for her services as a director.
- (3) On September 27, 2010 we granted to Mr. Cowell a seven-year non-qualified option to purchase 55,000 shares of the Company's common stock at an exercise price of \$0.90 per share, vesting quarterly over a one-year period for his services as a director.
- (4) On September 27, 2010 we granted to Dr. Jaikaria a seven-year non-qualified option to purchase 55,000 shares of the Company's common stock at an exercise price of \$0.90 per share, vesting quarterly over a one-year period for his services as a director.
- (5) Robert Martuza resigned as a director on February 22, 2011.
- (6) On September 27, 2010 we granted to Dr. Singhvi a seven-year non-qualified option to purchase 55,000 shares of the Company's common stock at an exercise price of \$0.90 per share, vesting quarterly over a one-year period for his services as a director.
- (7) On September 27, 2010 we granted to Dr. Yu a seven-year non-qualified option to purchase 50,000 shares of the Company's common stock at an exercise price of \$0.90 per share, vesting quarterly over a one-year period for his services as a director.

- (8) As of December 31, 2010, our non-employee directors held vested and unvested options, which they received as compensation for their services as directors, to purchase the following number of shares of our common stock: Jacqueline Brandwynne – 170,401 shares; Richard A. Cowell – 218,301 shares; Navdeep Jaikaria – 55,000 shares; Robert L. Martuza – 137,767 shares; and John Yu – 176,068 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

If a company has a class of equity security that is registered under Section 12 of the Securities Exchange Act of 1934, its directors and executive officers, and persons who own more than 10% of the outstanding shares of the registered class, are required by Section 16(a) of the Exchange Act to file reports of ownership and changes in ownership with the SEC. Because we do not have any class of equity security registered under Section 12 of the Exchange Act, our directors, executive officers and significant stockholders are not required to file these reports with the SEC.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding beneficial ownership of our common stock as of August 15, 2011 (a) by each person known by us to own beneficially 5% or more of any class of our common stock, (b) by each of our executive officers named in the Summary Compensation Table and our directors and (c) by all executive officers and directors of this company as a group. As of August 15, 2011, there were 29,189,468 shares of our common stock issued and outstanding. Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all the shares beneficially owned by them.

Name and Address of Beneficial Owner ⁽¹⁾	Shares Beneficially Owned ⁽²⁾	Percentage of Class
John S. Yu, M.D.	6,519,492 ⁽³⁾	18.26%
Socius CG II, Ltd. 11150 Santa Monica Boulevard, Ste. 1500 Los Angeles, California 90025	3,239,671 ⁽⁴⁾	9.99%
Donald R. Scifres 2010 Annuity Trust R One First Street, Ste. 14 Los Altos, CA 94022	1,595,454 ⁽⁵⁾	5.34%
Manish Singh, Ph.D.	1,675,223 ⁽⁶⁾	5.54%
James Bender, Ph.D.	164,000 ⁽⁷⁾	*
David Fractor	7,002 ⁽⁷⁾	*
Jacqueline Brandwynne	300,401 ⁽⁸⁾	1.02%
Richard A. Cowell	228,301 ⁽⁹⁾	*
Navdeep Jaikaria, Ph.D.	16,250 ⁽¹⁰⁾	*
Rahul Singhvi, Sc.D.	62,500 ⁽¹¹⁾	*
Helen S. Kim	0	*
All executive officers and directors as a group (9 persons)	8,973,169	23.94%

* Less than 1%.

- (1) Unless otherwise indicated, the address of each of the persons shown is c/o ImmunoCellular Therapeutics, Ltd., 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367.
- (2) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock subject to options, warrants and convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, are deemed outstanding, including for purposes of computing the percentage ownership of the person holding such option, warrant or convertible security, but not for purposes of computing the percentage of any other holder.
- (3) Includes 7,500 shares owned of record, 2,500 shares of our restricted stock that will vest by October 14, 2011 and 6,509,492 shares of our common stock issuable upon exercise of options.
- (4) Includes 1,350,000 shares of our common stock issuable upon the exercise of warrants, which are included in this prospectus. Socius CG II, Ltd. holds other warrants which are currently exercisable as to 1,889,671 shares by the terms of those warrants, which terms limit their exercise so that the aggregate beneficial ownership of Socius CG II, Ltd. and its affiliates shall not exceed at any time 9.99% of the shares of our outstanding common stock. Voting and dispositive power with respect to the shares underlying the warrants held by Socius CG II, Ltd. is exercised by Ward Jensen, its Vice President-Trading. However, the warrants provide that, for so long as Socius CG II, Ltd. or any affiliate holds the warrants or any shares of common stock of the issuer obtained upon exercise of the warrants, neither Socius CG II, Ltd. nor any affiliate shall: (1) vote any shares of issuer common stock owned or controlled by it or solicit any proxies or seek to advise or influence any person with respect to any voting securities of the issuer; (2) engage or participate in any actions, plans or proposals which relate to or would result in, among other things with respect to the issuer, (a) an extraordinary corporate transaction such as a merger, (b) a sale of a material amount of assets of the issuer, (c) any change in the present board of directors or management of the issuer, (d) any material change in capitalization or dividend policy of the issuer, or (e) any similar or other change in the issuer's business or corporate structure; or (3) requesting the issuer or its directors, officers, employees, agents or representatives to amend or waive any of the foregoing prohibitions. Socius CG II, Ltd. is not a registered broker-dealer or an affiliate of a registered broker-dealer.
- (5) Includes 913,636 shares owned of record and 681,818 shares of our common stock issuable upon exercise of warrants.
- (6) Includes 598,839 shares owned of record and 1,076,384 shares of our common stock issuable upon exercise of options.
- (7) All of the shares shown are subject to options.
- (8) Includes 52,500 shares owned of record, 2,500 shares of our restricted stock that will vest by October 14, 2011 and 245,401 shares of our common stock issuable upon exercise of options.
- (9) Includes 7,500 shares owned of record, 2,500 shares of our restricted stock that will vest by October 14, 2011 and 218,301 shares of our common stock issuable upon exercise of options
- (10) Includes 2,500 shares of our restricted stock that will vest by October 14, 2011 and 13,750 shares of our common stock issuable upon exercise of options.
- (11) Includes 2,500 shares owned of record, 2,500 shares of our restricted stock that will vest by October 14, 2011 and 57,500 shares of our common stock issuable upon exercise of options

Executive Officers

Our only executive officers are Manish Singh, Ph.D., who serves as our President and Chief Executive Officer, James Bender, Ph.D. who serves as Vice President – Product Development and Manufacturing, and David Fractor, who serves as our Treasurer and Chief Financial Officer. C. Kirk Peacock served as our Treasurer and Chief Financial Officer until March 31, 2011. Information about Dr. Singh is presented above under “Director Nominees.”

Dr. Bender served as our Vice President – Clinical Development on a part time basis from September 2008 to February 2010 and has served as our Vice President – Product Development and Manufacturing on a full-time basis since February 2010. From 2002 through 2008 Dr. Bender held various positions at IDM Pharma, most recently as director of product development where he led that company's efforts relating to the clinical development of a cancer vaccine for the treatment of lung cancer. Prior to that, he held various positions at Nexell Therapeutics relating to the development of therapeutic stem cell and cancer vaccine products. Prior to that, Dr. Bender spent 10 years with Baxter Healthcare Corporation, eight years with the University of New Mexico School of Medicine and five

years with St. Joseph's Hospital in Albuquerque, New Mexico. He has over 75 scientific publications, is an inventor of 11 U.S. patents and holds a Ph.D. degree in immunology from the University of New Mexico and an M.P.H. in laboratory management from the University of Michigan.

Mr. Peacock served as our Treasurer and Chief Financial Officer on a part-time basis from January 2006 to March 2011 and previously served in that capacity from May 2005 until January 2006 for our predecessor company on a part-time basis. He also served on a part-time basis as our interim President from November 2007 to February 2008. Mr. Peacock is a Certified Public Accountant and previously was Chief Financial Officer with CytRx Corporation, a ribonucleic acid interference and biopharmaceutical company focused on the development and commercialization of high-value human therapeutics from August 2003 through July 2004. Mr. Peacock has experience as Chief Financial Officer with several start-up companies, including DigitalMed, Inc., a venture-backed subsidiary of Tenet Healthcare, and Ants.Com, Inc., a venture-backed company of Bertelsmann Ventures. Mr. Peacock was also a manager with a large, international accounting firm for a number of years. Mr. Peacock serves as a director on the Board of Directors and a member of the Audit Committee of Laird Norton Company LLC. Mr. Peacock is a graduate of Claremont McKenna College.

Mr. Fractor has served as our Treasurer and Chief Financial Officer on a part-time basis since April 2011. Since 2003, Mr. Fractor has been a consultant providing financial consulting and strategic planning services, including Sarbanes-Oxley compliance consulting services, to a variety of companies in a variety of industries. From 1999 through 2003, Mr. Fractor was the Chief Financial Officer of HemaCare Corporation, a publicly traded corporation which collects, manufactures, tests and distributes blood products to hospitals and provides blood services to patients in hospital settings on an outsourcing basis. Mr. Fractor received his B.S. in Accounting from the University of Southern California in 1982 and is a certified public accountant and a member of AICPA and the California Society of CPA's.

Compensation of Executive Officers

The following table sets forth the compensation for services paid in all capacities for the two fiscal years ended December 31, 2010 to Dr. Manish Singh, who has served as our President and Chief Executive Officer since February 2008 to Dr. James Bender, who has served as our Vice President-Clinical Development from September 2008 to February 2010 and as Vice President Product Development and Manufacturing since February 2010, and who was our only other executive officer who received compensation in excess of \$100,000 in either 2009 or 2010.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Manish Singh, Ph.D. President and Chief Executive Officer	2009	\$243,750 ⁽¹⁾	-	-	\$87,500 ⁽⁵⁾	-	-	-	\$331,250
	2010	\$293,287 ⁽²⁾	\$100,000	-	\$222,500 ⁽⁶⁾	-	-	-	\$615,787
James Bender, Vice President – Product Development and Manufacturing	2010	\$167,833 ⁽³⁾	\$15,000	-	73,625 ⁽⁷⁾	-	-	-	\$256,458

(1) Includes \$16,667 per month for the period from January 1, 2009 through February 17, 2009 and \$20,833 from February 18, 2009 through December 31, 2009 for services rendered to us as President and Chief Executive Officer.

