UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16321

In the matter of:	)
IMMUNOTECH LABORATORIES INC.	)

PETITIONER IMMUNOTECH LABORATORIES, INC'S OPENING BRIEF IN SUPPORT OF ITS PETITION FOR TERMINATION OF TRADING SUSPENSION

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Table of Contents

Table of Cases

Table of Statutes

Other Authorities

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Petitioner, Immunotech Laboratories, Inc. (the "Petitioner"), for its Opening Brief in Support of its Petition for Termination of Trading Suspension, states as follows:

Background

The Suspension Order was issued pursuant to Section 12(k) of the Securities Exchange Act of 1934 (the "Exchange Act") temporarily suspending trading of the Petitioner's equity securities through December 4, 2014.[1] The Suspension Order referenced the alleged inadequacy of publicly disseminated information related to the Petitioner's business prospects as they related to the current global outbreak of the Ebola virus.[2] On December 1, 2014, the Petitioner filed a petition for termination of trading suspension pursuant to Rule of Practice 550 (The "Petition").[3] Subsequently, on December 19, 2014, the Commission further directed that the Petitioner file this Opening Brief in support of the Petition.[4]

[1] *Bravo Enterprises, Ltd.*, Securities Exchange Act Release No. 73650 (November 20, 2014).
[2] *Id.*
[3] 17 C.F.R. §201.550
[4] *Immunotech Laboratories Inc.*, Securities Exchange Act Release No. 73899 (December 20, 2014)

The Petitioner

The Petitioner is a Nevada corporation with its principal business location in Monrovia, California. The Petitioner's common equity securities are traded on the OTC Link ("Pink Sheets") under the ticker "IMMB". The Petitioner's president, Harry Zhabilov, acquired a controlling interest in the Petitioner in January, 2009. Since that time, the Petitioner's business model has centered in its entirety around the development of its proprietary medical technology, as further discussed herein.

The Petitioner is not currently subject to reporting obligations found under Section 13 of the Exchange Act[5]. However, the Petitioner discloses "current public information" as provided for by Rule 10b-5 promulgated under the Exchange Act, and Rule 144(c)(2) promulgated under the Securities Act of 1933 (the "Act")[6]. Accordingly, the Petitioner publishes periodic reports via the "alternative reporting standard" provided by OTC Link. The Petitioner is remained current with regards to its periodic reports filed with OTC Link.

The Petitioner is actively engaged in the development and commercialization of proprietary proteins for use in treating infectious diseases such as Human Immunodeficiency Virus ("HIV"), Acquired Immune Deficiency Syndrome ("AIDS") and Hepatitis. The Petitioner's primary asset is an exclusive license to utilize these pharmaceutical compositions in connection with its HIV/AIDS drug development efforts.[7] A true and accurate copy of the license is attached as Annex A hereto. On September 22, 2014, the license between the Zhabilov Trust and the Petitioner was later amended to cover "all infectious diseases". A true and accurate copy of the amendment is

[5] 15 U.S.C. §78m(a),
[6] 17 C.F.R. §240.10b-5, 17 C.F.R. §230.144(c)(2)
[7] Immunotech Laboratories, Inc. (2009) Annual Report on Form 10-K 2009. Retrieved from SEC EDGAR website http:///www.sec.gov/edgar/shtml

attached as Annex B hereto. These proprietary compositions are covered by two (2) patents and three (3) patent applications, to wit:

a. U.S. Patent No. US 7479538 B2: Improved in Vitro Binding Affinity for HIV-1 gp 120 and gp41 and Human CD4 Cells[8];

b. PCT/US05/45515: European Union counterpart to US Patent No. US 7479538 B2[9];

c. U.S. Patent Application No. US 200902857767 A1: Irreversibly-Inactivated Pepsinogen Fragments for Modulating Immune Function[10];

d. U.S. Patent Application No. US 8067531 B2: Inactivated Pepsin Fragments for Modulating Immune System Activity Against Human Malignant Tumor Cells[11]; and

e. U.S. Patent Application No. US 8066982 B2: Irreversibly-Inactivated Pepsinogen Fragment and Pharmaceutical Compositions Comprising the Same for Detecting, Preventing and Treating HIV[12].

The underlying technologies covered by the above-referenced patents and patent applications was invented and developed by Mr. Harry Zhabilov, the Petitioner's Chief Scientific Officer and Director. The intellectual property is titularly owned by The Zhabilov Trust, of which Diana Zhabilov, Harry Zhabilov's wife, is the Trustee and her children the beneficiary thereof. Thus, there exists a comity of interest between Mr. Zhabilov, the Trust and the Petitioner. The Trust has never sought to license its technology to any other third party other than the Petitioner.

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[8] Zhabilov, H. (2009). *Improved In Vitro Binding Affinity for HIV-1 gp 120 and gp 41, and Human CD$ Cells.* US 7479538 B2.

[9] Zhabilov, H. (2011). *Fragments de pepsine inactives pour moduler l'activit`e du systeme immune contre des celluled tumorales malignes.* WO 2010065157 A2

[10] Zhabliov, H. (2009). *Irreversibly-Inactivated Pepsinogen Fragments for Modulating Immune Function.* US 20090285776 A1

[11] Zhabilov, H. (2011). *Inactivated Pepsin Fragments for Modulating Immune System Activity Against Human Malignant Tumor Cells,* US 8067531 B2

[12] Zhabliov, H (2011). *Irreversibly-Inactivated Pepsinogen Fragment and Pharmaceutical Compositions Comprising the Same for Detecting, Preventing and Treating HIV.* US 8066982 B2.

Utilizing the licensed technology, the Petitioner has developed a platform for immune therapeutic treatment for HIV/AIDS relying upon an "inactive pepsin fraction" or "IPF", which is unique to the technology. The IPF-based therapy works to prevent the HIV virus from infecting CD4 T-cells, which play a significant role within the body in resisting infection. The Petitioner believes that this proprietary technology is the only HIV therapy to achieve this. Four experimental pilot studies held outside of the United States in Tijuana, Mexico tested the effectiveness of the IPF compound showed positive results, particularly in the with regards to latter stage AIDS patients who had developed an immunity to common antiretroviral therapies currently used.

The Trading Suspension

The Suspension Order named four respondents including the Petitioner citing a "lack of current and accurate information."[13] Specifically, the Suspension Order questioned the "accuracy and adequacy of publicly disseminated information, including information about the relationship between the [the Petitioner's] business prospects and the current Ebola crisis."[14] The Petitioner notes that only its press release of October 24, 2014, in which the Petitioner announced that it had reached an agreement with "Uldic Investment Pvt. Ltd. (Uldic), located in Zimbabwe, to pursue the development of market opportunities related to the deadly Ebola virus" *as well as* "and to conduct human clinical trials using the Company's HIV/AIDS and Hepatitis C virus treatment, Immune Therapeutic Vaccine-1 (ITV-1), in Sub-Saharan West Africa." The Petitioner has not made any other disclosure relating to the potential use of its medical technology in connection with treating the Ebola virus. The Suspension Order is terminated on December 4, 2014. Despite its termination, the Petitioner's quote is still not displayed on the OTC Link marketplace.

[13] *Bravo Enterprises, Ltd.*, Securities Exchange Act Release No. 73650 (November 20, 2014).
[14] *Id.*

The Suspension Order was brought pursuant to Section 12(k)(1)(A) of the Exchange Act, which, in relevant part, authorizes the Commission "summarily to suspend trading in any security" if the Commission is of the opinion that the "public interest and the protection of investors so require."[15] Congress thus conferred upon the Commission the authority to impose time-limited trading restrictions "without any notice, opportunity to be heard, or findings based upon a record."[16] In imposing a trading suspension, the Commission aims to "alert the investing public that there is insufficient public information about the Petitioner upon which an informed investment judgment can be made or that the market for the securities may be reacting to manipulative forces or deceptive practices."[17] However, "factors cited by the Commission in its order as the basis for the [temporary] trading suspension . . . do not constitute an adjudication of fact or law with respect to those matters."[18]

The disposition of the Petition is controlled by Rule of Practice 550.[19] Specifically, the Rule provides the Commission with a "means for . . . review of Section 12(k)(1)(A) order set forth in our Rules of Practice is the filing of a petition pursuant to Rule 550(a) requesting that the [summary] suspension be terminated."[20] The Petition must present evidence as to why the "suspension of trading should not continue."[21]

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[15] 15 U.S.C. § 78(k)(1)

[16] *SEC v. Sloan*, 436 U.S. 103, 112 (1978); *see also, Sloan v. SEC,* 547 F.2d 152, 159 (2d Cir. 1976)

[17] *Adopting Release: Rules of Practice*, 60 Fed. Reg. at 32787

[18] *Propose Rule: Initiation or Resumption of Quotations Without Specified Information*, 54 Fed. Reg. 39194, 39198 (Sep. 25, 1989)

[19] 17 C.F.R. §201.550

[20] *Accredited Business Consolidators,* Securities Exchange Act Release No. 73420 (October 23, 2014)

[21] *Id.*

Argument in Support

The Petitioner's IPF-based Therapies are Believed to have Applicability to the Treatment of the Ebola Virus

Pursuant to Exchange Act Release 73897, the Commission has provided the Petitioner with the Affidavit of J. Lauchlan Wash, which purports to "[set] forth the substantive facts before the Commission at the time of the trading suspension in the securities of [the Petitioner] (the "Affidavit"). A true and accurate copy of the Affidavit is attached as Annex C hereto. No further disclosure was made to the Petitioner in connection with this matter.

The Petitioner's president and majority shareholder, Harry Zhabilov, together with his late father, developed the Petitioner's patented IPF-based technologies. To date, as is evident from the Petitioner's previous disclosures through press releases, OTC Link and EDGAR, the Petitioner has focused its efforts on treatments for HIV/AIDS. The Petitioner only recently began to consider the applicability of its IPF-based technologies in regards to the Ebola virus as only recently has the virus become a critical matter in the medical community given the widespread outbreak in Western Africa and sporadic cases found in the United States.

The Petitioner's research has indicated that IPF can be used as a fusion inhibitor – e.g., a class of antiretroviral drug that impedes the binding of the viron to healthy cells in the body, and thus limits the spread of the infection. Previous tests have shown that IPF has bound with glycoproteins on the surface of the HIV virus to slow the spread of the virus. The Ebola virus also has glycoproteins on its surface and the Petitioner thus believes that IPF would work in the same manner.

The October 24, 2014 press release is notable in that it only indicates the Petitioner's intent to embark upon further research concerning the applicability of its technology to the Ebola virus, as well as to further its HIV/AIDS research. A plain reading of the release would not lead any

reasonable person to believe that the Petitioner has already tested its technology on Ebola patients or had even made any sort of affirmative determination that the technology could effectively be used to combat the spread of the virus. In its Affidavit, the Commission provides no evidence to contradict the allegations made by the Petitioner in the subject press release.[22] Specifically, the Commission quotes the Petitioner's release in that the IPF treatment is a "new potential initiative" for Petitioner.[23] Indeed, such language is far from a declaration of the treatment's usability or an affirmation that the announced initiative will be successful in any way.

Finally, the Commission contends that the license by and among the Petitioner and its majority shareholder's family trust does not provide for use beyond that of HIV/AIDS treatments.[24] However, the license was amended on September 22, 2014 to provide for "all infectious diseases"[25] Such document was included in the Petition.

