

ELITE PHARMACEUTICALS INC /NV/
Form DEF 14A
April 03, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

<input type="checkbox"/>	<input type="checkbox"/>	Preliminary Proxy Statement
<input type="checkbox"/>	<input type="checkbox"/>	Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Definitive Proxy Statement
<input type="checkbox"/>	<input type="checkbox"/>	Definitive Additional Materials
<input type="checkbox"/>	<input type="checkbox"/>	Solicitation Material Pursuant to Rule 14a-11(c) or rule 14a-12

Elite Pharmaceuticals, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- .. No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:
 - 4) Proposed maximum aggregate value of transaction:
 - 5) Total fee paid:

.. Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

April 3, 2014

Dear Fellow Shareholders,

Having been a long time shareholder and close follower of Elite, it is an honor to be writing my first letter to our shareholders as Elite's President and Chief Executive Officer. As steward of your Company, my primary focus has been to achieve long-term company growth through prudent execution of strong and effective business strategies. My plans for Elite when I became President and CEO last August were 1) to grow our generic pharmaceutical business and 2) to move forward with urgency to develop and commercialize Elite's proprietary opioid abuse deterrent products. Since August, we have successfully been executing this plan.

Elite's generic business segment was enhanced this year by the acquisition of twelve approved generic products and then by the launch of two additional generic products. The newly acquired products have in turn been licensed out for upfront money and an attractive profit sharing arrangement. A site transfer has already been filed with the U.S. Food and Drug Administration (FDA) for the first of these new products, and the transfer of the other eleven products is on track. These additions to the generic business have greatly strengthened the profitability of this segment of Elite's business. I expect the rapid growth of the generics to continue as the current commercial products grow and the twelve new products are launched.

The really significant change for Elite this year, however, was the accelerated development of the opioid abuse deterrent products. It is these products where I see a tremendous upside potential to create value for you, our shareholders. We have two opioid abuse deterrent products, ELI-200 and ELI-201, in human trials and an additional five abuse deterrent formulations under active development. We are very pleased with the success of the product trials in recent months. The ELI-201 pilot study showed that more than one of Elite's formulations was bioequivalent to the brand product, and the ELI-200 pivotal study demonstrated bioequivalence of Elite's product to the reference product. We expect to file our first abuse deterrent New Drug Application (NDA) with the FDA this year and we then expect to file additional NDAs the following year. We have also received further protection for these abuse deterrent products with the issuance of two patents, an additional patent allowed in the U.S. and the issuance of one Canadian patent in recent months. We have additional patents filed and pending in the U.S., Canada and Europe. Elite's technology can be applied to any of the current opioids in the market place, and our goal is to broadly use our technology to reduce the current epidemic of prescription drug abuse.

To permit Elite to execute on our initiatives, I am asking in this proxy for an increase in authorized shares. These additional shares will allow Elite to continue to fund development of our abuse deterrent products, and will give us flexibility to launch our first abuse deterrent product on our own, if we believe that to be in the best interest of the company and its shareholders. I am also actively pursuing partnership opportunities for our abuse deterrent products, but the further we can develop a product, the more favorable terms I expect to receive for the product(s). Additional authorized shares will provide options and flexibility to Elite in order to unlock the value of our assets.

Please remember that as a shareholder, your vote is extremely important to the Company no matter how many shares you own. For certain very important resolutions, failure to vote or specifically direct your broker to vote, would be considered the same as a “NO” vote. Please take a few moments to vote whether or not you plan to attend the Annual Meeting. You can vote by completing, signing, dating and promptly returning the enclosed proxy card. Alternatively, you may vote through the Internet or by telephone as directed on your proxy card. If you receive more than one proxy card because you own shares that are registered differently, please vote all of the shares shown on all of your proxy cards.

If you have any questions or need assistance voting your shares, please call our proxy solicitor, Morrow and Co toll free at 855-251-9340 or Dianne Will, Investor Relations for Elite Pharmaceuticals at 518-398-6222.

I thank each of you for your tremendous support during this year, and we look forward to continued success.

s/ Nasrat Hakim

Nasrat Hakim
President and
Chief Executive
Officer

165 Ludlow Avenue • Northvale, NJ 07647 • Ph: (201)750-2646 • Fax: (201)750-2755 www.elitepharma.com

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 21, 2014

TO THE SHAREHOLDERS OF ELITE PHARMACEUTICALS, INC.:

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Shareholders (the "Annual Meeting") of Elite Pharmaceuticals, Inc., a Nevada corporation ("we," "us," "our," the "Company" or "Elite") will be held at the Residence Inn by Marriott located at 206 Route 303, Orangeburg, New York 10962 on May 21, 2014, at 10:30 a.m., local time for the following purposes:

- (1) To elect six directors;
- (2) To amend and restate our Articles of Incorporation to increase the number of shares of common stock the Company is authorized to issue from 690,000,000 shares to 995,000,000 shares;
- (3) To ratify the appointment of Demetrius Berkower LLC as our independent registered public accounting firm to audit our financial statements for the fiscal year ending March 31, 2014;
- (4) To approve, by non-binding vote, executive compensation;
- (5) To recommend, by non-binding vote, the frequency of executive compensation votes;
- (6) To approve the Elite Pharmaceuticals, Inc. 2014 Equity Incentive Plan; and
- (7) To transact such other business as may properly come before the Annual Meeting or any adjournments or postponement thereof.