- (2) Includes \$20,833 per month for the period from January 1, 2010 through February 17, 2010 and \$25,000 from February 18, 2010 through December 31, 2010 for services rendered to us as President and Chief Executive Officer.
- (3) Includes \$14,167 per month for the period from February 1, 2010 through December 31, 2010 for services as Vice President – Product Development and Manufacturing and \$12,000 in consulting fees for the month of January 2010.
- (4) This column represents option awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to the option grants, refer to Note 2 of our financial statements in this Annual Report. These amounts do not correspond to the actual value that will be recognized by the named executives from these awards.
- (5) Includes (i) a seven-year option to purchase 600,000 shares of our common stock granted February 18, 2008 at an exercise price of \$1.00 per share, vesting monthly over a one-year period following the date of grant and (ii) a seven-year option to purchase 300,000 shares of our common stock granted February 18, 2009 at an exercise price of \$0.15 per share, vesting monthly over a one-year period following the date of grant and (iii) a seven-year option to purchase 200,000 shares of our common stock granted February 18, 2009 at an exercise price of \$0.15 per share, vesting if the Company achieves during term of the agreement either (a) a volume weighted average trading price for its common stock of greater than \$1.00 for any 30-day period during the term of the agreement on average daily trading volume of at least 10,000 shares, or (b) working capital at the end of the term of the agreement of at least \$5,000,000, for services rendered as President and Chief Executive Officer.
- (6) Includes (i) a seven-year option to purchase 300,000 shares of our common stock granted February 18, 2009 at an exercise price of \$0.15 per share, vesting monthly over a one-year period following the date of grant, (ii) a seven-year option to purchase 360,000 shares of our common stock granted February 18, 2010 at an exercise price of \$0.90 per share, vesting monthly over a one-year period following the date of grant, (iii) a seven-year option to purchase 240,000 shares of our common stock granted February 18, 2010 at an exercise price of \$0.90 per share, vesting in certain increments if the Company achieves during term of the agreement (a) vesting of 30,000 shares for a volume weighted average trading price for its common stock of greater than \$1.60 for any 15-day period during the term of the agreement on average daily trading volume of at least 20,000 shares, or (b) vesting of 90,000 shares for a volume weighted average trading price for its common stock of greater than \$2.00 for any 15-day period during the term of the agreement on average daily trading volume of at least 20,000 shares, or (c) vesting of 30,000 shares for treating the first patient in a phase II clinical trial, or (d) vesting of 90,000 shares if the Corporation completes a financing, a strategic alliance or licensing agreement with upfront licensing payments to the Corporation or a merger or acquisition that generates at least \$5,000,000 of net proceeds, for services rendered as President and Chief Executive Officer.
- (7) Includes (i) a seven-year option to purchase 75,000 shares of our common stock granted February 1, 2010 at an exercise price of \$0.90 per share, vesting monthly over a one-year period following the date of grant, (ii) a seven-year option to purchase 25,000 shares of our common stock granted February 1, 2010 at an exercise price of \$0.90 per share, vesting if the Company completes by September 30, 2010 the tech transfer to a contract manufacturer organization for ICT-107, including without limitation validation/qualification runs, (iii) a seven-year option to purchase 25,000 shares of our common stock granted February 1, 2010 at an exercise price of \$0.90 per share, vesting if the Company completes by December 31, 2010 FDA acceptance of a Phase II clinical trial plan for ICT-107, and (iv) a seven-year option to purchase 25,000 shares of our common stock granted February 1, 2010 at an exercise price of \$0.90 per share, vesting if the Company completes by December 31, 2010 enrollment of the first patient into the Phase II clinical trial for ICT-107, for services as Vice President – Product Development and Manufacturing.

Stock Option Grants

The following table sets forth information as of December 31, 2010 concerning unexercised options, unvested stock and equity incentive plan awards for the executive officers named in the Summary Compensation Table.

OUTSTANDING EQUITY AWARDS AT YEAR ENDED DECEMBER 31, 2010

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Manish Singh	700,000 ⁽¹⁾			\$1.00	02-17-15				
	25,000 ⁽²⁾			0.27	09-28-15				
	250,000 ⁽³⁾	50,000 ⁽³⁾		0.15	02-17-16				
		400,000 ⁽⁴⁾		0.15	02-17-16				
	7,846 ⁽⁵⁾	23,538 ⁽⁵⁾		0.95	09-13-16				
James Bender	36,000 ⁽⁶⁾			0.68	8-31-15				
	15,000 ⁽⁷⁾			0.95	8-31-16				
	5,000 ⁽⁸⁾	5,000 ⁽⁹⁾		0.95	8-31-16				
	68,750 ⁽¹⁰⁾	6,250 ⁽¹⁰⁾		0.90	1-31-17				
	50,000 ⁽¹¹⁾			0.90	1-31-17				

- (1) Vested monthly following grant on February 18, 2008
- (2) Vested 25% quarterly following grant on September 29, 2008
- (3) Vested monthly following grant on February 18, 2009 as to 300,000 shares.
- (4) Vests upon completion of milestones pursuant to contract.
- (5) Vests 25% quarterly following grant on September 14, 2009.
- (6) Vested monthly following grant on September 1, 2008.
- (7) Vests 3,000 shares monthly following grant on September 1, 2009
- (8) Vested upon achievement of milestone pursuant to contract.
- (9) Vests upon completion of milestones pursuant to contract.
- (10) Vests monthly following grant on February 1, 2010.
- (11) Vests upon completion of milestones pursuant to contract.

Employment Agreements

John S. Yu, M.D.

Dr. John Yu and the Company entered into an Agreement, dated as of November 17, 2006, and a related Securities Purchase Agreement, dated as of November 17, 2006, Non-qualified Stock Option Agreement, dated as of November 17, 2006 and Registration Rights Agreement, dated as of November 17, 2006. Under that Agreement, Dr. Yu agreed to serve as our Chief Scientific Officer for an initial one-year term on a part-time basis. Pursuant to that Agreement, the Company agreed that (i) for so long as Dr. Yu owns Company shares or fully vested immediately exercisable options to purchase Company shares totaling at least 2,000,000 shares, the Company will use commercially reasonable efforts to enable Dr. Yu to continue to serve on its Board of Directors and (ii) for so long as Dr. Yu owns shares of the Company's common stock or fully vested immediately exercisable options to purchase shares of the Company's common stock totaling at least 4,000,000 shares or at least 5,000,000 shares, the Company will use commercially reasonable efforts to enable Dr. Yu and either one or two, respectively, of his designees to serve on its Board of Directors.

Effective March 1, 2010, the Company entered into an Agreement with Dr. Yu under which he agreed to serve on a part-time basis as the Company's Chief Scientific Officer for a one-year term. The Agreement provides for an annual base salary of \$70,000 and for cash bonuses of \$15,000 each if prior to December 31, 2010 (i) the FDA has accepted a Phase II clinical trial plan for ICT-107 and (ii) a Physicians Investigator IND submission for one of the Company's specified product candidates has been accepted by the FDA.

Pursuant to the Agreement, the Company granted to Dr. Yu a seven-year nonqualified stock option under the Company's 2006 Equity Incentive Plan, or a new qualified option plan, to purchase 125,000 shares of the Company's common stock at an exercise price equal to \$0.90 per share, which was the closing market price of the common stock on the option grant date. The option grant is subject to the approval by the Company's stockholders of an increase in the authorized number of shares under the Equity Plan. The option may be exercised during the period that Dr. Yu provides services to the Company and for 24 months after termination for any reason except termination for cause by the Company, provided that such exercise is within the seven-year term of the option.

The option granted to Dr. Yu under the Agreement will vest (i) as to 75,000 shares in four equal quarterly installments following the date of grant and (ii) as to the remaining 50,000 shares, 25,000 shares shall each vest upon timely satisfying the two milestones described above for the payment of cash bonuses to Dr. Yu.

Effective March 1, 2011, the Company entered into an Agreement with Dr. Yu under which he agreed to serve on a part-time basis as the Company's Chief Scientific Officer. The Agreement shall automatically renew on the one year anniversary date of the Agreement for successive one-year terms unless terminated by Dr. Yu or us. The agreement provides for an annual base salary of \$70,000 and for cash bonuses of \$15,000 each if prior to February 29, 2012 we achieved the following milestones: (i) enrollment of 75 patients in the Phase II trial of ICT-107 and (ii) filing of an IND for either a new indication for ICT-107 or for another product candidate of the Company.

Pursuant to the Agreement, the Company granted to Dr. Yu a seven-year nonqualified stock option under the Company's 2006 Equity Incentive Plan, to purchase 50,000 shares of the Company's common stock at an exercise price equal to \$1.95 per share, which was the closing market price of the common stock on the option grant date. The option may be exercised during the period that Dr. Yu

provides services to the Company and for 12 months after termination for any reason except termination for cause by the Company, provided that such exercise is within the seven-year term of the option.

The option granted to Dr. Yu under the Agreement will vest in three equal annual installments, with the first vesting date to be February 28, 2012.

Manish Singh, Ph.D.

Effective as of February 18, 2010, the Company entered into a new Employment Agreement with Dr. Manish Singh (the "2010 Employment Agreement") pursuant to which Dr. Singh will continue to serve on a full-time basis as the Company's President and Chief Executive Officer for a one-year term. The Company is required under the 2010 Employment Agreement to use its commercially reasonable efforts to have Dr. Singh continue to serve as a member of the Company's Board of Directors during the term of the 2010 Employment Agreement. The 2010 Employment Agreement may be extended for an additional one-year period upon the mutual agreement of the Company and Dr. Singh.

The 2010 Employment Agreement provides for an annual base salary of \$300,000. In addition, provided that Dr. Singh continues to serve as the Company's President and Chief Executive Officer for the entire one-year term of the 2010 Employment Agreement, the Company will pay Dr. Singh a discretionary cash bonus of up to \$50,000 upon completion of the one-year term.

The 2009 Employment Agreement with Dr. Singh provided that Dr. Singh was entitled to receive cash milestone bonuses, not to exceed an aggregate amount of \$200,000, of (1) \$50,000 upon the Company's completion of a financing, a strategic alliance or a merger or acquisition generating at least \$2,500,000 of net proceeds (after commissions) during the term of that agreement, (2) \$100,000 upon the Company's completion of a financing, a strategic alliance or a merger or acquisition generating at least \$5,000,000 of net proceeds (after commissions) during the term of that agreement, or (3) \$200,000 upon the Company's completion of a financing, a strategic alliance or a merger or acquisition generating at least \$10,000,000 of net proceeds (after commissions) during the term of that agreement. The 2009 Employment Agreement also provided that an option granted to Dr. Singh to purchase 200,000 shares of the Company's common stock would vest if the Company's working capital is at least \$8,000,000 at the end of the term of that agreement.