The Petitioner's Counter-Party in Zimbabawe is Legitimate
As is its Agreement Therewith

On or about October 1, 2014, the Petitioner entered into an agreement with Uldic Investment Pvt., Ltd. ("Uldic") pursuant to which Uldic is to: (a) to identify suitable government or university-sponsored research laboratories willing to conduct human clinical trials of the Petitioner's HIV and Hepatitis C therapies; and (b) develop market opportunities for the Petitioner's ebola therapies. Uldic' activities are limited to various nations in Africa, Australia and New Zealand. A true and accurate copy of the agreement is attached as Annex D hereto. Uldic is owned by a Zimbabwean resident of Bulgarian descent, Mr. Borislav Boynov.

[22] See Annex C
[23] See Annex C at ¶ 11
[24] See Annex C at ¶ 8 & 13
[25] See Annex B

The Commission contends that, according to the Zimbabwean Securities and Exchange Commission, that Uldic was a "dormant shell company with no operations."[26] However, the Petitioner hasn't any reason to believe that Uldic was a publicly held corporation and thus, the assertion, from a foreign securities regulatory, would seem inaccurate, immaterial or otherwise incorrect. Mr. Boynov, its sole owner, has himself been active in the region for over twenty (20) years acting as a local representative to a number of drug companies. Notably, the Commission offers no evidence in regards to the relative legitimacy, or alleged lack thereof, of Mr. Boynov, his activities or his business relationships. To date, the agreement with Mr. Boynov and Uldic has led to a preliminary agreement with Synexa Laboratories, of Cape Town, South Afirca to conducts trials using IPF as an immunomodulator on viral diseases, including Ebola. A true and accurate copy of the Memorandum of Understanding by and between the Petitioner and Synexa is attached as Annex E hereto.

The Commission has failed to provide any compelling evidence or mere suggestion that the transaction described in the October 24th press release was a "sham" or otherwise not as described so as to be released in an effort to mislead the public. That agreement and relevant information supporting the agreement was included in the Petition and is included as an annex hereto.

Price Fluctuations in Petitioner's Common Stock are Improperly Attributed to Alleged Manipulation by Petitioner

The Commission alleges that between August 1, 2014 and October 21, 2014, the Petitioner's common stock was "subject to 19 penny stock touts."[27] The Commission does not identify the source of such "touts" and the Petitioner is unaware of the identities of the same.

[26] See Annex C at ¶ 11
[27] See Annex C at ¶ 12

Moreover, the alleged promotion would seemingly have occurred well before the subject press release of October 24, 2014. Thus, the Commission falls short of establishing what one can only assume as being the assumption that the press release was issued as part of a coordinated effort to "hype" the Petitioner's stock and artificially inflate its value.

The October 24th press release is relevant to the investing public as it is indicative of the Petitioner's ongoing efforts to commercialize its technology. To see increased volume and share price in the event of favorable news is not uncommon, and where the discloser is accurate, the Petitioner cannot be found to have been engaged in a scheme to manipulate the stock price.

Conclusion

Petitioner believes that the trading suspension was entered without sufficient basis and was not ground in fact. The Commission puts forth minimal evidence to rebut the facts put forth by the Petitioner in the Petition and rather relies on mere conjecture. The harm the Commission alleges the public was facing upon entering the trading suspension has now been far outweighed by the suspension itself and the ongoing repercussions therefrom. For such reason, the Petition must be granted and the trading suspension terminated retroactively to November 18, 2014.

Dated: January 19, 2015

Respectfully submitted,

IMMUNOTECH LABORATORIES INC.

By Its Attorney

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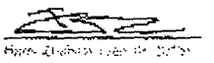
VERIFICATION

Under penalties of perjury, the undersigned, being duly sworn on oath, hereby deposes and states that he has read the foregoing Opening Brief in Support of Petition for Termination of Trading Suspension and is familiar with the facts and circumstances contained therein; and that the allegations contained therein are true and correct to the best of his knowledge and belief.

Dated: January 19, 2015



By: Harry Zhabilov

ANNEX A

EXCLUSIVE LICENSING AGREEMENT

This EXCLUSIVE LICENSING AGREEMENT ("Agreement"), effective as of September 1, 2008 (the "Effective Date"), is entered into by and among DANIEL ZHABILOV as Trustee of The Zhabilov Trust, a California Trust executed at Los Angeles, California on March 2, 2006 ("The Zhabilov Trust"), and IMMUNOTECH LABORATORIES, INC., a California corporation ("Immunotech"), with its principal offices located at 116 W. Stocker Street, Glendale, California 91202. Unless otherwise defined in this Agreement, all terms and capitalized terms shall have the definitions given to them in Section 1.1 of this Agreement.

RECITALS

1 WHEREAS, The Zhabilov Trust owns certain patents and patent applications and related know-how for Irreversible Pepsin Fraction ("IPF"), and

2 WHEREAS, The Zhabilov Trust and Immunotech desire to enter into this Agreement, and

WHEREAS, subject to the terms and conditions set forth in this Agreement, The Zhabilov Trust wishes to exclusively license to Immunotech and Immunotech wishes to exclusively license from The Zhabilov Trust all of The Zhabilov Trust's rights under patents, patent applications (including U.S. Patent and Trademark Office serial number 11/177,427 filed on 7/11/2005/Cislo & Thomas LLP's Docket Number 06-1625G/ US Patent Application 20060104992 dated May 18, 2006 that inventor Harry Zhabilov Jr., together with his wife Diana Zhabilov, had assigned on July 18, 2006 to The Zhabilov Trust) related to IPF **specific to the HIV/AIDS treatment ONLY;**

3 Immunotech shall pay to HARRY ZHABILOV the sum of Seven Hundred and Seventy Five Thousand United States Dollars (US$ 775,000) by cashier check in immediately available funds, and Immunotech shall pay to ARA GHANIME the sum of Seven Hundred and Seventy Five Thousand United States Dollars (US$ 775,000) by cashier check in immediately available funds,. Such amount shall be non-refundable and non-creditable, and shall not be subject to any counterclaim or set-off.

4 Immunotech generating revenue from any kind of contractual agreement i.e. milestone payments, patent licensing/sublicensing, royalties earned, Immunotech shall pay a five percent (5%) royalty on the amount of aggregate worlowide gross revenue, to be paid one-half to HARRY ZHABILOV and one-half to ARA GHANIME

NOW, THEREFORE, the Parties hereto, intending to be legally bound, hereby agree as follows

SECTION 1
DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Business Day" shall mean any day other than a Saturday, Sunday or banking holiday in New York City or San Francisco, California.

"Calendar Quarter" shall mean a calendar quarter (i.e., period of three (3) consecutive months) ending on March 31, June 30, September 30 or December 31.

"Calendar Year" shall mean any period of twelve (12) consecutive months ending on December 31.

"Competitive Product" shall mean a product competitive with a Product.

"Compulsory License" means a compulsory license under the Licensed Patents obtained by a Third Party through the order, decree or grant of a governmental authority of competent jurisdiction, authorizing such Third Party to manufacture, use, sell, offer for sale or import a Competitive Product in one or more countries within the Territory.

"Control", "Controls" and "Controlled" shall mean, with respect to a

particular item of information or intellectual property right, that the applicable Party owns or has a license to such item or right and has the ability to grant to the other Party access to and a license or sublicense (as applicable) under such item or rights as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party

"Damages" shall mean any and all costs, losses, claims, liabilities, fines, penalties, damages and expenses, court costs, and reasonable fees and disbursements of counsel, consultants and expert witnesses incurred by a Party hereto (including any interest payments which may be imposed in connection therewith)

"Delivery Date" shall mean the date that is ten (10) days after the Effective Date.

"Effective Date" shall have the meaning given such term in the first sentence of this Agreement

"EU" shall mean Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom, and future members of the European Union (or its successor), upon their admission for full membership (with commercial rights and privileges substantially comparable to those of the foregoing countries).

"Immunotech Rights" shall mean any invention or inventions, patentable or not, know-how, information and/or data relating to the Product, including, without limitation, pre-clinical studies and clinical trial information, manufacturing processes, formulations, modes of delivery and/or data necessary for the manufacture, use or sale of the Product, which are Controlled by Immunotech during the term of this Agreement, and all Patents covering any of the foregoing which are Controlled by Immunotech during the term of this Agreement.

"FDA" shall mean the United States Food and Drug Administration, or any successor thereto.

"Field" shall mean the prevention and treatment of all human and other animal diseases and conditions, and expressly excluding in vivo and in vitro diagnostic applications

"First Commercial Sale" shall mean, with respect to any particular country, the first sale of a Product in such country by Immunotech, or any of its Affiliates or sublicensees, after Regulatory Approvals in such country have been granted from the relevant Regulatory Authority in such country for such Product.

"GAAP" shall mean United States generally accepted accounting principles, consistently applied

"Indemnified Party" shall have the meaning given in Section 7.2 hereof.

"Indemnifying Party" shall have the meaning given in Section 7.2 hereof.

"Know-How" shall mean all materials, data, instructions, processes, formulas, expert opinion and information, including, without limitation, the Manufacturing Information and biological, chemical, pharmacological, toxicological, physical and analytical, safety, manufacturing and quality control data and information, in each case within the Field, that, as of the Effective Date are (i) existing,

and (ii) Controlled by The Zhabilov Trust as of the Effective Date, in each case which is necessary or useful for the development, manufacture, use, sale or commercialization of the Product in the Field. Excluded from Know-How are any Patents, the Licensed Patents and the Transferred Assets. **This paragraph is strictly limited for IPF specific and strictly limited to the HIV/AIDS indication ONLY and published into the patent.**

"License" shall mean the exclusive license granted by The Zhabilov Trust to Immunotech pursuant to Section 2.1. **strictly limited for IPF specific and strictly limited to the HIV/AIDS indication ONLY.**

"Licensed Patents" shall mean any Patents listed in Exhibit D (as updated from time to time pursuant to Section 5.6) which claim the manufacture, use, import, offer for sale or sale of Products in accordance with this Agreement and which now or at any time during the term of this Agreement are Controlled by The Zhabilov Trust or any Affiliate of The Zhabilov Trust **strictly limited for IPF specific and strictly limited to the HIV/AIDS indication ONLY.**

"Major Countries" shall mean Canada, France, Germany, Italy, Japan, Spain, United Kingdom and the United States.

"Manufacturing Information" shall mean copies of all existing information in written and electronic form in The Zhabilov Trust's possession or control as of the Effective Date, with respect to any Product existing as of the Effective Date, that relates to, in the Field: (1) processes for the production of IPF, and intermediates in the preparation of a Product; (2) the in-process analytical controls for production of each of: (a) IPF and (b) a Product; (3) the process, formulation and development reports generated for the preparation of a Product; (4) the analytical methods and validation for the quality control release of each of: (a) IPF; and (b) a Product; and (5) the stability protocols, stability indicating methods and stability data for each of: (a) IPF; and (b) a Product.

"NDA" shall mean a New Drug Application filed with the FDA requesting market approval for a new drug product.