The 2010 Employment Agreement amends the 2009 Employment Agreement to provide that the milestones described in the preceding paragraph may be satisfied by including the net proceeds received by the Company at any time prior to August 17, 2010 from (1) a financing by the Socius Capital Group or (2) any private placement financing that is covered by a signed term sheet that was entered into by the Company prior to February 18, 2010 or from another source at the same or better terms as contemplated by such signed term sheet. Also, for purposes of determining whether the \$8,000,000 working capital milestone in the preceding paragraph has been satisfied, the 2010 Employment Agreement provides that working capital will be calculated as of the date of the Company's receipt of the proceeds that are being included to satisfy the milestone.

Pursuant to the 2010 Employment Agreement, the Company granted to Dr. Singh a seven-year incentive stock option under the Company's Equity Plan, or a new qualified option plan, to purchase 600,000 shares of the Company's common stock at an exercise price equal to \$0.90 per share, which was the closing market price of the common stock on the option grant date. The option grant is subject to the approval by the Company's stockholders of an increase in the authorized number of shares under the Equity Plan and an increase in the number of shares that may be granted to any individual during a twelve-month period. The option may be exercised during the period that Dr. Singh provides services to

the Company and for 24 months after termination for any reason except termination for cause by the Company, provided that such exercise is within the seven-year term of the option.

The option granted to Dr. Singh under the 2010 Employment Agreement will vest (1) as to 360,000 shares, in twelve equal monthly installments of 30,000 shares each over the twelve-month period from and immediately following the grant date, (2) as to 30,000 shares, if the Company achieves during the term of the that agreement a volume-weighted average trading price for its common stock of greater than \$1.60 for any consecutive 15-day trading period during the term of that agreement on average daily trading volume of at least 20,000 shares, (3) as to 90,000 shares, if the Company achieves during the term of that agreement a volume-weighted average trading price for its common stock of greater than \$2.00 for any consecutive 15-day trading period during the term of that agreement on average daily trading volume of at least 20,000 shares, (4) as to 30,000 shares, upon treating during the term of that agreement the first patient in a Phase II clinical trial, and (5) as to 90,000 shares, if during the term of the agreement the Company completes a financing, a strategic alliance or a licensing agreement with upfront licensing payments to the Company or a merger or acquisition that generates at least \$5,000,000 of net proceeds (after commissions) for the Company beyond the \$10,000,000 achieved by August 17, 2010, with any financing proceeds received by the Company during the first six months of the 2010 Employment Agreement that are used to satisfy milestones under the 2009 Employment Agreement not being included as proceeds to satisfy the milestones described in this paragraph.

In the event that the Company terminates the 2010 Employment Agreement without cause or does not extend the 2010 Employment Agreement upon its expiration for an additional one-year term, then (1) the Company upon such termination will be required to make a lump sum payment to Dr. Singh equal to six months of his base annual salary, (2) any stock options granted to Dr. Singh, to the extent vested, will be retained by Dr. Singh and will be exercisable on the terms described above, and (3) the vesting of an additional number of shares subject to all options granted to Dr. Singh equal to 50% of all shares subject to such options that have not already vested will immediately accelerate and will be exercisable on the terms described above. If Dr. Singh terminates his employment for "good reason" as defined in the Employment Agreement, he will receive the severance benefits described in the preceding sentence, except that 100% of his options will vest if his employment terminates for good reason following a merger or similar corporate transaction in which the Company is not the surviving entity.

Effective February 18, 2011, the Company entered into an Agreement with Dr. Singh under which he agreed to continue to serve on a full-time basis as the Company's President and Chief Executive Officer for a one-year term commencing February 18, 2011. The Company is required under the Employment Agreement to use its commercially reasonable efforts to have Dr. Singh continue to serve as a member of the Company's Board of Directors during the term of the Employment Agreement. The Employment Agreement automatically renews on the one-year anniversary date of the effective date of February 18, 2011 of each year thereafter for successive one-year terms unless terminated by either party.

The Employment Agreement provides for an annual base salary of \$315,000. In addition, provided that Dr. Singh continues to serve as the Company's President and Chief Executive Officer for the entire one-year term of the Employment Agreement, the Company will pay Dr. Singh a discretionary cash bonus of up to \$100,000 upon the attainment of certain corporate goals.

The Employment Agreement also provides Dr. Singh a seven-year incentive stock option grant to purchase 270,000 shares of common stock under the Company's 2006 Equity Incentive Plan (the "Plan") at an exercise price of \$2.25 per share, which was the closing price of the Company's common stock on the date of grant. The option will vest as follows; (i) 20,000 shares on February 17, 2012, (ii) 50,000 shares on February 17, 2013, (iii) 50,000 shares on February 17, 2014, (iv) 50,000 shares upon the Company attaining a market capitalization of at least \$100 million for ten consecutive trading dates, (v)

50,000 shares upon the Company attaining a market capitalization of at least \$150 million for ten consecutive trading days and (vi) 50,000 shares upon the Company attaining a market capitalization of at least \$200 million for ten consecutive trading days.

Dr. James Bender

Effective February 1, 2010, the Company entered into an Employment Agreement with Dr. James Bender pursuant to which Dr. Bender will serve on a full-time basis as the Company's Vice President – Product Development and Manufacturing for a one-year term commencing February 1, 2010. Prior to February 1, 2010, Dr. Bender had been serving on a part-time basis as the Company's Vice President – Clinical Development pursuant to an Agreement dated as of September 1, 2009, as amended on September 14, 2009.

The Employment Agreement provides for an annual base salary of \$170,000. Pursuant to the Employment Agreement, the Company granted to Dr. Bender a seven-year incentive stock option under the Company's 2006 Equity Incentive Plan to purchase 150,000 shares of the Company's common stock at an exercise price equal to \$0.90 per share, which was the closing market price of the common stock on the option grant date. The option grant is subject to the approval by the Company's stockholders of an increase in the authorized number of shares under the Equity Plan.

The option granted to Dr. Bender under the Employment Agreement will vest at the rate of 6,250 shares per month over the term of the Employment Agreement as to 75,000 shares. The option will vest as to the remaining 75,000 shares upon the Company's attainment of the following development milestones, and Dr. Bender will also be entitled to receive the following cash bonuses upon attainment of these milestones: (1) completion by September 30, 2010 of the technology transfer to a contract manufacturer for the Company's ICT-107 product will result in a \$10,000 cash bonus and the vesting of 25,000 option shares; (2) completion by December 31, 2010 of FDA acceptance of a Phase II clinical trial plan for ICT-107 will result in a \$10,000 cash bonus and the vesting of 25,000 option shares; and (3) completion by December 31, 2010 of the enrollment of the first patient into the Phase II clinical trial for ICT-107 will result in a \$10,000 bonus and the vesting of 25,000 option shares.

The Employment Agreement provides that all of the rights and obligations of the Company and Dr. Bender under his prior agreement to provide services to the Company (including Dr. Bender's right to work for another organization) terminated as of January 31, 2010, except that Dr. Bender's right under that agreement to receive cash bonuses and the vesting of options upon the Company's achievement of specified development milestones will remain in effect. The Employment Agreement provides that, except as described in the following sentence, if Dr. Bender's employment terminates prior to the expiration of the one-year term, Dr. Bender will not have any right to receive further compensation under the Employment Agreement other than compensation that was accrued as of his employment termination date. If the Company terminates Dr. Bender's employment without "cause" as defined in the Employment Agreement, 50% of any unvested options held by Dr. Bender as of the employment termination date will vest, and he will also have the right to receive any compensation that was accrued as of the employment termination date.

The Company entered into an Employment Agreement, effective as of February 1, 2011, with Dr. James Bender pursuant to which Dr. Bender will continue to serve on a full-time basis as the Company's Vice President – Product Development and Manufacturing for a one-year term commencing February 1, 2011. The Employment Agreement automatically renews on the one-year anniversary date of the effective date of February 1, 2011 of each year thereafter for successive one-year terms unless terminated by either party.

The Employment Agreement provides for an annual base salary of \$175,000. In addition, provided that Dr. Bender continues to serve as the Company's Vice President – Product Development and Manufacturing for the entire one-year term of the Employment Agreement, the Company will pay Dr. Bender a discretionary cash bonus of up to \$35,000 upon the attainment of certain corporate goals.

The Employment Agreement also provides Dr. Bender a seven-year incentive stock option grant to purchase 120,000 shares of common stock under the Plan at an exercise price of \$2.25 per share, which was the closing price of the Company's common stock on the date of grant. The option will vest as to (i) 60,000 shares in three annual installments of 20,000 shares each, with the first installment to vest on January 31, 2012; (ii) 20,000 shares upon the Company attaining a market capitalization of at least \$100 million for ten consecutive trading dates; (iii) 20,000 shares upon the Company attaining a market capitalization of at least \$150 million for ten consecutive trading dates; and (iv) 20,000 shares upon the Company attaining a market capitalization of at least \$200 million for ten consecutive trading dates.

David Fractor

The Company has entered into an agreement with David Fractor pursuant to which Mr. Fractor became the Company's Chief Financial Officer effective as of April 4, 2011. Mr. Fractor will serve in this capacity on a part-time basis for a three-year term, subject to termination by either party on 30 days notice. Under this agreement, Mr. Fractor receives a monthly salary of \$6,000 and was granted a seven-year option to purchase 42,000 shares of the Company's common stock at a price of \$2.25 per share, with such option to vest in equal monthly installments over the three-year term of the agreement.

Equity Incentive Plan

We have adopted an equity incentive plan, the 2006 Equity Incentive Plan (the "Equity Plan"), pursuant to which we are authorized to grant options, restricted stock and stock appreciation rights to purchase up to 6,000,000 shares of common stock to our employees, officers, directors, consultants and advisors, which will be increased, subject to approval by our stockholders, to 8,000,000 shares. Awards under the plan may consist of stock options (both non-qualified options and options intended to qualify as "Incentive Stock Options" under Section 422 of the Internal Revenue Code of 1986, as amended), restricted stock awards and stock appreciation rights.

The Equity Plan is administered by our Board of Directors or a committee appointed by the Board, which determines the persons to whom awards will be granted, the type of award to be granted, the number of awards to be granted and the specific terms of each grant, including the vesting thereof, subject to the provisions of the plan.

The Equity Plan provides that the exercise price of each incentive stock option may not be less than the fair market value of our common stock on the date of grant (or 110% of the fair market value in the case of a grantee holding more than 10% of our outstanding common stock). The exercise price of a non-qualified stock option shall be no less than the fair market value of the common stock on the date of grant. The maximum number of options that may be granted in any fiscal year to any participant is 725,000.

The Equity Plan also permits the grant of freestanding stock appreciation rights or in tandem with option awards. The grant price of a stock appreciation right shall be no less than the fair market value of a share on the date of grant of the stock appreciation right. No stock appreciation right shall be exercisable later than the tenth anniversary of its grant. Upon the exercise of a stock appreciation right, a participant shall be entitled to receive common stock at a fair market value equal to the benefit to be received by the exercise.

The Equity Plan also provides us with the ability to grant or sell shares of common stock that are subject to certain transferability, forfeiture, repurchase or other restrictions. The type of restriction, the number of shares of restricted stock granted and other such provisions shall be determined by our Board of Directors or its committee.

Unless otherwise determined by our Board of Directors or its committee, awards granted under the Equity Plan are not transferable other than by will or by the laws of descent and distribution.

The Equity Plan provides that, except as set forth in an individual award agreement, upon the occurrence of a corporate transaction: (i) our Board of Directors or its committee shall notify each participant at least 30 days prior to the consummation of the corporate transaction or as soon as may be practicable and (ii) all options and stock appreciation rights shall terminate and all restricted stock shall be forfeited immediately prior to the consummation of such corporate transaction unless the committee determines otherwise in its sole discretion. A “corporate transaction” means (i) a liquidation or dissolution of the company; (ii) a merger or consolidation of the company with or into another corporation or entity (other than a merger with a wholly-owned subsidiary); (iii) a sale of all or substantially all of the assets of the company; or (iv) a purchase or other acquisition of more than 50% of the outstanding stock of the company by one person or by more than one person acting in concert.

Our Board of Directors may alter, amend or terminate the Equity Plan in any respect at any time, but no alteration, amendment or termination will adversely affect in any material way any award previously granted under the Equity Plan, without the written consent of the participant holding such award.

As of December 31, 2010, there were outstanding options under the Equity Plan to purchase approximately 3,761,421 shares of our common stock at a weighted average exercise price of approximately \$0.78 per share and 61,537 shares of unvested restricted stock. The grants of options and restricted stock under the Equity Plan during 2010 are described below.

In December 2010, we granted 10,000 restricted shares of our common stock to each of five of our non-employee directors as part of their compensation for services as a director with such shares to vest in four equal installments on January 4, 2011, March 27, 2011, June 27, 2011, and September 27, 2011.

In October 2010, we granted 19,231 restricted shares of our common stock to C. Kirk Peacock as part of his compensation for services as our Chief Financial Officer and Treasurer, with such shares to vest in five equal monthly installments beginning on November 30, 2010.

In September 2010, we granted a non-qualified option to purchase shares of common stock to each of our directors for their service as a director for the one-year period commencing September 27, 2010. Each of the options granted to the directors has a term of seven years, has an exercise price of \$0.90 per share, vests in four equal quarterly installments following the date of grant, and may be exercised within their term during the period the grantee provides services to us and for 24 months after the grantee ceases providing services for any reason other than termination by us for cause. The amounts of the annual grants were: Jacqueline Brandwynne, 45,000 shares; Richard Cowell, 55,000 shares; Dr. Navdeep Jaikaria, 55,000 shares; Dr. Manish Singh, 30,000 shares; Dr. Rahul Singhvi, 55,000 shares and Dr. John Yu, 65,000 shares.

In June 2010, we granted a non-qualified option to purchase 12,500 shares of common stock at an exercise price of \$1.14 per share to Dr. Rahul Singhvi for his service on our board until the next annual grant, with such option to vest in four equal quarterly installments following the date of grant, and may be

exercised within its term during the period the grantee provides services to us and for 24 months after the grantee ceases providing services for any reason other than termination by us for cause.

In June 2010, we granted a five-year non-qualified option to purchase 10,000 shares of our common stock at an exercise price of \$1.10 per share to Dr. John Boockvar for service as a member of our Scientific Advisory Board, with such option to vest in four equal quarterly installments for the one-year period following the date of grant.

In May 2010, we granted a five-year non-qualified option to purchase 10,000 shares of our common stock at an exercise price of \$1.20 per share to Dr. Ram Zvi for service as a member of our Scientific Advisory Board, with such option to vest in four equal quarterly installments for the one-year period following the date of grant.

In March 2010, we granted a five-year non-qualified option to purchase 150,000 shares of our common stock at an exercise price of \$0.90 to Dr. Elma Hawkins for services as Consultant – Clinical Affairs, with such option to vest as to 100,000 shares in equal monthly installments for one year following the date of grant, and 50,000 shares to vest upon the achievement of certain specified milestones.

In March 2010, we granted a seven-year non-qualified option to purchase 125,000 shares of our common stock at an exercise price of \$0.90 to Dr. John Yu for services rendered as our Chief Scientific Officer, with 75,000 shares of such option to vest in four equal quarterly installments following the date of grant and with 50,000 shares of such option to vest in accordance with the achievement of milestones contained in his employment agreement, and such option may be exercised within its term during the period the grantee provides services to us and for 24 months after the grantee ceases providing services for any reason other than termination by us for cause.

In February 2010, we granted a seven-year incentive option to purchase 600,000 shares of our common stock at an exercise price of \$0.90 per share to Dr. Manish Singh upon the renewal of his employment as our President and Chief Executive Officer, with 360,000 of the shares to vest at the rate of 30,000 shares per month during the term of his agreement and with the remaining 240,000 shares to vest in accordance with the achievement of milestones contained in his employment agreement, and such option may be exercised within its term during the period the grantee provides services to us and for 24 months after the grantee ceases providing services for any reason other than termination by us for cause..

In February 2010, we granted a seven-year non-qualified option to purchase 150,000 shares of our common stock at an exercise price of \$0.90 per share to James Bender in accordance with his employment agreement to serve as our Vice President – Product Development and Manufacturing for a one-year term, with such option to vest at the rate of 6,250 shares per month during the term of the employment agreement and with the remaining 75,000 shares to vest in accordance with the achievement of milestones contained in his employment agreement.

Code of Ethics

Our Board of Directors has adopted a code of ethics covering all of our executive officers and key employees. A copy of our code of ethics will be furnished without charge to any person upon written request. Requests should be sent to: Corporate Secretary, ImmunoCellular Therapeutics, Ltd., 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367.

Report of the Audit Committee

The Audit Committee's primary role is to assist the Board of Directors in its general oversight of the Company's financial reporting, internal controls, and audit functions. The Audit Committee provides advice, counsel, and direction to management and the independent registered public accounting firm on the basis of the information it receives and discussions with management and the independent registered public accounting firm.

The Audit Committee also monitors the activities and performance of the Company's independent registered public accounting firm, including the scope, external audit fees, independence matters and the extent to which the independent registered public accounting firm may be retained to perform non-audit services. The Audit Committee selects, evaluates and, when appropriate, replaces the independent registered public accounting firm. The Audit Committee also reviews the results of external audit work with regard to the adequacy and appropriateness of the Company's financial, accounting and internal controls. Management and independent registered public accounting firm presentations to and discussions with the Audit Committee also cover various topics and events that may have significant financial impact or are the subject of discussions between management and the independent registered public accounting firm. In addition, the Audit Committee generally oversees the Company's internal financial controls and financial disclosure procedures.

The Audit Committee is composed of three non-employee directors, who are "independent directors" under the rules governing the qualifications of audit committees.

The Audit Committee has reviewed and discussed the audited consolidated financial statements of ImmunoCellular Therapeutics, Ltd. through periodic meetings with our independent registered public accounting firm and management. Management is responsible for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles. The Company's independent registered public accounting firm, Marcum LLP, is responsible for auditing those financial statements. The Audit Committee is responsible for monitoring and reviewing these processes. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews or procedures. Audit Committee members are not employees of the Company, and do not represent themselves to be or to serve as accountants or auditors by profession or experts in the field of accounting or auditing. Therefore, the Audit Committee has relied, without independent verification, on management's representation that the financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and on the representations of the independent registered public accounting firm included in their report on the Company's financial statements.

The Audit Committee has discussed with Marcum LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Volume 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received from Marcum LLP the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and has discussed with Marcum LLP their independence.

Based on the review and discussions described above with respect to the Company's audited financial statements for the fiscal year ended December 31, 2010, the Audit Committee recommended to the Board of Directors that such financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Respectfully submitted,

Audit Committee

Richard A. Cowell, Chairman
Navdeep Jaikaria
Rahul Singhvi

PROPOSAL II

APPROVAL OF AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE AUTHORIZED SHARES

On June 17, 2011, our Board of Directors adopted, subject to stockholder approval, an amendment to our Amended and Restated Certificate of Incorporation to increase our authorized common stock from 74,000,000 shares to 99,000,000 shares.

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board of Directors out of funds legally available for that purpose. In the event of our liquidation, dissolution or winding up, the holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. The holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock.

The complete text of the amendment to our Amended and Restated Certificate of Incorporation is set forth as Appendix A to this proxy statement.

Purpose and Background of the Amendment

As of September 1, 2011, we had outstanding 29,189,468 shares of common stock, warrants and options to purchase a total of 25,180,680 and 10,000 shares of restricted stock granted but not yet vested. Accordingly, as of that date, we had only 19,691,852 shares of our authorized common stock available for issuance that were not previously issued or reserved for issuance.

Our Board of Directors believes it is in the best interests of the Company and our stockholders to increase our authorized shares of common stock in order to have additional authorized shares available for use as our Board of Directors deems appropriate or necessary. For example, such shares may be needed in the future in connection with acquiring another company or its business or assets, establishing a strategic relationship with a corporate partner or raising additional capital. The Board of Directors has no present agreement, arrangement, plan or understanding, however, with respect to the issuance of any such additional shares of common stock.