"Net Sales" shall mean, with respect to the Product, the gross amount billed or invoiced by Immunotech, its Affiliates or sublicensees, to unrelated Third Parties for the Products in finished product form, less the following deductions

(a) trade, quantity and cash discounts allowed, but expressly excluding discounts or allowances offered as part of a package of products that includes a Product sold by Immunotech, its Affiliates or sublicensees;

(b) refunds, chargebacks and any other allowances which effectively reduce the net selling price;

(c) actual product returns, credits and allowances;

(d) rebates actually paid or credited to any governmental agency (or branch thereof) or to any Third Party payor, administrator or contractee;

(e) discounts mandated by, or granted to meet the requirements of, applicable state, provincial or federal law, wholesaler, including required chargebacks and retroactive price reductions

(f) transportation, freight, postage charges and other charges such as insurance, relating thereto, in each case included as a specific line item on an invoice to such Third Parties, and

(g) taxes, excises or other governmental charges upon or measured by the production, sale, transportation, delivery or use of goods, in each case included as a specific line item on an invoice to such Third Parties

"IPF" shall mean The Zhabilov Trust's proprietary compound known as IPF, as described in Exhibit A.

"Party" shall mean either The Zhabilov Trust or Immunotech, and "Parties" shall mean both The Zhabilov Trust and Immunotech

"Patents" shall mean patents and patent applications, both foreign and domestic, including without limitation all extensions, reissues, renewals reexaminations, patents of addition, supplementary protection certificates and inventors' certificates thereof, substitutions, provisionals, divisional

"Person" shall mean a natural person, a corporation, a partnership, a trust, a joint venture, a limited liability company, any governmental authority or any other entity or organization

"Pivotal Clinical Trial" shall mean either (a) a trial on sufficient numbers of patients that is designed to establish that a pharmaceutical product is safe and efficacious for its intended use, and to define warnings, precautions and adverse reactions that are associated with the pharmaceutical product in the dosage range to be prescribed, and to support Regulatory Approval of such pharmaceutical product or label expansion of such pharmaceutical product, or (b) a clinical trial that began as a trial on sufficient numbers of patients that is designed to establish the safety and biological activity of a pharmaceutical product for its intended use, and to define warnings, precautions and adverse reactions that are associated with the pharmaceutical product in the dosage range to be prescribed, after such date as the U.S. Food and Drug Administration or its successor (or equivalent regulatory authority) has indicated that the applicable Party may reasonably continue such trials with the intention to establish that a pharmaceutical product is safe and efficacious for its intended use, and to define warnings, precautions and adverse reactions that are associated with the pharmaceutical product in the dosage range to be prescribed, and to support Regulatory Approval of such pharmaceutical product or label expansion of such pharmaceutical product.

"Product" shall mean any pharmaceutical composition containing IPF in any formulation, dosage concentration or volume, together with all label expansions, line extensions and improvements thereon, which may be included in any supplement, modification or addition to the filings for Regulatory Approval of the foregoing compound **strictly limited to IPF specific and strictly limited to the HIV/AIDS indication ONLY.**

"Product Data Package" shall include the following information and data related to the Product in the possession or control of The Zhabilov Trust as of the

Effective Date. (a) the Regulatory Documents; (b) pre-clinical and clinical development protocols, data, and reports; (c) manufacturing development technical reports; (d) toxicology reports; and (e) such other information and data specifically identified in Exhibit B attached hereto

"Proprietary Information" shall mean, subject to Section 6.3 of the agreement, any Know-How, patent applications or other confidential information of a Party disclosed by such Party to another Party in the course of negotiating or performing under this agreement or any other written agreement between the Parties entered into on or prior to the effective date of the original agreement. Proprietary Information shall be deemed to include the terms of this agreement and the terms of any other written agreement between the Parties entered into on or prior to the effective date of the original agreement.

"Reasonable Diligence" shall mean commercially reasonable efforts to develop, obtain Regulatory Approval, and/or commercialize, as applicable, a Product in a country in the Territory, consistent with accepted business practices and legal requirements, and comparable to efforts in the pharmaceutical industry applicable to development, obtaining of Regulatory Approval for, or commercialization of human pharmaceutical products at an equivalent stage of development and similar market potential, profit potential and strategic value in view of conditions then prevailing

"Regulatory Approval" shall mean (a) in the United States, approval by the FDA of an NDA, or equivalent application, for marketing approval and satisfaction of any related applicable FDA registration and notification requirements (if any) and (b) in any country other than the United States, all approvals (including any required marketing, pricing and reimbursement approvals) by the Regulatory Authority in such country of a single application or set of applications comparable to an NDA, enabling legal sale of a product in such country.

"Regulatory Authority" shall mean the FDA in the United States or the equivalent governmental agency having jurisdiction in any other country in the Territory.

"Territory" shall mean the world, unless the License terminates with respect to a country pursuant to Section 6.7, in which case the Territory shall exclude any country in which the License has so terminated

"Third Party" shall mean a Person other than Immunotech, The Zhabilov Trust or their Affiliates

"Transferred Assets" shall mean the Product Inventory and the Product Data Package

SECTION 2
GRANT OF LICENSES AND LICENSING INFORMATION

2.1 Grant of License. Subject to the terms and conditions of this Agreement, during the term of this Agreement, The Zhabilov Trust hereby grants to Immunotech an exclusive license under the Licensed Patents and Know How to make, have made, use, sell, offer to sell, import and export the Product within the Field throughout the Territory, with right to sublicense to its Affiliates or (subject to Section 2.4) to any other Person under the following conditions

2.2 Transferred Licensing Information. As of the Effective Date, The Zhabilov Trust hereby transfers
Manufacturing information. Immunotech shall have up to thirty (30) days
after such delivery to inventory the delivered
Manufacturing Information and to give notice to The Zhabilov Trust of any Transferred Manufacturing Information that were not so delivered. If The Zhabilov Trust receives notice or otherwise learns after the Delivery Date that it has failed to deliver any Transferred or Manufacturing Information to Immunotech, The Zhabilov Trust shall provide to Immunotech any such Transferred Manufacturing Information no later than five (5) Business Days after receipt of such notice or knowledge (or within such longer time as is mutually agreed by Immunotech and The Zhabilov Trust). The clinical data portion of the Product Data Package shall be provided to Immunotech in computer-readable format, where available, and otherwise in printed format. The Zhabilov Trust shall be under no obligation to convert to electronic format any portion of the Product Data Package that currently is available only in printed format.

In the event that Immunotech is unwilling or unable to assume physical possession of the Transferred Manufacturing Information by the Effective Date, The Zhabilov Trust shall be entitled to charge Immunotech a reasonable fee for storage of the Transferred Manufacturing Information beyond the Effective Date. The Zhabilov Trust shall ship the Transferred Information to Immunotech F.O.B. to Immunotech's designated facilities. For a period of thirty (30) days following the receipt by Immunotech of the Transferred Licensing Information, The Zhabilov Trust shall be reasonably available during normal business hours to respond to technical inquiries of Immunotech regarding Products as is reasonably requested by Immunotech. Immunotech acknowledges that The Zhabilov Trust makes no representations or warranties with respect to the Transferred Manufacturing Information (other than as expressly set forth in Section 5 below) and that it accepts such Transferred Manufacturing Information "as is."

2.3 Negative Covenant of Immunotech. Immunotech shall not use or practice Licensed Patents or Manufacturing Information outside the Field or outside the Territory or for any other purpose except activities that it conducts in compliance with this Agreement **strictly limited to IPF specific and strictly limited to the HIV/AIDS indication ONLY.**

2.4 Sublicenses. Immunotech shall have right to sublicense the licenses granted to it by The Zhabilov Trust under this Agreement with the consent of The Zhabilov Trust, provided that (i) prompt notice and a copy of such sublicense shall be given by Immunotech to The Zhabilov Trust pursuant to Section 8.2 of this Agreement, (ii) Immunotech shall remain obligated at all times under this Agreement without regard to whether it has sublicensed its rights or whether Immunotech's sublicensee has performed; (iii) such sublicense shall name The Zhabilov Trust as a third party beneficiary with royalty of such sublicense, and (iv) any such sublicenses granted by Immunotech shall contain provisions providing for its termination or assignment to The Zhabilov Trust, at the option of The Zhabilov Trust, of Immunotech's interest therein upon termination of this Agreement, and shall further contain provisions which obligate such sublicensee to comply with such terms, conditions, agreements and obligations that are consistent with the terms, conditions, agreements and obligations to which Immunotech is subject under this Agreement.

2.5 [illegible] Such written notice shall include sufficient detailed

[illegible] information concerning the Reversion Product as The Zhabilov Trust may reasonably require to evaluate the value of such Reversion Product. Within thirty (30) days after receiving Immunotech's notice of the Reversion Product, The Zhabilov Trust shall notify Immunotech whether it is interested in negotiating with Immunotech the terms under which The Zhabilov Trust shall obtain a license from Immunotech to research, develop and commercialize Reversion Products as provided herein. If The Zhabilov Trust provides such notice, the Parties shall negotiate exclusively and in good faith for a period of up to [illegible] days after Immunotech receives The Zhabilov Trust's notice [illegible] the terms of an agreement under which Immunotech [illegible] to The Zhabilov Trust [illegible] an exclusive, royalty-bearing, sublicensable license, under Immunotech Know How and Immunotech Patents relating to such Reversion Product, to research, develop, make, have made, use, import, offer for sale, sell and otherwise commercialize such Reversion Product within the Reversion Field within the Reversion Territory, and which agreement [illegible] commercially reasonable [illegible] relevant regulatory [illegible] The Zhabilov Trust. [illegible] shall have [illegible] with respect to such Reversion Product. If either The Zhabilov Trust does not respond to Immunotech's notice of intent to license the Reversion Product within thirty (30) days of The Zhabilov Trust's receipt thereof, or The Zhabilov Trust and Immunotech fail to agree upon the terms of a license under [illegible] the Reversion Product during the Negotiation Period, [illegible] Reversion Product by itself or through its Affiliates or third parties, without further obligation to The Zhabilov Trust.

SECTION 3

TERM OF AGREEMENT; TERMINATION

3.1 Termination for Breach. Each Party shall have the right to terminate this Agreement and its obligations hereunder for material breach by the other Party, which breach remains uncured for sixty (60) days after written notice is provided to the breaching Party.

3.2 Termination in Event of Patent Challenge. The Zhabilov Trust shall have the right to terminate this Agreement if Immunotech challenges the validity of the Licensed Patents within any country in the Territory, effective thirty (30) days after Immunotech's receipt of written notice of such termination by The Zhabilov Trust.

3.3 Termination in Event Immunotech does not cover any expenses and or fees connected to the patent application, related to IPF specific to the HIV/AIDS treatment ONLY outside the US

3.4 Reversion of Product Rights.

(a) Termination of Agreement. In the event that this Agreement is terminated pursuant to Sections 4.1 or 4.2 above, other than for The Zhabilov Trust's material breach of this Agreement, the License shall terminate immediately upon such termination.