If the amendment to our Amended and Restated Certificate of Incorporation to increase our authorized shares of common stock is approved by the stockholders, our Board of Directors does not intend to solicit further stockholder approval prior to the issuance of any additional shares of common stock, except as may be required by applicable law or any exchange on which our shares may be listed at that time. Holders of our common stock as such have no statutory preemptive rights with respect to issuances of common stock and are not entitled to dissenter's rights with respect to the amendment.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR"
APPROVAL OF THE AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE
OF INCORPORATION.**

PROPOSAL III

APPROVAL OF AMENDMENT TO THE COMPANY'S 2006 EQUITY INCENTIVE PLAN

In January 2006, our Board of Directors and majority stockholders adopted and approved the 2006 Equity Incentive Plan of ImmunoCellular Therapeutics, Ltd. (the "Equity Plan"). In September 2008, the Board and the stockholders amended Section 3 of the Equity Plan to increase the total number of shares of common stock that may be issued under the Equity Plan from 1,500,000 to 3,400,000, and the total number of shares an Equity Plan participant is eligible to receive in option or other awards in any twelve-month period from 400,000 to 600,000. In March 2010, the Board amended Section 3 of the Equity Plan to increase the total number of shares of common stock that may be issued under the Equity Plan from 3,400,000 to 6,000,000, which was approved by our stockholders on September 27, 2010. In March 2010, the Board amended Section 3 of the Equity Plan to increase the number of shares an Equity Plan participant is eligible to receive in option or other awards in any twelve-month period from 600,000 to 725,000 shares, which was approved by our stockholders on September 27, 2010. On June 17, 2011 our Board approved and we are asking our stockholders to approve an amendment to increase the total number of shares of common stock that may be issued under the Equity Plan to 8,000,000. A copy of the Equity Plan, with the proposed amendment highlighted, is included as Appendix B to this Proxy Statement.

Our Board of Directors believes that the grant of options and other stock awards is an important incentive for the Company's employees, officers, directors and consultants who provide services to us. Our Board of Directors anticipates, therefore, that the additional shares provided for in the amendment will be needed under the Equity Plan over the next several years as the Company continues to increase the scope of its operations.

As of the date of this Proxy Statement, there are 1,126,728 remaining shares available for issuance in connection with awards granted under the Equity Plan. The increase in the number of available shares is necessary, therefore, to make shares available under the Equity Plan for the grant of options and other awards to our current and future executive officers, directors, employees and outside consultants, as determined by our Board of Directors.

Administration

The Equity Plan is and will continue to be administered by the Board of Directors of ImmunoCellular or by a committee to which administration of the Equity Plan is delegated by the Board. The Board (or Committee) has the power, authority and discretion to designate participants; determine the type or types of awards to be granted to each participant and the number, terms and conditions thereof; establish, adopt or revise any rules and regulations as it may deem necessary or advisable to administer the incentive plan; and make all other decisions and determinations that may be required under, or as the Board (or committee) deems necessary or advisable to administer, the incentive plan.

Awards

Stock Options. The Board (or committee) is authorized to grant options, which may be incentive stock options, or "ISOs", or non-qualified stock options, or "NQSOs", to participants. All options will be evidenced by a written award agreement between ImmunoCellular and the participant, which will include such provisions as may be specified by the Board. The terms of any ISO must meet the requirements of Section 422 of the Code.

Stock Appreciation Rights. The Board (or committee) may grant SARs to participants. Upon the exercise of a SAR, the participant has the right to receive the excess, if any, of the fair market value of one share of common stock on the date of exercise, over the grant price of the SAR as determined by the Board (or committee), which will not be less than the fair market value of one share of common stock on the date of grant. All awards of SARs will be evidenced by an award agreement, reflecting the terms, methods of exercise, methods of settlement, form of consideration payable in settlement, and any other terms and conditions of the SAR, as determined by the Board (or committee), at the time of grant.

Restricted Stock Awards. The Board (or committee), may make awards of restricted stock to participants, which will be subject to such restrictions on transferability and other restrictions as the Board (or Committee), may impose (including, without limitation, limitations on the right to vote restricted stock or the right to receive dividends, if any, on the restricted stock).

Limitations on Transfer; Beneficiaries. No award will be assignable or transferable by a participant other than by will or the laws of descent and distribution. However, the Board (or Committee), may, in its discretion, permit other transfers if it deems them appropriate and desirable. A participant may, in the manner determined by the Board (or committee), designate a beneficiary to exercise the rights of the participant and to receive any distribution with respect to any award upon the participant's death.

Acceleration Upon Certain Events. Unless otherwise provided in an award agreement, in the event of a change in control of ImmunoCellular, as defined in the incentive plan, generally, all outstanding options, SARs, and other awards in the nature of rights that may be exercised will become fully vested and all restrictions on all outstanding awards will lapse.

Termination and Amendment

The Board (or committee), may, at any time and from time to time, terminate, amend or modify the Equity Plan without stockholder approval; provided, however, that the Board (or committee), may condition any amendment on the approval of ImmunoCellular stockholders if such approval is necessary or deemed advisable with respect to tax, securities or other applicable laws, policies or regulations. No termination, amendment, or modification of the Equity Plan may adversely affect any award previously granted under the Equity Plan, without the written consent of the participant.

Certain Federal Income Tax Effects

Non-qualified Stock Options. There will be no federal income tax consequences to either ImmunoCellular or the participant upon the grant of a non-discounted NQSO. However, the participant will realize ordinary income on the exercise of the NQSO in an amount equal to the excess of the fair market value of the common stock acquired upon the exercise of such option over the exercise price, and ImmunoCellular will receive a corresponding deduction. The gain, if any, realized upon the subsequent disposition by the participant of the common stock will constitute short-term or long-term capital gain, depending on the participant's holding period.

Incentive Stock Options. There will be no regular federal income tax consequences to either ImmunoCellular or the participant upon the grant or exercise of an ISO. If the participant does not dispose of the shares of common stock for two years after the date the option was granted and one year after the acquisition of such shares of common stock, the difference between the aggregate option price and the amount realized upon disposition of the shares of common stock will constitute long-term capital gain or loss, and ImmunoCellular will not be entitled to a federal income tax deduction. If the shares of common stock are disposed of in a sale, exchange or other "disqualifying disposition" during those

periods, the participant will realize taxable ordinary income in an amount equal to the excess of the fair market value of the common stock purchased at the time of exercise over the aggregate option price (adjusted for any loss of value at the time of disposition), and ImmunoCellular will be entitled to a federal income tax deduction equal to such amount, subject to the limitations under Code Section 162(m).

While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

SARs. A participant receiving an SAR will not recognize income, and ImmunoCellular will not be allowed a tax deduction, at the time the award is granted. When a participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to ImmunoCellular, subject to limitations under Code Section 162(m). In addition, the Board (or Committee), may at any time, in its discretion, declare any or all awards to be fully or partially exercisable and may discriminate among participants or among awards in exercising such discretion.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant, a participant receiving a restricted stock award will not recognize income, and ImmunoCellular will not be allowed a tax deduction, at the time the award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock, and ImmunoCellular will be entitled to a corresponding tax deduction at that time, subject to the limitations under Code Section 162(m).

New Equity Plan Benefits

The amount and timing of awards under the Equity Plan are determined in the sole discretion of the Board (or committee). The future awards that will be received under the Equity Plan by executive officers, other employees, directors and other persons are discretionary and therefore not determinable at this time.

Additional Information

The closing price of our common stock, as reported by the OTC Bulletin Board on August 31, 2011, was \$1.53.

Equity Compensation Plan Information

The following table summarizes, as of December 31, 2010, (i) the number of shares of our common stock that are issuable under our equity compensation plans upon the exercise of outstanding options, warrants and other rights, (ii) the weighted-average exercise price of such options, warrants and rights, and (iii) the number of securities remaining available for future issuance under our equity compensation plans.

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
	(a)	(b)	(c)
Equity compensation plans approved by stockholders	9,764,076	\$0.91	1,541,772
Equity compensation plans not approved by stockholders	1,400,000	\$1.10	--
Total	11,164,076	\$0.94	1,541,772

Our stockholders approved our Equity Plan. The only awards that were outstanding under that plan as of December 31, 2010 were options to acquire 3,761,421 shares of our common stock and restricted stock totaling 69,231 shares. In September 2008 the shareholders increased the authorized number of shares of our common stock available to be issued under our Equity Plan from 1,500,000 shares to 3,400,000 shares. In March 2010, our Board approved an increase in the number of shares of our common stock available to be issued under our Equity Plan from 3,400,000 shares to 6,000,000 shares, which was approved by our shareholders in September 2010.

In January 2007, we granted to Dr. Keith L. Black a fully-vested, ten-year option to purchase 1,500,000 shares of our common stock at an exercise price of \$1.10 per share in consideration for his agreeing to serve as the Chairman of our Scientific Advisory Board. Dr. Black had exercised 100,000 shares of this option through December 31, 2010.

In November 2006, we granted to Dr. John Yu (1) an option to purchase 150,000 shares of our common stock in consideration for his relinquishment of his royalty interest in the cellular-based therapy technology that we licensed and (2) an option to purchase 5,783,424 shares of our common stock in consideration of his agreeing to serve as our Chief Scientific Officer for a one-year term. Both options have an exercise price of \$1.00 per share, a term of ten years and were fully vested upon grant. In November 2006, our stockholders approved these option grants to Dr. Yu.

In November 2006, we granted to Technomedics Management & Systems, Inc. an option to purchase 300,000 shares of our common stock for a term of seven years at an exercise price of \$1.00 per share in consideration for Dr. Manfred Mosk agreeing to serve as our Non-Executive Chairman of the Board on a part-time basis for one year. Upon grant, 150,000 shares of the option vested, with the balance of the shares to vest in four equal quarterly installments following the date of grant. Dr. Mosk voluntarily resigned as our Non-Executive Chairman of the Board in January 2007 and resigned as a director on March 19, 2008. The balance of Technomedics' 150,000 unvested option shares were cancelled as a result of Dr. Mosk's voluntary resignation. The Technomedics' option covering the remaining 150,000 vested option shares expired unexercised on March 18, 2010.

**Number of Restricted Shares of Common Stock and Shares of Common Stock
Underlying Options Granted During the Fiscal Year Ended December 31, 2010**

Name and Position	Number of Shares of Common Stock Underlying Options Granted	Number of Restricted Shares of Common Stock Granted
Manish Singh, Ph.D., President and Chief Operating Officer	630,000	
James Bender	150,000	
C. Kirk Peacock, Chief Financial Officer	-	19,231
Current Non-Executive Director Group	447,500	
Current Executive Officer Group	799,231	

The purpose of the Equity Plan is to promote the success, and enhance the value, of ImmunoCellular by linking the personal interests of employees, officers, consultants and directors to those of the stockholders, and by providing such employees, officers, consultants and directors with an incentive for outstanding performance. As of September 1, 2011, there were nine executive officers and directors, including our six non-employee directors, eligible to participate in the Equity Plan.

The Equity Plan authorizes the granting of awards to employees, directors, consultants and advisors of ImmunoCellular, a parent or its subsidiaries in the following forms:

- Options to purchase shares of common stock, which may be incentive stock options or non-qualified stock options;
- Stock appreciation rights, or “SARs”; or
- Restricted stock

Subject to adjustment as provided in the Equity Plan, the aggregate number of shares of common stock reserved and available for awards or which may be used to provide a basis of measurement for or to determine the value of an award (such as with a SAR or performance unit) currently is 6,000,000. If the Amendment described above is approved by the stockholders, this number of shares will be increased to 8,000,000. The maximum number of shares of common stock with respect to one or more options or other awards that may be granted during any twelve-month period under the Equity Plan to any one participant is 725,000 shares.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE APPROVAL OF THE AMENDMENT TO THE IMMUNOCELLULAR THERAPEUTICS, LTD. 2006 EQUITY INCENTIVE PLAN.

PROPOSAL IV

**RATIFICATION OF THE APPOINTMENT OF
THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Accounting Fees

On October 1, 2010, the Company’s independent registered public accounting firm, Stonefield Josephson, Inc. (“Stonefield”), combined its practice with Marcum LLP. Accordingly, effective October 1, 2010, Stonefield effectively resigned as the Company’s independent registered public accounting firm and Marcum LLP (“Marcum”) became the Company’s independent registered public accounting firm. This change in the Company’s independent registered public accounting firm was approved by the Audit Committee of the Company’s Board of Directors. The Audit Committee has appointed Marcum as our independent registered public accounting firm for the fiscal year ending December 31, 2011. The following table shows the fees that were paid or accrued by us for audit and other services provided by Stonefield for the fiscal 2009 and by Marcum for fiscal year 2010.

	2009	2010
Audit Fees (1)	\$49,249	\$54,770
Audit-Related Fees (2)	-	-
Tax Fees (3).....	\$2,915	\$3,000
All Other Fees	\$13,495	\$39,650
Total.....	\$65,659	\$97,420

- (1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and the review of our financial statements included in our Form 10-Q quarterly reports and services that are normally provided in connection with statutory or regulatory filings for the 2009 and 2010 fiscal years.
- (2) Audit-related fees represent fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported above under “Audit Fees.”
- (3) Tax fees represent fees for professional services related to tax compliance, tax advice and tax planning.

All audit related services, tax services and other services rendered by Stonefield or Marcum were pre-approved by our Board of Directors or Audit Committee. The Audit Committee has adopted a pre-approval policy that provides for the pre-approval of all of the services that were performed for us by Stonefield and that are now performed for us by Marcum. The policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. Pursuant to this policy, the Audit Committee delegated such authority to the Chairman of the Audit Committee. All pre-approval decisions must be reported to the Audit Committee at its next meeting. The Audit Committee has concluded that the provision of the non-audit services listed above was compatible with maintaining the independence of Stonefield and subsequently with maintaining the independence of Marcum.

Stockholder Ratification of the Appointment of Marcum LLP.

The Audit Committee has approved Marcum LLP as our independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending December 31, 2011. We are not required to seek stockholder approval for the appointment of our independent registered public accounting firm. However, the Audit Committee and the full Board of Directors believe it to be sound corporate practice to seek such approval. If the appointment is not ratified, the Audit Committee will investigate the reasons for stockholder rejection and will re-consider the appointment. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a

different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

A representative of Marcum LLP will be present at the Annual Meeting and will have an opportunity to make a statement, if the representative so desires, and will be available to respond to appropriate questions.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF MARCUM LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011.

OTHER MATTERS

Stockholder Proposals

Any proposal that a stockholder intends to present in our proxy statement for consideration at our next annual meeting of stockholders, to be held in 2012, must be received by us on or before May 11, 2012, or if the date of the annual meeting is moved more than 30 days from the anniversary of our 2011 annual meeting, then no later than the close of business on the 60th day prior to such annual meeting and the 10th day following the date on which public announcement of the date of the meeting is made. If a stockholder desires to present a proposal at our next annual meeting of stockholders but does not desire to include the proposal in our proxy statement, we must receive the proposal no later than July 25, 2011. All proposals described in this paragraph must comply with the stockholder proposal requirements set forth in our Bylaws and should be sent to ImmunoCellular Therapeutics, Ltd., 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367, Attention: Corporate Secretary.

Expenses of Solicitation

We will bear the cost of soliciting proxies in the accompanying form. In addition to the use of the mails, proxies may be solicited by our directors, officers and other employees, personally or by telephone, facsimile or email. Such persons will not be compensated separately for these solicitation activities.

Miscellaneous

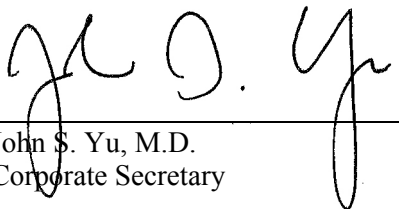
Our management does not intend to present any other items of business and is not aware of any matters other than those set forth in this Proxy Statement that will be presented for action at the Annual Meeting. However, if any other matters properly come before the Annual Meeting, the persons named in the enclosed proxy intend to vote the shares of our common stock that they represent in accordance with their best judgment.

Annual Report

A copy of our Annual Report on Form 10-K, without exhibits, for the year ended December 31, 2010 that we filed with the SEC accompanies this Proxy Statement. Copies of the Form 10-K exhibits are available without charge. Stockholders who would like such copies should direct their requests in writing to: ImmunoCellular Therapeutics, Ltd., 21900 Burbank Boulevard, 3rd Floor, Woodland Hills, California 91367, Attention: Corporate Secretary.

September 8, 2011

By Order of the Board of Directors



John S. Yu, M.D.
Corporate Secretary

APPENDIX A

**Amendment to Amended and Restated Certificate of Incorporation of
ImmunoCellular Therapeutics, Ltd.**

ARTICLE FOURTH, Section 1 of the Amended and Restated Certificate of Incorporation of ImmunoCellular Therapeutics, Ltd. shall be amended to read in its entirety as follows:

“FOURTH

Section 1. Authorized Capital Stock. The Company is authorized to issue two classes of capital stock, designated Common Stock and Preferred Stock. The total number of shares of capital stock that the Company is authorized to issue is 100,000,000 shares, consisting of 99,000,000 shares of Common Stock, par value \$0.0001 per share, and 1,000,000 shares of Preferred Stock, par value \$.0001 per share.”

APPENDIX B

2006 EQUITY INCENTIVE PLAN OF IMMUNOCELLULAR THERAPEUTICS, LTD.

(As Amended and Restated as of June 17, 2011)

1. PURPOSES OF THE PLAN

The purposes of the 2006 Equity Incentive Plan (“Plan”) of IMMUNOCELLULAR THERAPEUTICS, LTD., a Delaware corporation formerly known as Patco Industries, Ltd. and Optical Molecular Imaging, Inc. (the “Company”), are to:

1.1 Encourage selected employees, directors, consultants and advisers to improve operations and increase the profitability of the Company;

1.2 Encourage selected employees, directors, consultants and advisers to accept or continue employment or association with the Company or its Affiliates; and

1.3 Increase the interest of selected employees, directors, consultants and advisers in the Company’s welfare through participation in the growth in value of the common stock of the Company, par value \$.001 per share (the “Common Stock”). The Company intends to effect a .00434-for-1 reverse stock split of the Common Stock shortly after the adoption of this Plan. Accordingly, all references in this Plan to the number of shares of Common Stock for any purpose assume that the .4032258-for-1 reverse stock split has been effected and represent shares after such stock split.

2. TYPES OF AWARDS; ELIGIBLE PERSONS

2.1 The Administrator (as defined below) may, from time to time, take the following action, separately or in combination, under the Plan: (i) grant “incentive stock options” (“ISOs”) intended to satisfy the requirements of Section 422 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the “Code”); (ii) grant “non-qualified options” (“NQOs,” and together with ISOs, “Options”); (iii) grant or sell Common Stock subject to restrictions (“restricted stock”) and (iv) grant stock appreciation rights (in general, the right to receive the excess of the fair market value of Common Stock on the exercise date over its fair market value on the grant date (“SARs”)), either in tandem with Options or as separate and independent grants. Any such awards may be made to employees, including employees who are officers or directors, and to individuals described in Section 1 of this Plan who the Administrator believes have made or will make a contribution to the Company or any Affiliate (as defined below); provided, however, that only a person who is an employee of the Company or any Affiliate at the date of the grant of an Option is eligible to receive ISOs under the plan. The term “Affiliate” as used in this Plan means a parent or subsidiary corporation as defined in the applicable provisions (currently Sections 424(e) and (f), respectively) of the Code. The term “employee” includes an officer or director who is an employee of the Company. The term “consultant” includes persons employed by, or otherwise affiliated with, a consultant. The term “adviser” includes persons employed by, or otherwise affiliated with, an adviser.

2.2 Except as otherwise expressly set forth in this Plan, no right or benefit under this Plan shall be subject in any manner to anticipation, alienation, hypothecation, or charge, and any such attempted action shall be void. No right or benefit under this Plan shall in any manner be liable for or

subject to debts, contracts, liabilities, or torts of any option holder or any other person except as otherwise may be expressly required by applicable law.

3. STOCK SUBJECT TO THIS PLAN; MAXIMUM NUMBER OF GRANTS

Subject to the provisions of Sections 6.1.1 and 8.2 of this Plan, the total number of shares of Common Stock which may be offered, or issued as restricted stock or on the exercise of Options or SARs under the Plan shall not exceed eight million (8,000,000) shares of Common Stock. The shares subject to an Option or SAR granted under the Plan which expire, terminate or are cancelled unexercised shall become available again for grants under this Plan. If shares of restricted stock awarded under the Plan are forfeited to the Company or repurchased by the Company, the number of shares forfeited or repurchased shall again be available under the Plan. Where the exercise price of an Option is paid by means of the optionee's surrender of previously owned shares of Common Stock or the Company's withholding of shares otherwise issuable upon exercise of the Option as may be permitted herein, only the net number of shares issued and which remain outstanding in connection with such exercise shall be deemed "issued" and no longer available for issuance under this Plan. No eligible person shall be granted Options or other awards during any twelve-month period covering more than seven hundred twenty-five thousand (725,000) shares.

4. ADMINISTRATION

4.1 This Plan shall be administered by the Board of Directors of the Company (the "Board") or by a committee (the "Committee") to which administration of this Plan, or of part of this Plan, is delegated by the Board (in either case, the "Administrator"). The Board shall appoint and remove members of the Committee in its discretion in accordance with applicable laws. At the Board's discretion, the Committee may be comprised solely of "non-employee directors" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or "outside directors" within the meaning of Section 162(m) of the Code. The Administrator may delegate non-discretionary administrative duties to such employees of the Company as the Administrator deems proper and the Board, in its absolute discretion, may at any time and from time to time exercise any and all rights and duties of the Administrator under this Plan.