(b) Loss of License Rights in Country. In the event that Immunotech permanently loses its right to use and sell Products in any country other than by reason of any

action or failure to act on the part of The Zhabilov Trust or any party acting on behalf of The Zhabilov Trust, the License shall terminate with respect to such country

(c) Transfer of Rights With respect to any and all countries in which Immunotech's license rights are terminated shall automatically be removed from the Territory; (ii) Immunotech hereby grants to The Zhabilov Trust an exclusive, freely sublicensable license under the Immunotech Rights, which license shall be royalty-free and paid-up, to make, have made, use, import, offer for sale, sell and otherwise research, develop and commercialize formulations of the IPF in such countries, and The Zhabilov Trust covenants not to practice such license until the actual termination of Immunotech's license rightsas to such countries pursuant to Sections 4 3(a) or (b), (iii) Immunotech shall assign all of its right, title and interest in and to, and shall cooperate in the transfer of all of, the following related to Products to the extent that Immunotech Controlled such during the term of this Agreement (A) INDs and Regulatory Approvals, (B) all pre-clinical and clinical development protocols,data, and reports and other information and data (with any clinical data to be in computer-readable format, where available, and otherwise in printed format, with no obligation of Immunotech to convert to electronic format any portion of such clinical data that currently is available only in printed format), (C) manufacturing development technical reports, (D) toxicology reports, and (E) such other information and data specifically identified in Exhibit B or of such type (the preceding (A), (B), (C), (D) and (E) constituting the "Updated Product Data Package"), (iv) Immunotech shall deliver to The Zhabilov Trust copies of all information, records and data that it Controls that are reasonably necessary for the research, development and commercialization of Products, including without limitation all clinical data relating to Products, forward to The Zhabilov Trust samples of all chemical and biological materials acquired, made, cloned, synthesized, first discovered or collected as a result of research development or commercialization of Products and reasonable necessary to continue the research, development and commercialization of Products, and take such other actions and execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights and materials hereunder to The Zhabilov Trust, and (v) Immunotech shall provide assistance reasonably requested by The Zhabilov Trust or a period of ninety (90) days following the date of notice of termination to facilitate the exercise of the license granted to The Zhabilov Trust in Section 3.3(c)(i).

SECTION 4
REPRESENTATIONS AND WARRANTIES

4.1 Corporate Existence and Power As of the Effective Date, each Party represents and warrants to the other that it (a) Immunotech is a corporation duly organized, validly existing and in good standing under the laws of the state in which it is incorporated, and (b) has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including, without limitation, the right to grant the licenses granted hereunder

4.2 Authority and Binding Agreement. As of the Effective Date, each Party represents and warrants to the other that (a) Immunotech has the corporate power and both Immunotech an The Zhabilov Trust have authority and the legal right to enter into this Agreement and perform its obligations hereunder, (b) has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder, and (c) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid and binding obligation of such Party and is enforceable against it in accordance
with its terms

4.3 Title As of the Effective Date, each Party represents and warrants to the other that it has sufficient legal and/or beneficial title under its intellectual property rights necessary to perform

activities contemplated under this Agreement and to grant the licenses contained in this Agreement and other ownership rights conveyed pursuant to this Agreement

4.5.4 No Conflict. Each Party represents and warrants to the other that it has not entered and will not enter, into any agreement with any Third Party which is in conflict with the rights granted to the other Party under this Agreement, and has not taken and will not take any action that would in any way prevent it from granting the rights granted to the other Party under this Agreement, or that would otherwise materially conflict with or adversely affect the rights granted to the other Party under this Agreement.

4.5 No Approvals or Consents Required. Each Party represents and warrants to the other that all necessary consents, approvals and authorizations of all governmental authorities and other persons or entities required to be obtained by such Party in order to enter into this Agreement have been obtained

4.6 Patents. The Zhabilov Trust represents and warrants to Immunotech that in Exhibit D, Zhabilov has in good faith supplied a complete list of the Patents it Controls as of the Effective Date, that, but for the grant of the License, would be infringed by the manufacture, use or sale of Products in the Field. If Immunotech reasonably determines that any Patent Controlled by The Zhabilov Trust or any Affiliate of The Zhabilov Trust as of the Effective Date should be added to Exhibit D because Immunotech's manufacture, use or sale of Products would infringe such Patent, then there shall be no deemed breach of The Zhabilov Trust's representations and warranties in this Section 5.6 until after the parties negotiate in good faith regarding the addition of any such Patent to Exhibit D without any additional financial obligation and are unable to reach agreement on such addition of such Patent

4.7 No Conflict. Each Party represents and warrants to the other that the execution and delivery of the Agreement by such Party and the performance of such Party's obligations hereunder (a) do not conflict with or violate any requirement of applicable law or regulation or any provision of articles of incorporation or bylaws of such Party in any material way, and (b) do not conflict with, violate or breach or constitute a default or require any consent under, any contractual obligation or court or administrative order by which such Party is bound

4.8 Regulatory Documents.The Zhabilov Trust represents and warrants to Immunotech that

(a) The Zhabilov Trust has furnished Immunotech with access to a complete copy of the United States Regulatory Documents for the Product, including all material amendments and supplements thereto.

(b) the Regulatory Documents have been accepted by, and Zhabilov has received no notice that the Regulatory Documents are not in good standing with, the relevant Regulatory Authorities,

(c) to its knowledge, The Zhabilov Trust has filed with the relevant Regulatory Authorities all required notices, supplemental applications and annual or other reports, including adverse experience reports, with respect to the Regulatory Documents which are material,

(d) The Zhabilov Trust has received no written notice of any regulatory action by the relevant Regulatory Authorities which may reasonably be expected to have a material adverse effect on the ability of a Party to obtain Regulatory Approval for Products based upon the Regulatory Documents

4.9 Manufacturing Information The Zhabilov Trust represents and warrants that, it has delivered or shall by the Delivery Date deliver to Immunotech all of the Necessary Licensing Information

4.10 Implied Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 6, THE ZHABILOV TRUST MAKES NO REPRESENTATION OR WARRANTY AS TO THE PATENTS, LICENSED PATENTS, KNOW-HOW, THE TRANSFERRED ASSETS, PRODUCTS, IPF, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR OTHERWISE, AND ZHABILOV SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED OR STATUTORY WARRANTIES. Without limiting the foregoing, Immunotech acknowledges that it has not and is not relying upon any implied warranty, including without limitation implied warranties of merchantability, fitness for a particular purpose, non-infringement of third party rights, or upon any representation or warranty whatsoever as to the prospects (financial, regulatory or otherwise), or the validity or likelihood of success, of any Product after the Effective Date.

SECTION 5
ADDITIONAL COVENANTS AND AGREEMENTS OF THE PARTIES

5.1 Compliance with Law. Immunotech shall comply with all supranational, national, federal, state, provincial and other local laws and regulations applicable to Immunotech's manufacture, use, development, marketing and sale of the Product. Without limiting the generality of the foregoing sentence, Immunotech shall not promote the Product in any manner in conflict with any applicable laws or regulations.

5.2 Proprietary Information; Exceptions. Each Party will maintain all Proprietary Information received by it under this Agreement in trust and confidence and will not disclose any such Proprietary Information to any Third Party or use any such Proprietary Information for any purposes other than those necessary or permitted for performance under this Agreement. In particular, Immunotech shall not use any Know How for the manufacture or sale of any product other than a Product in the Field. Each Party may use such Proprietary Information only to the extent required to accomplish the purposes of this Agreement. Proprietary Information shall not be used for any purpose or in any manner that would constitute a violation of any laws or regulations, including without limitation the export control laws of the United States. Proprietary Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement. No Proprietary Information shall be disclosed to any employee, agent, consultant, Affiliate, or sublicensee who does not have a need for such information. To the extent that disclosure is authorized by this Agreement, the disclosing Party will obtain prior agreement, from its employees, directors, agents, consultants, Affiliates, sublicensees or clinical investigators to whom disclosure is permitted to be made, to obligations to hold in confidence and not make use of such information for any purpose other than those permitted by this Agreement, that are at least as restrictive as those of this Section 6.3. Each Party will use at least the same standard of care as it uses to protect its own Proprietary Information of a similar nature to ensure that such employees, agents, consultants and clinical investigators do not disclose or make any unauthorized use of such Proprietary Information, but no less than reasonable care. Each Party will notify the other within two (2) Business Days upon discovery of any unauthorized use or disclosure of the Proprietary Information.

Proprietary Information shall not include any information which, as shown by competent proof,

(a) is now, or hereafter becomes, through no act or failure to act on the part of the receiving Party, its employees or contractors in breach hereof, generally known or available,

(b) is known by the receiving Party at the time of receiving such information, as evidenced by its contemporaneous written records;

(c) is hereafter furnished to the receiving Party by a Third Party, as a matter of right and without restriction on disclosure;

(d) is independently developed by the receiving Party without any breach of this Agreement, as shown by independent, contemporaneous, written records; or

(e) is the subject of a prior, express, written permission to disclose provided by the disclosing Party

Notwithstanding any other provision of this Section 6.3 (i) the Parties agree that they shall issue a press release in the form attached hereto as Exhibit F, and (ii) either Party may disclose such terms to bona fide potential corporate partners, to the extent required or contemplated by this Agreement and to financial underwriters and other Third Parties with a need to know such information, provided that all such disclosures shall be made only to such Third Parties under an obligation of confidentiality and appropriately limited use

The obligations of confidentiality, nondisclosure and nonuse contained in this Section 6.3 shall survive any expiration or termination of this agreement for a period of five (5) years.

6.3 Authorized Disclosure. Notwithstanding any other provision of this Agreement, each Party may disclose Proprietary Information if such disclosure

(a) is in response to a valid order of a court or other governmental body of the United States or a foreign country, or any political subdivision thereof; provided, however, that the receiving Party shall first have given notice to the other Party hereto and shall have made a reasonable effort to obtain a protective order requiring that the Proprietary Information so disclosed be used only for the purposes for which the order was issued;

(b) is otherwise required by governmental law, rule or regulation, including without limitation rules or regulations of the U.S. Securities and Exchange Commission, or by rules of the National Association of Securities Dealers; or

(c) is otherwise necessary to file or prosecute patent applications, prosecute or defend litigation or comply with applicable governmental regulations or otherwise establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary. Under no circumstances will Immunotech disclose publicly proprietary features of The Zhabilov Trust manufacturing technology for IPF; provided, however, that The Zhabilov Trust shall cooperate with Immunotech to disclose such information to the extent required to provide Immunotech with reasonable protection from liability by reason of this prohibition on disclosure.

6.4 Return of Proprietary Information. In the event that the License terminates or expires, Immunotech shall promptly return all Proprietary Information received by it from The Zhabilov Trust

6.5 Expenses. The Zhabilov Trust and Immunotech shall each bear their own direct and indirect expenses incurred in connection with the negotiation and preparation of this Agreement and, except as set forth in this Agreement, the performance of the obligations contemplated hereby.

6.6 Efforts

(a) Immunotech shall use Reasonable Diligence to develop, obtain Regulatory Approval for, and commercialize Product(s) in the Territory and shall be solely responsible for all related development, regulatory and commercialization efforts and costs; provided, however, with respect to countries in the Territory that are not Major Countries (such countries, "Non-Major Countries"), Immunotech shall have the right to determine, on a country by country basis using its reasonable discretion not to pursue Regulatory Approval in such Non-Major Country because commercialization of the Product is not economically feasible for Immunotech. Immunotech shall provide The Zhabilov Trust with written notice of all decisions by Immunotech to not pursue development, Regulatory Approval or commercialization in a country in the Territory for a Product in the Field for any reason within thirty (30) days of such decision.

(b) In the event Immunotech or its sublicensees fail to undertake Reasonable Diligence in developing, obtaining Regulatory Approval or, and/or commercializing Products in one or more Major Countries in the Territory, such failure shall (i) automatically cause the License to terminate with respect to such Major Country(ies), and (ii) shall entitle The Zhabilov Trust to terminate this Agreement for material breach if there have been such failures of diligence applying to four (4) or more Major Countries provided in each case that Immunotech (or its sublicensee) does not cure such failure within ninety (90) days of written notice from The Zhabilov Trust specifying its belief that such failure has occurred and the reasons therefore. The Zhabilov Trust shall not be entitled to exercise the foregoing termination rights if Immunotech reasonably disputes The Zhabilov Trust's contention that Immunotech has failed in such Reasonable Diligence until after the Parties have first completed dispute resolution procedures set forth below.