4.2 Subject to the other provisions of this Plan, the Administrator shall have the authority, in its discretion: (i) to grant Options and SARs and grant or sell restricted stock; (ii) to determine the fair market value of the Common Stock subject to Options or other awards; (iii) to determine the exercise price of Options granted, the economic terms of SARs granted, or the offering price of restricted stock; (iv) to determine the persons to whom, and the time or times at which, Options or SARs shall be granted or restricted stock granted or sold, and the number of shares subject to each Option or SAR or the number of shares of restricted stock granted or sold; (v) to construe and interpret the terms and provisions of this Plan, of any applicable agreement and all Options and SARs granted under this Plan, and of any restricted stock award under this Plan; (vi) to prescribe, amend, and rescind rules and regulations relating to this Plan; (vii) to determine the terms and provisions of each Option and SAR granted and award of restricted stock (which need not be identical), including but not limited to, the time or times at which Options and SARs shall be exercisable or the time at which the restrictions on restricted stock shall lapse; (viii) with the consent of the grantee, to rescind any award or exercise of an Option or SAR and to modify or amend the terms of any Option, SAR or restricted stock; (ix) to reduce the exercise price of any Option, the base value from which appreciation is to be determined with respect to an SAR or the purchase price of restricted stock, provided that any such reduction shall not be less than provided with Sections 6.2.1 and 6.3.1; (x) to accelerate or defer (with the consent of the grantee) the exercise date of any Option or SAR or the date on which the restrictions on restricted stock lapse; (xi) to issue shares of restricted stock to an optionee in connection with the accelerated exercise of an Option by such optionee; (xii) to authorize any

person to execute on behalf of the Company any instrument evidencing the grant of an Option, SAR or award of restricted stock; (xiii) to determine the duration and purposes of leaves of absence which may be granted to participants without constituting a termination of their employment for the purposes of the Plan; and (xiv) to make all other determinations deemed necessary or advisable for the administration of this Plan, any applicable agreement, Option, SAR or award of restricted stock.

4.3 All questions of interpretation, implementation, and application of this Plan or any agreement or Option, SAR or award of restricted stock shall be determined by the Administrator, which determination shall be final and binding on all persons.

5. GRANTING OF OPTIONS AND SARs; AGREEMENTS

5.1 No Options or SARs shall be granted under this Plan after ten (10) years from the date of adoption of this Plan by the Board. No SARs shall be granted under the Plan unless and until the common stock of the Company is publicly traded.

5.2 Each Option and SAR shall be evidenced by a written agreement, in form satisfactory to the Administrator, executed by the Company and the person to whom such grant is made. In the event of a conflict between the terms or conditions of an agreement and the terms and conditions of this Plan, the terms and conditions of this Plan shall govern.

5.3 Each agreement shall specify whether the Option it evidences is an NQO or an ISO, provided, however, all Options granted under this Plan to non-employee directors, consultants and advisers of the Company are intended to be NQOs.

5.4 Subject to Section 6.3.3 with respect to ISOs, the Administrator may approve the grant of Options or SARs under this Plan to persons who are expected to become employees, directors, consultants or advisers of the Company, but are not employees, directors, consultants or advisers at the date of approval.

6. TERMS AND CONDITIONS OF OPTIONS AND SARs

Each Option and SAR granted under this Plan shall be subject to the terms and conditions set forth in Section 6.1. NQOs and SARs shall also be subject to the terms and conditions set forth in Section 6.2, but not those set forth in Section 6.3. ISOs shall also be subject to the terms and conditions set forth in Section 6.3, but not those set forth in Section 6.2. SARs shall be subject to the terms and conditions of Section 6.4.

6.1 Terms and Conditions to Which All Options and SARs Are Subject. All Options and SARs granted under this Plan shall be subject to the following terms and conditions:

6.1.1 Changes in Capital Structure. Subject to Section 6.1.2, if the stock of the Company is changed by reason of a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification, or if the Company effects a spin-off of the Company's subsidiary, appropriate adjustments shall be made by the Administrator, in its sole discretion, in (a) the number and class of shares of stock subject to this Plan and each Option and SAR outstanding under this Plan, and (b) the exercise price of each outstanding Option; provided, that the Company shall not be required to issue fractional shares as a result of any such adjustments. Any adjustment, however, in an outstanding Option shall be made without change in the total price applicable to the unexercised portion of the Option but with a corresponding adjustment in the price for each share covered by the unexercised portion of the Option. Adjustments under this Section 6.1.1 shall be made by the Administrator, whose determination

as to the nature of the adjustments that shall be made, and the extent thereof, shall be final, binding, and conclusive. If an adjustment under this Section 6.1.1 would result in a fractional share interest under an option or any installment, the Administrator's decision as to inclusion or exclusion of that fractional share interest shall be final, but no fractional shares of stock shall be issued under the Plan on account of any such adjustment.

6.1.2 Corporate Transactions. Except as otherwise provided in the applicable agreement, in the event of a Corporate Transaction (as defined below), the Administrator shall notify each holder of an Option or SAR at least thirty (30) days prior thereto or as soon as may be practicable. To the extent not then exercised all Options and SARs shall terminate immediately prior to the consummation of such Corporate Transaction unless the Administrator determines otherwise in its sole discretion; provided, however, that the Administrator, in its sole discretion, may (i) permit exercise of any Options or SARs prior to their termination, even if such Options or SARs would not otherwise have been exercisable, and/or (ii) provide that all or certain of the outstanding Options and SARs shall be assumed or an equivalent Option or SAR substituted by an applicable successor corporation or entity or any Affiliate of the successor corporation or entity. A "Corporate Transaction" means (i) a liquidation or dissolution of the Company; (ii) a merger or consolidation of the Company with or into another corporation or entity (other than a merger with a wholly-owned subsidiary); (iii) a sale of all or substantially all of the assets of the Company; or (iv) a purchase or other acquisition of more than 50% of the outstanding stock of the Company by one person or by more than one person acting in concert.

6.1.3 Time of Option or SAR Exercise. Subject to Section 5 and Section 6.3.4, an Option or SAR granted under the Plan shall be exercisable (a) immediately as of the effective date of the of the applicable agreement or (b) in accordance with a schedule or performance criteria as may be set by the Administrator and specified in the applicable agreement. However, in no case may an Option or SAR be exercisable until a written agreement in form and substance satisfactory to the Company is executed by the Company and the grantee.

6.1.4 Grant Date. The date of grant of an Option or SAR under the Plan shall be the effective date of the applicable agreement.

6.1.5 Non-Transferability of Rights. Except with the express written approval of the Administrator, which approval the Administrator is authorized to give only with respect to NQOs and SARs, no Option or SAR granted under this Plan shall be assignable or otherwise transferable by the grantee except by will or by the laws of descent and distribution. During the life of the grantee, an Option or SAR shall be exercisable only by the grantee.

6.1.6 Payment. Except as provided below, payment in full, in cash, shall be made for all stock purchased at the time written notice of exercise of an Option is given to the Company and the proceeds of any payment shall be considered general funds of the Company. The Administrator, in the exercise of its absolute discretion after considering any tax, accounting and financial consequences, may authorize any one or more of the following additional methods of payment:

(a) Subject to the Sarbanes-Oxley Act of 2002, acceptance of the optionee's full recourse promissory note for all or part of the Option price, payable on such terms and bearing such interest rate as determined by the Administrator (but in no event less than the minimum interest rate specified under the Code at which no additional interest or original issue discount would be imputed), which promissory note may be either secured or unsecured in such manner as the Administrator shall approve (including, without limitation, by a security interest in the shares of the Company);

(b) Subject to the discretion of the Administrator and the terms of the stock option agreement granting the Option, delivery by the optionee of shares of Common Stock already owned by the optionee for all or part of the Option price, provided the fair market value (determined as set forth in Section 6.1.9) of such shares of Common Stock is equal on the date of exercise to the Option price, or such portion thereof as the optionee is authorized to pay by delivery of such stock;

(c) Subject to the discretion of the Administrator, through the surrender of shares of Common Stock then issuable upon exercise of the Option, provided the fair market value (determined as set forth in Section 6.1.9) of such shares of Common Stock is equal on the date of exercise to the Option price, or such portion thereof as the optionee is authorized to pay by surrender of such stock; and

(d) By means of so-called cashless exercises as permitted under applicable rules and regulations of the Securities and Exchange Commission and the Federal Reserve Board.

6.1.7 Withholding and Employment Taxes. At the time of exercise and as a condition thereto, or at such other time as the amount of such obligation becomes determinable, the grantee of an Option or SAR shall remit to the Company in cash all applicable federal and state withholding and employment taxes. Such obligation to remit may be satisfied, if authorized by the Administrator in its sole discretion, after considering any tax, accounting and financial consequences, by the holder's (i) delivery of a promissory note in the required amount on such terms as the Administrator deems appropriate, (ii) tendering to the Company previously owned shares of Common Stock or other securities of the Company with a fair market value equal to the required amount, or (iii) agreeing to have shares of Common Stock (with a fair market value equal to the required amount), which are acquired upon exercise of the Option or SAR, withheld by the Company.

6.1.8 Other Provisions. Each Option and SAR granted under this Plan may contain such other terms, provisions, and conditions not inconsistent with this Plan as may be determined by the Administrator, and each ISO granted under this Plan shall include such provisions and conditions as are necessary to qualify the Option as an "incentive stock option" within the meaning of Section 422 of the Code.

6.1.9 Determination of Value. For purposes of this Plan, the fair market value of Common Stock or other securities of the Company shall be determined as follows:

(a) If the stock of the Company is listed on a securities exchange or is regularly quoted by a recognized securities dealer, and selling prices are reported, its fair market value shall be the closing price of such stock on the date the value is to be determined, but if selling prices are not reported, its fair market value shall be the mean between the high bid and low asked prices for such stock on the date the value is to be determined (or if there are no quoted prices for the date of grant, then for the last preceding business day on which there were quoted prices).

(b) In the absence of an established market for the stock, the fair market value thereof shall be determined in good faith by the Administrator, with reference to the Company's net worth, prospective earning power, dividend-paying capacity, and other relevant factors, including the goodwill of the Company, the economic outlook in the Company's industry, the Company's position in the industry, the Company's management, and the values of stock of other corporations in the same or a similar line of business.

6.1.10 Option and SAR Term. No Option or SAR shall be exercisable more than 10 years after the date of grant, or such lesser period of time as is set forth in the applicable agreement (the

end of the maximum exercise period stated in the agreement is referred to in this Plan as the “Expiration Date”).