(c) Immunotech's Responsibilities. Immunotech shall be responsible, at its sole expense, for all development of, regulatory activities relating to, and commercialization of Products in the Territory beginning on the Effective Date, including performing clinical development of Products within the Territory using standard pharmaceutical industry practices, and making all regulatory filings necessary to obtain Regulatory Approvals of Products in the Territory. Within thirty (30) days of the Effective Date, Immunotech shall provide to The Zhabilov Trust a formal clinical development plan for Products in the Field in the Territory (the "Development Plan"), pursuant to which Immunotech will carry out development of Products under this Agreement, which shall be reasonably satisfactory to The Zhabilov Trust. The Development Plan shall be subject to amendment by Immunotech from time to time, with notice and copy of such amended Development Plan to The Zhabilov Trust; provided, however, (i) The Zhabilov Trust shall have the right to review such proposed amendment prior to its adoption, (ii) Immunotech shall in good faith consider any reasonable comments and considerations raised by The Zhabilov Trust within five (5) Business Days of The Zhabilov Trust's receipt of such proposed amendment, and (iii) such proposed amendment is consistent with Immunotech's obligations of Reasonable Diligence pursuant to Sections 6.7(a) and (b).

(d) Regulatory Filings and Matters. Immunotech will file such regulatory filings as may be necessary to obtain Regulatory Approvals of Products within the Territory. Immunotech will be responsible for all communications with all supranational, regional, federal, state, provincial or other local regulatory agencies, department, bureaus and other governmental authorities with jurisdiction over Regulatory Approvals in connection with such filings. Immunotech will keep The Zhabilov Trust informed of the status of such filings in each country, and will provide The Zhabilov Trust with at least sixty (60) days advance notice of the final submission of an application for Regulatory Approval in any country of the Territory. Immunotech will promptly advise The Zhabilov Trust each time that it obtains Regulatory Approval of Products in a country of the Territory. Immunotech shall be responsible for the reporting of adverse events related to the use of Products marketed by Immunotech, its Affiliates or sublicensees in the Territory.

(e) Reporting; Meetings. Prior to February 1, May 1, August 1 and November 1 of each Calendar Year, Immunotech will submit to The Zhabilov Trust, written reports summarizing

the status and progress of the clinical development, marketing and commercialization efforts for each Product in sufficient detail so as to allow The Zhabilov Trust to monitor Immunotech's compliance with Section 6 7(a) During March and September of each Calendar Year senior executive and scientific personnel of Immunotech will meet with The Zhabilov Trust representatives to report on the status of development and commercialization of Products and to consult as to modifications in the development plan referenced herein.

5 7 Pricing Immunotech shall determine, in its sole discretion, the pricing, discounting policy and other commercial terms relating solely to Products Immunotech agrees that Immunotech, its Affiliates and its sublicensees shall not subject the selling price of Products to abnormal discounts taken against Products in order to achieve sales of other products.

5 8 Export Control This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States of America or other countries which may be imposed upon or related to The Zhabilov Trust or Immunotech from time to time Each Party agrees that it will not export directly or indirectly any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity

5 9 Inability to Develop or Commercialize Immunotech represents that it has, and covenants that it will maintain adequate resources and expertise to fulfill its obligations under this Agreement During the term of this Agreement, Immunotech shall provide such information that The Zhabilov Trust may request that is reasonably necessary for The Zhabilov Trust to verify that Immunotech has adequate resources and expertise to fulfill its obligations under this Section

5 10 Compliance with Laws, Cooperation, Maintenance of Original Documents

(a) Each Party shall carry out its activities pursuant to this Agreement in compliance with all applicable supranational, national, state, provincial and local laws, rules, regulations and guidances

(b) The Zhabilov Trust and Immunotech each agree to use all commercially reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done, all things necessary or proper to make effective the transactions contemplated by this Agreement, including such actions as may be reasonably necessary to obtain approvals and consents of governmental Persons and other Persons (including, without limitation, all applicable drug listing and notifications to the relevant Regulatory Authority identifying Immunotech as the licensee of the Product), in each case as reasonably necessary to allow Immunotech to develop, obtain Regulatory Approvals for, and commercialize Products as provided in this Agreement provided that no Party shall be required in connection with such activities to (1) make any payment (other than as expressly required pursuant to this Agreement), or (2) assume any other material obligation not otherwise required to be assumed by this Agreement.

(c) For so long as Immunotech, its Affiliates or sublicensees is making, using or selling Products, The Zhabilov Trust shall store and maintain all original Manufacturing Information in a secure location in accordance with practices customary for The Zhabilov Trust and the pharmaceutical industry for regulatory documents and in compliance with applicable laws and regulations, and, upon proper notice from a Regulatory Authority of competent jurisdiction over Products, shall make such Manufacturing Information reasonably available to such Regulatory Authority

(d) Immunotech shall store and maintain all original Updated Product Data Package in a secure location in accordance with practices customary for Immunotech and the

pharmaceutical industry for regulatory documents and in compliance with applicable laws and regulations.

5.11 Cooperation. If either Party shall become engaged in or participate in any investigation, claim, litigation or other proceeding with any Third Party, including any proceeding before a Regulatory Authority, relating in any way to the Product or any of the Licensed Patents the other Party shall cooperate in all reasonable respects with such Party in connection therewith, including, without limitation, using its reasonable efforts to make available to the other Party such Party's employees who may be helpful with respect to such investigation, claim, litigation or other proceeding, provided that, for purposes of this provision, reasonable efforts to make available any employee shall be deemed to mean providing a Party with reasonable access to any such employee at no cost for a period of time not to exceed 24 hours (e.g., three 8-hour Business Days). Thereafter, any such employee shall be made available for such time and upon such terms and conditions (including, but not limited to, compensation) as the Parties may mutually agree.

5.12 Exclusive Rights. The licenses granted under this Agreement to Immunotech are exclusive, and no Person, including without limitation The Zhabilov Trust, shall have any right with respect to such licenses during the term of this Agreement, except as otherwise permitted under this Agreement. Except as otherwise permitted by this Agreement, The Zhabilov Trust shall refrain from granting any right to any Third Party relating to IPF, the Licensed Patents or the Transferred Assets that would, in any manner, violate the terms of or conflict with the rights granted to Immunotech pursuant to this Agreement.

5.13 Patent Prosecution and Maintenance.

(a) Prosecution of Patents. Licensed Patents shall be prosecuted and maintained in the Territory by The Zhabilov Trust using diligent efforts, at Zhabilov's expense, except as otherwise provided in this Section. If The Zhabilov Trust reasonably determines that it has no material or commercially useful application for a Licensed Patent, then Immunotech shall have the right to have The Zhabilov Trust prosecute and maintain such Licensed Patents or file for such patent term extension therefore at Immunotech's sole expense. Immunotech shall bear all reasonable costs of any inter parties patent proceeding, including without limitation oppositions, interferences or contested re-examinations, which proceeding shall be conducted under the control of The Zhabilov Trust.

(b) Immunotech shall assist The Zhabilov Trust in obtaining patent extensions and supplementary protection certificates, and provide such other assistance as reasonably requested by The Zhabilov Trust in connection with the prosecution and maintenance of the Licensed Patents in any part of the Territory at Immunotech's sole expense.

5.14 Infringement of Licensed Patents.

(a) Notice. Each Party shall promptly notify the other in writing of any alleged infringement by Third Parties of any Licensed Patent within the Territory and provide any information available to that Party relating to such alleged infringement or misappropriation. Immunotech shall have no rights with respect to any infringement of Licensed Patents that occurs outside of the Field and/or outside the Territory except the right to receive notice pursuant to this Section.

(b) Enforcement of Licensed Patents against Competitive Products. If any Licensed Patent is infringed by a Third Party in connection with the manufacture, use, sale, offer for sale or import of a Competitive Product within the Field and within the Territory ("Competitive Product Infringement"), Immunotech shall have the primary right, but not the obligation, to initiate, prosecute and control any action with respect to such infringement in the Territory, by counsel of its own choice, to secure the cessation of the infringement or to enter suit against the infringer

The Zhabilov Trust shall have the right to participate in any such action with respect to the Licensed Patents and to be represented by counsel of its own choice. If Immunotech fails to bring an action or proceeding to enforce a Licensed Patent within a period of one hundred twenty (120) days after having knowledge of infringement of such Licensed Patent, then The Zhabilov Trust shall have the right to bring and control any such action by counsel of its own choice, and Immunotech shall have the right to participate in such action and be represented by counsel of its own choice. If a Party brings any such action or proceeding under this Section, the other Party agrees to be joined as a party plaintiff and to give the first Party reasonable assistance and authority to control, file and prosecute the suit as necessary. The costs and expenses of the Party bringing suit under this Section (including the internal costs and expenses specifically attributable to such suit) shall be reimbursed first out of any damages or other monetary awards recovered in favor of the Parties, and any remaining damages shall be treated as Net Sales of Immunotech in its Territory if Immunotech controlled the action or allocated between the parties in accordance with their economic interest in the profitability of Products if The Zhabilov Trust controlled the action. No settlement or consent judgment or other voluntary final disposition of a suit under this Section relating to a Licensed Patent may be entered into without the consent of The Zhabilov Trust, not to be unreasonably withheld.

(c) Enforcement of Licensed Patents against Non-Competitive Products. With respect to any infringement of Licensed Patents within the Field and within the Territory that is not a Competitive Product Infringement, The Zhabilov Trust shall have the primary right, but not the obligation, to initiate, prosecute and control any action with respect to such infringement, by counsel of its own choice, to secure the cessation of the infringement or to enter suit against the infringer and shall be the "Lead Party" and Immunotech shall be the "Secondary Party". The Secondary Party shall have the right to participate in any such action with respect to its Patents and to be represented by counsel of its own choice. If the Lead Party fails to bring an action or proceeding to enforce a Licensed Patent within a period of one hundred twenty (120) days after having knowledge of infringement of such Licensed Patent, then the Secondary Party shall have the right to bring and control any such action by counsel of its own choice, and the Lead Party shall have the right to participate in such action and be represented by counsel of its own choice. If a Party brings any such action or proceeding hereunder, the other Party agrees to be joined as a party plaintiff and to give the first Party reasonable assistance and authority to control, file and prosecute the suit as necessary. The costs and expenses of the Party bringing suit under this Section (including the internal costs and expenses specifically attributable to such suit) shall be reimbursed first out of any damages or other monetary awards recovered in favor of the Parties, and any remaining damages shall be paid to The Zhabilov Trust if it controlled the action, or paid to each Party in proportion to their expenditures in such action, if Immunotech controlled the action. No settlement or consent judgment or other voluntary final disposition of a suit under this Section relating to a Licensed Patent may be entered into without the consent of The Zhabilov Trust, not to be unreasonably withheld.

A-6

5.18 Infringement of Third Party's Rights

(a) If the practice of the Licensed Patents through the manufacture, use or sale of Products by Immunotech, its Affiliates or sublicensees results in a claim for patent infringement against Immunotech, its Affiliates or sublicensees, the Party to this Agreement first having notice of that claim shall promptly notify the other Party in writing. The notice shall set forth the facts of the claim in reasonable detail.

(b) If a Third Party asserts that a patent or other right owned by or licensed to it is infringed by the practice of the Licensed Patents through the manufacture, use or sale of Products by Immunotech, its Affiliates or sublicensees pursuant to the License, Immunotech may attempt to resolve the problem raised by the asserted infringement. The matter shall be deemed resolved if Immunotech obtains: (a) a license permitting Immunotech to manufacture, use and sell Products in that country on a royalty-free or royalty-bearing basis; (b) a statement or representation from the Third Party that: (1) no action will be taken against Immunotech, its

Affiliates or its sublicensees, or (2) that the patent or other right is not infringed by the manufacture, use or sale of Products by Immunotech, its Affiliates or its sublicensees, or (c) a final judgment by a court of competent jurisdiction from which no appeal has or can be taken that the Third Party's patent(s) alleged to be infringed is invalid, or the Third Party's patent(s) or other right(s) are unenforceable or not infringed by the manufacture, use or sale of Products by Immunotech its Affiliates or sublicensees Immunotech shall have the primary right to defend any such claim. The Zhabilov Trust shall have the right, but not the obligation, to participate in any such suit at its sole option and at its own expense. Each Party shall reasonably cooperate with the Party conducting the defense of the claim. Neither Party shall enter into any settlement that affects the other Party's rights or interests without such other Party's prior written consent, not to be unreasonably withheld. If Immunotech makes a payment to any Third Party in the course of defending or settling any claim brought by a Third Party pursuant to this Section 6 16, Immunotech shall be entitled to offset a percentage of all such amounts against any royalties due

5 16 Manufacturing

(a) Immunotech shall be solely responsible for the manufacture of Product following the Effective Date, including without limitation for clinical trials and commercialization

(b) The Parties shall enter into an agreement dated as of the Effective Date (the "Manufacturing Agreement") obligating the Parties to enter into a clinical supply agreement providing for the fill and finish of sufficient quantities of Product Inventory to complete a Phase Ib trial investigating the use of IPF for the specific and only and limited to the treatment of HIV/AIDS indication

5 17 Use of Names, Logos or Symbols No Party hereto shall use the name, trademarks, logos, physical likeness, employee names or owner symbol of the other Party hereto for any purpose, including, without limitation, in connection with any private or public securities placements, without the prior written consent of the affected Party, such consent not to be unreasonably withheld or delayed so long as such use of name is limited to objective statements of fact, rather than for endorsement purposes. Nothing contained herein shall be construed as granting either Party any rights or license to use any of the other Party's trademarks or trade names without separate, express written permission of the owner of such trademark or trade name

SECTION 7
INDEMNIFICATION

6 1 Indemnification.

(a) The Zhabilov Trust shall indemnify, defend and hold Immunotech (and its directors, officers, employees, consultants, Affiliates and sublicensees) (each, an "Immunotech Indemnitee") harmless from and against any and all Damages incurred or suffered by an Immunotech Indemnitee as a result of Third Party claims, actions or proceedings (collectively, "Immunotech Claims") to the extent such Immunotech Claims are a consequence of:

(1) the breach or alleged breach of any representation or warranty by Habilov hereunder, or

(2) the negligence or misconduct of The Zhabilov Trust in connection with its activities under this Agreement, except to the extent such Immunotech Claims are a consequence any of the items in Sections 6.1(b)(1), (2) or (3)

(b) Immunotech shall indemnify, defend and hold The Zhabilov Trust (and its directors, officers, employees, consultants and Affiliates) (each, a "Zhabilov Indemnitee") harmless from and against any and all Damages incurred or suffered by a Zhabilov Indemnitee as

a result of Third Party claims, actions or proceedings (collectively, "Zhabilov Claims") to the extent such Zhabilov Claims are a consequence of:

(1) the breach or alleged breach of any representation or warranty by Immunotech hereunder;

(2) the negligence or willful misconduct of Immunotech in connection with its activities under this Agreement,

(3) the possession, research, development, manufacture, use, offer for sale, sale, administration, storage or transport of IPF or Products by Immunotech or its Affiliates or sublicensees, except to the extent such Zhabilov Claims are a consequence any of the items in Sections 6 1(a)(1) or (2)

6.2 Mechanics. If a Party or its Affiliate has a right to be indemnified under this Section 6 (the "Indemnified Party"), such Party or Affiliate (i) shall give prompt notice of such Immunotech Claim or Zhabilov Claim, as the case may be (as applicable, a "Claim"), to the other Party (the "Indemnifying Party") and (ii) subject to Sections 6.15 and 6.16 of this Agreement, will have the first right to defend any Claims for which it is entitled to indemnification from the other Party under Section 6.1, with the cooperation and at the expense of such other Party, provided that it will not settle any such Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. If the Indemnified Party is defending a Claim, the Indemnifying Party shall have the right to be present in person or through counsel at substantive legal proceedings. In the event that the Parties cannot agree as to the application of Section 6.1 to any Damages or Claim, the Parties may conduct separate defenses of such claim. Each Party further reserves the right to claim indemnity from the other in accordance with Section 6.1 upon resolution of the underlying claim

6.3 Insurance Coverage. Each Party represents and warrants that it is covered and will continue to be covered by a comprehensive general liability insurance program which covers all of each Party's activities and obligations hereunder in accordance with reasonable pharmaceutical industry standards. Each Party will provide the other Party with written notice at least fifteen (15) days prior to any cancellation or material change in such insurance program. Each Party will maintain such insurance program, or other program with comparable coverage, beyond the expiration or termination of this Agreement during the period in which any Product is being commercially distributed or sold, and for a commercially reasonable period thereafter

6.4 Indemnification Payment Adjustments. The amount of any Damages for which indemnification is provided under this Section 6 shall be reduced to take account of any net tax benefit and shall be increased to take account of any net tax detriment arising from the incurrence or payment of any such Damages or from the receipt of any such indemnification payment and shall be reduced by the insurance proceeds received and any other amount recovered, if any, by the Indemnified Party with respect to any Damages, provided, however, that an Indemnified Party shall not be subject to an obligation to pursue an insurance claim relating to any Damages for which indemnification is sought hereunder. If any Indemnified Party shall have received any payment pursuant to this Section 6 with respect to any Damages and shall subsequently have received insurance proceeds or other amounts with respect to such Damages, then such Indemnified Party shall pay to the Indemnifying Party an amount equal to the difference (if any) between (1) the sum of the amount of those insurance proceeds or other amounts received and the amount of the payment by such Indemnifying Party pursuant to this Section 6 with respect to such Damages and (2) the amount necessary to fully and completely indemnify and hold harmless such Indemnified Party from and against such Damages; provided, however, in no event will such Indemnified Party have any obligation pursuant to this sentence to pay to such Indemnifying Party an amount greater than the amount of the payment by such Indemnifying Party pursuant to this Section 6 with respect to such Damages.

6 5 Indemnification Payment Upon the final determination of liability and the amount of the indemnification payment under this Section 6, the appropriate Party shall pay to the other in immediately available funds, within thirty (30) Business Days after such determination the amount of any claim for indemnification made hereunder.

6 6 Survival. The provisions of this Section 6 shall survive any termination of this Agreement with respect to actions of the Parties during the term of the Agreement or the term of any license to Immunotech, whichever occurs later Each Indemnified Party's rights under this Section 6 shall not be deemed to have been waived or otherwise affected by such Indemnified Party's waiver of the breach of any representation, warranty, agreement or covenant contained in or made pursuant to this Agreement, unless such waiver expressly and in writing also waives any or all of the Indemnified Party's right under Section 7

SECTION 7
MISCELLANEOUS

71 Successors and Assigns This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns; provided, however that neither The Zhabilov Trust nor Immunotech may assign any of its rights, duties or obligations hereunder without the prior written consent of the other, which consent may be withheld in the other's sole discretion, except that no prior written consent shall be required in the event that a Third Party acquires substantially all of the assets or outstanding shares of, or merges with, Immunotech or The Zhabilov Trust, as the case may be. No assignment of this Agreement or of any rights hereunder shall relieve the assigning Party of any of its obligations or liability hereunder Any attempted assignment not in compliance with this Section 7.1 shall be of no force or effect.

7 2 Notices All notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand prepaid telex, cable, telegram or facsimile and confirmed in writing, or mailed first class, postage prepaid, by registered or certified mail, return receipt requested (mailed notices and notices sent by telex, cable or telegram shall be deemed to have been given on the date received) as follows

If to The Zhabilov Trust, as follows

Harry Zhabilov
2210 Ashbourne Dr.
San Marino, CA, 91108

If to Immunotech Laboratories Inc , as follows

Immunotech Laboratories Inc
116 W Stocker Street
Glendale, CA, 91202

or in any case to such other address or addresses as hereafter shall be furnished as provided in this Section 7.2 by any Party hereto to the other Party

73 Waiver, Remedies. Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party No delay on the part of The Zhabilov Trust or Immunotech in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either The Zhabilov Trust or Immunotech of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any

right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder

7.4 Survival of Representations. Each of the representations and warranties made in this Agreement shall survive the expiration or termination of this Agreement only with respect to activities conducted or events occurring prior to the expiration or termination of the Agreement

7.5 Entire Agreement. This Agreement, together with all exhibits hereto and the Warrant Agreement and the Manufacturing Agreement, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings of the Parties relating thereto.

7.6 Amendment. This Agreement may be modified or amended only by written agreement of the Parties hereto.

7.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument

7.8 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California, excluding its choice of law rules, except for the application of the Federal Arbitration Act pursuant to Section 7.9(c)(ii)

7.9 Dispute Resolution.

(a) The Parties recognize that disputes as to certain matters may from time to time arise during the term of this Agreement which relate to either party's rights and/or obligations hereunder or thereunder. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Section 7.9 if and when a dispute arises under this Agreement. In the event of disputes between the Parties, a Party seeking to resolve such dispute will, by written notice to the other Party, have such dispute referred to their respective executive officers designated below or their successors, for attempted resolution by good faith negotiations within fourteen (14) days after such notice is received. Said designated officers are as follows

For Immunotech: Chairman of the Board of Directors
For The Zhabilov Trust: Trustee

In the event the designated executive officers are not able to resolve such dispute, either party may at any time after the 14 day period invoke the provisions of Section 7.9(b) hereinafter.

(b) Following settlement efforts pursuant to Section 7.9(a), any dispute controversy or claim arising out of or relating to the validity, construction, enforceability or performance of this Agreement, including disputes relating to alleged breach or to termination of this Agreement, other than disputes which are expressly prohibited herein from being resolved by this mechanism, shall be settled by binding Alternative Dispute Resolution ("ADR") in the manner described below

(i) If a party intends to begin an ADR to resolve a dispute, such party shall provide written notice (the "ADR Request") to counsel for the other party informing such other party of such intention and the issues to be resolved.

(ii) Within ten (10) business days after the receipt of the ADR Request, the other party may, by written notice to the counsel for the party initiating ADR, add additional issues to be resolved

(iii) Disputes regarding the scope, validity and enforceability of Patents shall not be subject to this Section 7.9, except for Section 7.9(a), and shall be submitted to a court of competent jurisdiction.