6.2 Terms and Conditions to Which NQOs and SARs Are Subject. Options granted under this Plan which are designated as NQOs and SARs shall be subject to the following terms and conditions:

6.2.1 Exercise Price. The exercise price of an NQO and the base value of a SAR shall be no less than the fair market value of the Common Stock on the date of grant.

6.2.2 Termination of Employment. Except as otherwise provided in the applicable agreement, if for any reason a grantee ceases to be employed by the Company or any of its Affiliates, Options that are NQOs and SARs held at the date of termination (to the extent then exercisable) may be exercised in whole or in part at any time within ninety (90) days of the date of such termination (but in no event after the Expiration Date). For purposes of this Section 6.2.2, “employment” includes service as a director, consultant or adviser. For purposes of this Section 6.2.2, a grantee’s employment shall not be deemed to terminate by reason of the grantee’s transfer from the Company to an Affiliate, or vice versa, or sick leave, military leave or other leave of absence approved by the Administrator, if the period of any such leave does not exceed ninety (90) days or, if longer, if the grantee’s right to reemployment by the Company or any Affiliate is guaranteed either contractually or by statute.

6.3 Terms and Conditions to Which Only ISOs Are Subject. Options granted under this Plan which are designated as ISOs shall be subject to the following terms and conditions:

6.3.1 Exercise Price. The exercise price of an ISO shall not be less than the fair market value (determined in accordance with Section 6.1.9) of the stock covered by the Option at the time the Option is granted. The exercise price of an ISO granted to any person who owns, directly or by attribution under the Code (currently Section 424(d)), stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Affiliate (a “Ten Percent Stockholder”) shall in no event be less than one hundred ten percent (110%) of the fair market value (determined in accordance with Section 6.1.9) of the stock covered by the Option at the time the Option is granted.

6.3.2 Disqualifying Dispositions. If stock acquired by exercise of an ISO granted pursuant to this Plan is disposed of in a “disqualifying disposition” within the meaning of Section 422 of the Code (a disposition within two (2) years from the date of grant of the Option or within one year after the issuance of such stock on exercise of the Option), the holder of the stock immediately before the disposition shall promptly notify the Company in writing of the date and terms of the disposition and shall provide such other information regarding the Option as the Company may reasonably require.

6.3.3 Grant Date. If an ISO is granted in anticipation of employment as provided in Section 5.4, the Option shall be deemed granted, without further approval, on the date the grantee assumes the employment relationship forming the basis for such grant, and, in addition, satisfies all requirements of this Plan for Options granted on that date.

6.3.4 Term. Notwithstanding Section 6.1.10, no ISO granted to any Ten Percent Stockholder shall be exercisable more than five (5) years after the date of grant.

6.3.5 Termination of Employment. Except as otherwise provided in the stock option agreement, if for any reason an optionee ceases to be employed by the Company or any of its Affiliates, Options that are ISOs held at the date of termination (to the extent then exercisable) may be exercised in whole or in part at any time within ninety (90) days of the date of such termination (but in no event after

the Expiration Date). For purposes of this Section 6.3.5, an optionee's employment shall not be deemed to terminate by reason of the optionee's transfer from the Company to an Affiliate, or vice versa, or sick leave, military leave or other leave of absence approved by the Administrator, if the period of any such leave does not exceed ninety (90) days or, if longer, if the optionee's right to reemployment by the Company or any Affiliate is guaranteed either contractually or by statute.

6.4 Terms and Conditions Applicable Solely to SARs. In addition to the other terms and conditions applicable to SARs in this Section 6, the holder shall be entitled to receive on exercise of an SAR only Common Stock at a fair market value equal to the benefit to be received by the exercise.

7. MANNER OF EXERCISE

7.1 An optionee wishing to exercise an Option or SAR shall give written notice to the Company at its principal executive office, to the attention of the officer of the Company designated by the Administrator, accompanied by payment of the exercise price and/or withholding taxes as provided in Sections 6.1.6 and 6.1.7. The date the Company receives written notice of an exercise hereunder accompanied by the applicable payment will be considered as the date such Option or SAR was exercised.

7.2 Promptly after receipt of written notice of exercise and the applicable payments called for by Section 7.1, the Company shall, without stock issue or transfer taxes to the holder or other person entitled to exercise the Option or SAR, deliver to the holder or such other person a certificate or certificates for the requisite number of shares of Common Stock. A holder or permitted transferee of an Option or SAR shall not have any privileges as a stockholder with respect to any shares of Common Stock to be issued until the date of issuance (as evidenced by the appropriate entry on the books of the Company or a duly authorized transfer agent) of such shares.

8. RESTRICTED STOCK

8.1 Grant or Sale of Restricted Stock.

8.1.1 No awards of restricted stock shall be granted under this Plan after ten (10) years from the date of adoption of this Plan by the Board.

8.1.2 The Administrator may issue shares under the Plan as a grant or for such consideration (including services, and, subject to the Sarbanes-Oxley Act of 2002, promissory notes) as determined by the Administrator. Shares issued under the Plan shall be subject to the terms, conditions and restrictions determined by the Administrator. The restrictions may include restrictions concerning transferability, repurchase by the Company and forfeiture of the shares issued, together with such other restrictions as may be determined by the Administrator. If shares are subject to forfeiture or repurchase by the Company, all dividends or other distributions paid by the Company with respect to the shares may be retained by the Company until the shares are no longer subject to forfeiture or repurchase, at which time all accumulated amounts shall be paid to the recipient. All Common Stock issued pursuant to this Section 8 shall be subject to a purchase or grant agreement, which shall be executed by the Company and the prospective recipient of the shares prior to the delivery of certificates representing such shares to the recipient. The purchase or grant agreement may contain any terms, conditions, restrictions, representations and warranties required by the Administrator. The certificates representing the shares shall bear any legends required by the Administrator. The Administrator may require any purchaser of restricted stock to pay to the Company in cash upon demand amounts necessary to satisfy any applicable federal, state or local tax withholding requirements. If the purchaser fails to pay the amount demanded, the Administrator may withhold that amount from other amounts payable by the Company to the

purchaser, including salary, subject to applicable law. With the consent of the Administrator in its sole discretion, a purchaser may deliver Common Stock to the Company to satisfy this withholding obligation. Upon the issuance of restricted stock, the number of shares reserved for issuance under the Plan shall be reduced by the number of shares issued.

8.2 Changes in Capital Structure. In the event of a change in the Company's capital structure, as described in Section 6.1.1, appropriate adjustments shall be made by the Administrator, in its sole discretion, in the number and class of restricted stock subject to this Plan and the restricted stock outstanding under this Plan; provided, however, that the Company shall not be required to issue fractional shares as a result of any such adjustments.

8.3 Corporate Transactions. In the event of a Corporate Transaction, as defined in Section 6.1.2 hereof, to the extent not previously forfeited, all restricted stock shall be forfeited immediately prior to the consummation of such Corporate Transaction unless the Administrator determines otherwise in its sole discretion; provided, however, that the Administrator, in its sole discretion, may remove any restrictions as to any restricted stock. The Administrator may, in its sole discretion, provide that all outstanding restricted stock participate in the Corporate Transaction with an equivalent stock substituted by an applicable successor corporation subject to the restriction.

9. EMPLOYMENT OR CONSULTING RELATIONSHIP

Nothing in this Plan or any Option granted hereunder shall interfere with or limit in any way the right of the Company or of any of its Affiliates to terminate the employment, consulting or advising of any optionee or restricted stock holder at any time, nor confer upon any optionee or restricted stock holder any right to continue in the employ of, or consult or advise with, the Company or any of its Affiliates.

10. CONDITIONS UPON ISSUANCE OF SHARES

10.1 Securities Act. Shares of Common Stock shall not be issued pursuant to the exercise of an Option or the receipt of restricted stock unless the exercise of such Option or such receipt of restricted stock and the issuance and delivery of such shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended (the "Securities Act").

10.2 Non-Compete Agreement. As a further condition to the receipt of Common Stock pursuant to the exercise of an Option or the receipt of restricted stock, the optionee or recipient of restricted stock may be required not to render services for any organization, or engage directly or indirectly in any business, competitive with the Company at any time during which (i) an Option is outstanding to such Optionee and for six (6) months after any exercise of an Option or the receipt of Common Stock pursuant to the exercise of an Option and (ii) restricted stock is owned by such recipient and for six (6) months after the restrictions on such restricted stock lapse. Failure to comply with this condition shall cause such Option and the exercise or issuance of shares thereunder and/or the award of restricted stock to be rescinded and the benefit of such exercise, issuance or award to be repaid to the Company.

11. NON-EXCLUSIVITY OF THIS PLAN

The adoption of this Plan shall not be construed as creating any limitations on the power of the Company to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options other than under this Plan.

12. MARKET STAND-OFF

Each optionee, holder of an SAR or recipient of restricted stock, if so requested by the Company or any representative of the underwriters in connection with any registration of the offering of any securities of the Company under the Securities Act, shall not sell or otherwise transfer any shares of Common Stock acquired upon exercise of Options, SARs or receipt of restricted stock during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act; provided, however, that such restriction shall apply only to a registration statement of the Company which includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act and the restriction period shall not exceed 90 days after the registration statement becomes effective.

13. AMENDMENTS TO PLAN

The Board may at any time amend, alter, suspend or discontinue this Plan. Without the consent of an optionee, holder of an SAR or holder of restricted stock, no amendment, alteration, suspension or discontinuance may adversely affect such person's outstanding Option(s), SAR(s) or the terms applicable to restricted stock except to conform this Plan and ISOs granted under this Plan to the requirements of federal or other tax laws relating to incentive stock options. No amendment, alteration, suspension or discontinuance shall require stockholder approval unless (a) stockholder approval is required to preserve incentive stock option treatment for federal income tax purposes or (b) the Board otherwise concludes that stockholder approval is advisable.

14. EFFECTIVE DATE OF PLAN; TERMINATION

This Plan shall become effective upon adoption by the Board; provided, however, that no Option or SAR shall be exercisable unless and until written consent of the stockholders of the Company, or approval of stockholders of the Company voting at a validly called stockholders' meeting, is obtained within twelve (12) months after adoption by the Board. If any Options or SARs are so granted and stockholder approval shall not have been obtained within twelve (12) months of the date of adoption of this Plan by the Board, such Options and SARs shall terminate retroactively as of the date they were granted. Awards may be made under this Plan and exercise of Options and SARs shall occur only after there has been compliance with all applicable federal and state securities laws. This Plan (but not Options and SARs previously granted under this Plan) shall terminate within ten (10) years from the date of its adoption by the Board. Termination shall not affect any outstanding Options or SARs or the terms applicable to previously awarded restricted stock.