(c) The ADR shall be conducted pursuant to Comprehensive Rules for Commercial, Real Estate and Construction Disputes then in effect except that notwithstanding those rules, the following provisions shall apply to the ADR hereunder

(i) The arbitration shall be conducted by a panel of three arbitrators (the "Panel") The Panel shall be selected from a pool of retired independent federal judges to be presented to the Parties by JAMS.

(ii) The time periods set forth in the JAMS rules shall be followed unless a party can demonstrate to the Panel that the complexity of the issues or other reasons warrant the extension of one or more of the time tables. In such case, the Panel may extend such time tables but in no event shall the time tables being extended so that the ADR proceeding extends more than 18 months from its beginning to the Award. In regard to such time tables the Parties (i) acknowledge that the issues that may arise in any dispute involving this Agreement may involve a number of complex matters and (ii) confirm their intention that each party will have the opportunity to conduct complete discovery with respect to all material issues involved in a dispute within the framework provided above Within such time frames, each party shall have the right to conduct discovery in accordance with the Federal Rules of Civil Procedure The Panel shall not award punitive damages to either party and the Parties shall be deemed to have waived any right to such damages The Panel shall, in rendering its decision, apply the substantive law of the State of California, without regard to its conflict of laws provisions, except that the interpretation and enforcement of this Section 8.9(c)(ii) shall be governed by the Federal Arbitration Act The Panel shall apply the Federal Rules of Evidence to the hearing. The proceeding shall take place in San Francisco San Mateo or Santa Clara Counties, California. The fees of the Panels and JAMS shall be paid by the losing Party which shall be designated by the Panel If the Panel is unable to designate a losing party, it shall so state and the fees shall be split equally between the Parties.

(iii) The Panel is empowered to award any remedy allowed by law, including money damages (multiple damages, prejudgment interest and attorneys' fee, and to grant final complete, interim or interlocutory relief, including injunctive relief but excluding punitive damages

A-6

(iv) Except as set forth in Section 8 9(c)(ii), above, each party shall bear its own legal fees The Panel shall assess its costs, fees and expenses against the party losing the ADR unless it believes that neither party is the clear loser in which case the Panel shall divide such fees, costs and expenses according to the Panel's sole discretion

(v) The ADR proceeding shall be confidential and the Panel shall issue appropriate protective orders to safeguard each party's Proprietary Information Except as required by law, no party shall make (or instruct the Panel to make) any public announcement with respect to the proceedings or decision of the Panel without prior written consent of each other party The existence of any dispute submitted to ADR, and the award, shall be kept in confidence by the Parties and the Panel, except as required in connection with the enforcement of such award or as otherwise required by applicable law

(d) The Parties agree that judgment on any arbitral award issued pursuant to this Section 8 9 shall be entered in the United States District Court for the Northern District of California or, in the event such court does not have subject matter jurisdiction over the dispute in question, such judgment shall be entered in the Superior Court of the State of California, in the County of San Mateo, and each Party agrees to the co-exclusive personal jurisdiction of such courts for the purpose of entry of such a judgment.

7.10 Captions. All section titles or captions contained in this Agreement, in any Exhibit referred to herein and the table of contents, if any, to this Agreement are for convenience only, shall not be deemed a part of this Agreement and shall not affect the meaning or interpretation of this Agreement

7.11 No Third Party Rights or Obligations. Except as expressly provided herein, no provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights or obligation in any Person not a Party to this Agreement

7.12 Severability. If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect. In the event any such provision is so declared invalid or unenforceable, the Parties shall negotiate an alternative provision that closely approximates the Parties' intent, to the extent allowable under law.

7.13 Attachments. All Exhibits and other attachments to this Agreement are by this reference incorporated herein and made a part of this Agreement

7.14 Disclaimer of Agency. This Agreement shall not constitute any Party the legal representative or agent of another, nor shall any Party have the right or authority to assume, create, or incur any Third Party liability or obligation of any kind, express or implied, against or in the name of or on behalf of another except as expressly set forth in this Agreement

7.15 Interpretation. This Agreement has been jointly prepared by the Parties and their respective legal counsel and shall not be strictly construed against either Party.

7.16 Force Majeure. Each of the Parties hereto shall be excused from the performance of its obligations hereunder (except the payment of money) in the event such performance is prevented by force majeure, provided that the non-performing Party promptly provides notice of the prevention to the other Party. Such excuse shall be continued so long as the condition constituting force majeure continues and the non-performing Party makes and continues to make reasonable efforts to remove or overcome the condition. For the purposes of this Agreement, force majeure shall mean any act of God, fire, casualty, flood, war, earthquake, strike, failure of public utilities, any act, exercise, assertion or requirement of governmental authority, accident, epidemic, destruction of facilities, or such other similar occurrences beyond the control of the Party whose performance is affected.

7.17 Limitation of Liability. IN NO EVENT SHALL EITHER PARTY OR ITS RESPECTIVE AFFILIATES AND PERMITTED SUBLICENSEES BE LIABLE FOR SPECIAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHETHER IN CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE, EXCEPT TO THE EXTENT SUCH PARTY MAY BE REQUIRED TO INDEMNIFY THE OTHER PARTY FROM SUCH DAMAGES CLAIMED BY THIRD PARTIES UNDER SECTION 8

7.18 No Assumption of Obligations. Except as expressly provided in this Agreement, (i) neither Party is assuming any of the other Party's responsibilities, duties (including, without limitation, compliance with all applicable laws and regulations), obligations (including payment obligations) claims, Damages, liabilities, burdens and problems of any nature whatsoever (collectively, "Obligations"), whether by operation of law or otherwise, and (ii) without limiting the foregoing, Immunotech is not assuming any of The Zhabilov Trust's Obligations with respect to Transferred Assets

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the day and year first above written

THE ZHABILOV TRUST	IMMUNOTECH LABORATORIES, INC
By: Daniel Zhabilov	By: Ara A. Ghahhare
Trustee	Chairman of the Board of Directors

EXHIBIT A

IPF

EXHIBIT B

PRODUCT DATA PACKAGE INFORMATION AND DATA

Regulatory
- IND
- Pre-IND submissions
- IND correspondence
- IND supplements

Clinical
- Case Report Forms by site
- 1308 Project Files
- Investigator Files by Site

Manufacturing (API)
- Synthesis Batch Records
- Accompanying Analytical Data
- Records of Failed Lots

Manufacturing (DP)
- Master Production Records
- Bills of Materials
- Assay methods
- Finished Product Specifications

ANNEX B

Amendment to Exclusive Licensing Agreement between The Zhabilov Trust and Immunotech Laboratories, Inc.

This Amendment is made as of September 22, 2014 with an Effective Date for the Amendment of October 6, 2014 (the "Amendment") by and among Diana Zhabilov as Trustee of the Zhabilov Trust, a California Trust executed at Los Angeles on March 2, 2006 ("The Zhabilov Trust") and IMMUNOTECH LABORATORIES, INC.a California corporation ("Immunotech") with its principal offices located at 120 W. Pomona Ave.,. Monrovia, California 91016 (collectively referred to as the "Parties") to the Exclusive Licensing Agreement (the "Agreement") executed on September 1, 2009 by and among DANIEL ZHABILOV the then Trustee of The Zhabilov Trust, and IMMUNOTECH LABORATORIES, INC. Unless otherwise defined in this Amendment all terms and capitalized terms shall have the definitions given them in Section 1.1 of the Agreement.

DZ

Recitals

Whereas the Parties entered into an Agreement on September1, 2008 whereby the Zhabilov Trust licensed exclusive rights to Immunotech for all of the Trust's rights under patents, patent applications (including U.S. Patent and Trademark Office serial number 11,177,427 filed on 7/11/2005 /cisco $ Thomas LLP's Docket Number06-16256/US Patent application 20060104992 Dated May 18,2006 that inventor Harry Zhabilov Jr. together with his wife Diana Zhabilov, had assigned to the Zhabilov Trust) related to IPF Specific to the HIV/Aids treatment only;

Whereas the US.Parties wish to amend the Agreement to include all of the Trust's rights under patents, patent applications (including U.S. Patent and Trademark Office serial number 7,479,538 filed on 7/11/2005 /cisco $ Thomas U.S. Patent # 8,066,982 /US Patent application 20060104992 Dated May 18, 2006 that inventor Harry Zhabilov Jr. together with his wife Diana Zhabilov, had assigned to the Zhabilov Trust) related to IPF for all Infectious diseases;

Therefore the following Sections of the Agreement are amended as follows:

Section 1 Definitions 1.1 shall be amended to read as follows;

"Know-How" Shall mean all materials, data, instruction, process, formulas, expert opinion and information, including, without limitation, the manufacturing information and biological, chemical, pharmacological, toxicological, physical and analytical, safety, manufacturing and quality control data and information and information in each case within the Field, that, as of the Effective Date of the Agreement are (i) existing, and (ii) controlled by the Zhabilov rust as of the Effective Date of the Agreement, in each case which is necessary or useful for the development, manufacture, use, sale or commercialization of the Product in the Field. Excluded from Know-How are any Patents, the licensed Patents and the Transferred Assets. This paragraph is strictly limited for IPF specific and strictly limited to Infectious Diseases.

"License" shall mean the exclusive license granted by the Zhabilov Trust to Immunotech pursuant to Section 2.1 strictly limited to IPF specific and strictly limited to Infectious Diseases.

"Licensed Patents" shall mean any Patents listed n Exhibit D (as updated from time to time pursuant to Section 5.6) which claim the manufacture, use, import, offer for sale or sale of Products in accordance with the Agreement and which now or at any time during the term of this agreement are Controlled by the Zhabilov Trust or any affiliate of The Zhabilov Trust strictly limited for IPF Specific and strictly limited to Infectious Diseases.

"Product " shall mean any pharmaceutical composition containing IPF in any formulation, dosage concentration or volume, together with all label expansions, line extensions and improvements there on, which may be included in any supplement, modification or addition to the filings for Regulatory Approval of the foregoing compound strictly limited to IPF specific and strictly limited to Infectious Diseases.

The following definitions are added to Section 1 Definitions;

"Infectious Diseases" shall mean disorders caused by organisms such as bacteria, viruses, fungi or parasites.

"Intellectual Property Developed by Immunotech" shall mean all intellectual property developed during the term of the Agreement to which Immunotech will retain all rights to during and after the termination of the Agreement.

Section 2.3 shall be amended to read as follows;

2.3 Negative Covenants of Immunotech. Immunotech shall not use or practice Licensed Patents or Manufacturing Information outside the Field or outside the Territory or for any other purpose except activities that it conducts in compliance with this Agreement, as amended, strictly limited to IPF specific and strictly limited to Infectious Diseases.

Section 7.2 shall be amended to read as follows;

Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have bbeen duly given if delivered by hand, prepaid telex, cable, telegram or facsimile and confirmed in writing or mailed first class postage prepaid, by registered or certified mail, return receipt requested (mailed notices and notices sent by telex, cable or telegram shall be deemed to have been given on the date received) as follow:

If to the Zhabilov Trust

Diana Zhabilov
9192 Fairview Ave
San Gabriel, CA 91775

If to Immunotech Laboratories, Inc., as follows:

Immunotech Laboratories, Inc.
Attn: Harry Zhabilov
120 W. Pomona Ave.
Monrovia, California 91016

Or in any case to such other address or addresses as hereafter shall be furnished as provided for in this Section 7.2 by any Party hereto to the other Party.

IN WITNESS WHEREOF, The Parties have caused this Agreement to be duly executed and delivered as of this 22nd day of September 2014.

THE ZHABILOV TRUST

By Diana Zhabilov
Trustee

IMMUNOTECH LABORATORIES, INC.

By Harry Zhabilov
Chairman of the Board/President

ANNEX C

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of **IMMUNOTECH LABORATORIES, INC.**	**Administrative Proceeding** **File No. 3-16321**

INFORMATION BEFORE THE COMMISSION AT THE TIME OF THE TRADING SUSPENSION

Pursuant to the Commission's Order Requesting Additional Written Submissions regarding In the Matter of Immunotech Laboratories, Inc. ("Immunotech"), the Division of Enforcement has attached the affidavit of J. Lauchlan Wash setting forth the substantive facts before the Commission at the time of the trading suspension in the securities of Immunotech. The affidavit does not disclose privileged analysis or sensitive information about the staff's investigative methods.

By its attorneys,

Deena R. Bernstein
Senior Trial Counsel
J. Lauchlan Wash
Senior Enforcement Counsel
Securities & Exchange Commission
33 Arch Street, 23rd Floor
Boston, Massachusetts 02110
(617) 573-8813 (Bernstein)
(617) 573-4590 (Facsimile)

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of **IMMUNOTECH LABORTORIES, INC.,**	**Administrative Proceeding** **File No. 3-16321**

AFFIDAVIT OF J. LAUCHLAN WASH

I, J. Lauchlan Wash, hereby swear:

1. Since November 1995, I have been employed as an enforcement attorney with the U.S. Securities and Exchange Commission (the "Commission") in the Boston Regional Office in the Division of Enforcement ("Division"). My duties include conducting investigations related to potential violations of the securities laws. I was the lead investigator for the Division in this matter.

2. On November 18, 2014, the Division provided the following factual information to the Commission in support of the issuance of the Trading Suspension Order temporarily suspending trading in the securities of Immunotech Laboratories, Inc. ("Immunotech"), ticker symbol "IMMB." The Division did not have other communications with the Commission concerning the factual basis in support of the issuance of the Trading Suspension Order.

3. Immunotech is a Nevada corporation with its principal place of business in Monrovia, California. Immunotech is a purported drug company engaged in the development of certain proteins for use in the treatment of HIV/AIDS.

4. Prior to its purported involvement in the drug industry, Immunotech claimed to be developing media products for the marketing and entertainment industries under three different

corporate names. Immunotech (then known as EarthNetMedia, Inc.) filed a Form SB-2 registration statement that went effective in November 2001 for an offering of shares and warrants. Following the offering, Immunotech filed reports with the Commission pursuant to Exchange Act Section 15(d) until January 1, 2002, when its Section 15(d) reporting obligation was automatically suspended by operation of law because there were fewer than 300 record holders of its common stock. Thereafter, Immunotech reported on a voluntary basis.

5. Immunotech's last-filed periodic report was a Form 10-K for the fiscal year ended December 31, 2009, filed on January 5, 2011. Immunotech's common stock (ticker "IMMB") is quoted on the OTC Pink marketplace on OTC Link operated by OTC Markets Group, Inc., and it has posted certain corporate information on OTC Link's website. As of October 31, 2014, Immunotech's securities had eight market makers and were eligible for the "piggyback" exception of Exchange Act Rule 15c2-11(f)(3).

Immunotech Laboratories, Inc.

6. Immunotech, which formerly claimed to be developing media products for the marketing and entertainment industries under three different corporate names, entered into a reverse merger in 2008 and became a purported drug company engaged in the development of certain proteins for use in the treatment of HIV/AIDS. Immunotech made no claims that its potential treatments have been tested in the United States or submitted for approval by the Food and Drug Administration ("FDA"). According to Forms 10-K filed with the Commission and an annual report for the fiscal year ended December 31, 2013 recently posted on the OTC Link's website, Immunotech entered into an exclusive licensing agreement on January 30, 2009 with its current president, Harry Zhabilov, and another individual for the licensing of patents underlying "Inactivated Pepsin Fraction (IPF)" proteins used for treatment of HIV/AIDS.

7. Zhabilov appears to have patented two proteins specifically for use in the detecting, preventing and treating of HIV. Zhabilov subsequently assigned the two patents to the Zhavilov Trust, which granted the licensing rights to Immunotech. As consideration for the licensing rights, Harry Zhabilov and the other individual purportedly each received $775,000 and 49% (combined 98%) ownership of the publicly traded entity consisting of 60,000,000 common shares of Immunotech affecting a reverse merger.

8. According to Immunotech, its "IPF is a peptide molecule that has a strong affinity to bind with the HIV virus' peptide components." The licensing agreement, which was published as an attachment to Immunotech's last Form 10-K (for the fiscal year ended December 31, 2009) filed with the Commission, specifically limits the scope of the licensing rights from the Zhabilov Trust to patents and patent applications "related to IPF **specific to the HIV/AIDS treatment ONLY**" (emphasis in original).

9. On August 15, 2014, Immunotech posted a document on OTC Link's website entitled Interim Financial Report for Quarter Ended June 30, 2014 ("2014 Interim Financial Report") that included unaudited financial statements reporting that the company had only one full-time employee (its president Zhabilov) and was operating at a loss, had no revenues or cash, and had total liabilities of almost $5 million.

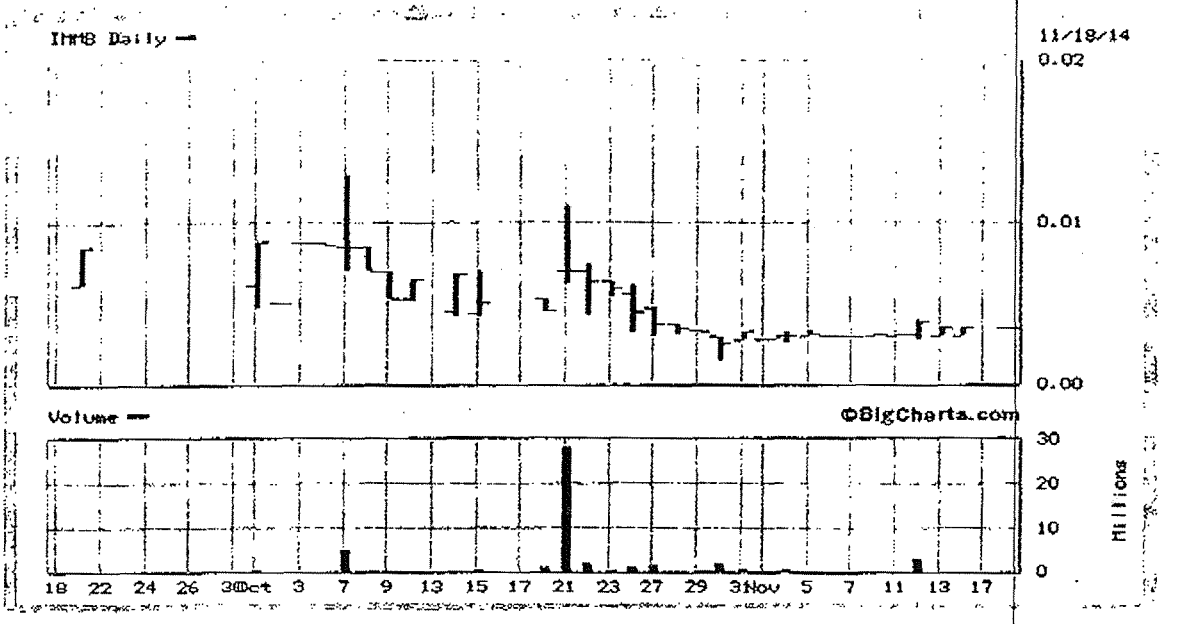
Immunotech Makes Misleading Claims about the Application of its Limited Licensing Rights to the Ebola Virus

10. In October 2014, Immunotech issued two press releases concerning disease therapies based on its patented IPF proteins that went beyond the scope of HIV/AIDS treatment. On October 9, 2014, Immunotech reported it had entered into negotiations with a Zimbabwean

company, Uldic Investment Pvt. Ltd. ("Uldic"), to pursue the development of its treatments in Africa.

11. This press release was followed by one on October 21, 2014, wherein Immunotech announced it had completed negotiations with Uldic to, among other things, pursue the development of market opportunities related to "the deadly Ebola virus" in Sub-Saharan Africa and to conduct human clinical trials in Africa. Information provided to the staff by the Zimbabwean Securities and Exchange Commission ("ZSEC") shows that Uldic was incorporated in Zimbabwe in 2005 and is a dormant shell company with no operations. In the October 21 press release, Immunotech described the Ebola virus as a "new potential initiative" for its treatments. Immunotech noted that, while the majority of its studies have focused on the potential of ITV-1 as a vaccine, ITV-1 could also be used as a potential immune-therapeutic drug to treat other infectious diseases (emphasis added).

12. During the period August 1, 2014 through October 21, 2014, Immunotech's last share price fluctuated between a low of $0.0001 per share and a high of $0.025 per share on average daily volume of 506,000 shares. During the same period Immunotech was the subject of 19 penny stock touts identified by the staff. The October 21st press release specifically addressing the Ebola virus resulted in a 52% increase in share price from $0.0046 per share to $0.007 per share. The volume rose sharply from 1.4 million shares to 28.5 million shares, a 1,831% increase. A chart reflecting the price and volume fluctuations for Immunotech during the past two months is included below:



Conclusion

13. Immunotech's October 2014 press releases concerning the development of the patented IPF proteins for the treatment of the Ebola virus and other infectious diseases implies the expenditure of corporate resources for business opportunities beyond the scope of its limited licensing rights for the "sole treatment of HIV/AIDS." Such development does not appear permissible given the restriction under Immunotech's current limited licensing agreement. Further, Immunotech's purported completed negotiations with the Zimbabwean company, Uldic, to pursue market opportunities in Africa related to the Ebola virus is also misleading given Uldic's dormant shell status. Moreover, Immunotech's October 2014 press releases touting its active development of the patented IPF proteins are misleading in omitting material information concerning: (1) the likelihood of success in applying proteins specifically patented as a treatment for HIV/AIDS and which it claims to have "a strong affinity to bind with the HIV virus' peptide components" to the treatment of other viral diseases such as the Ebola virus; and (2) how

Immunotech anticipates funding the development of the patented IPF proteins for any use given its precarious financial condition.

Dated: 1/5/2015

On January 5th, 2015, Lauclelan Wish, a person known to me, personally appeared before me and swore under oath the foregoing Affidavit.

Notary Public
Commission expires:

STEPHANIE DESISTO
Notary Public
Commonwealth of Massachusetts
My Commission Expires
April 9, 2015

SCG
SECURITIES COMPLIANCE GROUP

January 20, 2015

Via Fax (202) 772-9324 & Hand Delivery
Mr. Bert J. Fields
Office of the Secretary
100 F Street, NE
Washington DC 20549

Re: In the Matter of Immunotech Laboratories, Inc.
Administrative Proceeding File No. 3-16321

Dear Mr. Fields,

To follow you will find a copy of Immunotech Laboratories, Inc.'s Opening Brief in Support of its Petition for Termination of Trading Suspension for filing with the Commission. Pursuant to Rule of Practice 151(a), a hard copy will follow by hand delivery. Thank you for your time and consideration.

Yours very truly,

Adam S. Tracy, Esq.

cc: J. Lauchlan Wash (617) 573-4590

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