Our Board of Directors has fixed the close of business on March 28, 2014 as the record date for the determination of the Shareholders entitled to notice of, and to vote at, the Annual Meeting.

YOUR VOTE IS IMPORTANT. FOR CERTAIN VERY IMPORTANT RESOLUTIONS, FAILURE TO VOTE WOULD BE CONSIDERED THE SAME AS A “NO” VOTE. To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the Annual Meeting. Most Shareholders have three options for submitting their vote: (i) via the Internet, (ii) by phone, or (iii) by mail. For further details, see “Revocability of Proxies, Voting and Solicitation,” below.

If you have Internet access, **we encourage you to record your vote on the Internet.** It helps reduce the environmental impact of our annual meetings, it is convenient and it saves us significant postage and processing costs. Please review the instructions on the proxy card or the information forwarded by your bank, broker or other holder of record regarding each of these voting options.

By order of the Board of Directors

Date: April 3, 2014 By: /s/ Nasrat Hakim
Nasrat Hakim
President and Chief Executive Officer

This Notice of Annual Meeting and the attached Proxy Statement dated April 3, 2014 should be read in combination with the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2013 and Quarterly Report on Form 10-Q for quarter ended December 31, 2013. Collectively, these documents contain all of the information and disclosures required in connection with the 2014 Annual Meeting of Shareholders. Copies of all these materials can be found at:

http://www.elitepharma.com/annual_meeting.asp

ELITE PHARMACEUTICALS, INC.

165 Ludlow Avenue

Northvale, New Jersey 07647

PROXY STATEMENT

Important Notice Regarding the Availability of Proxy Materials for the

2014 Annual Meeting of Shareholders to be held on May 21, 2014:

This Proxy Statement, the proxy card, our Annual Report on Form 10-K for the fiscal year ended March 31, 2013 and our Quarterly Report on Form 10-Q for quarter ended December 31, 2013 (together, the “Proxy Materials”) are available on the internet at: http://www.elitepharma.com/annual_meeting.asp. Please note that, while our proxy materials are available at this website, no other information contained on our website is incorporated by reference in or considered to be a part of this Proxy Statement.

This Proxy Statement is being furnished to Shareholders in connection with the 2014 Annual Meeting of Shareholders of Elite to be held on May 21, 2014 at 10:30 a.m. local time, at the Residence Inn by Marriott located at 206 Route 303, Orangeburg, New York 10962, and any adjournment thereof (the “Annual Meeting”). This Proxy Materials are being mailed to Shareholders on or about April 7, 2014.

Execution and return of the enclosed proxy card is being solicited by and on behalf of the Board of Directors of the Company (the “Board of Directors”). The costs incidental to soliciting and obtaining proxies, including the cost of reimbursing banks and brokers for forwarding proxy materials to their principals, will be paid by us. Proxies may be solicited, without extra compensation, by our officers and employees, both in person and by mail, telephone, facsimile and other methods of communication.

INFORMATION CONCERNING THE MEETING

INFORMATION CONCERNING SOLICITATION AND VOTING

General

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Elite for our Annual Meeting of Shareholders to be held on May 21, 2014, and any adjournments thereof. You are receiving the Proxy Materials because you own shares of Common Stock or shares of Series I Preferred Stock that entitle you to vote at the Annual Meeting. By use of the proxy, you can vote, whether or not you attend the Annual Meeting. This Proxy Statement describes the matters we would like you to vote on and provides information on those matters so you can make an informed decision.

The information included in this Proxy Statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the Company's Board of Directors and committees, the compensation of directors and certain executive officers and other required information.

Purpose

The purpose of the Annual Meeting is:

- (1) To elect six directors ("Proposal No. 1");

- (2) To amend and restate our Articles of Incorporation to increase the number of shares of common stock the Company is authorized to issue from 690,000,000 shares to 995,000,000 shares ("Proposal No. 2");
- (3) To ratify the appointment of Demetrius Berkower LLC as our independent registered public accounting firm to audit our financial statements for the fiscal year ending March 31, 2014 ("Proposal No. 3");
- (4) To approve, by non-binding vote, executive compensation ("Proposal No. 4");
- (5) To recommend, by non-binding vote, the frequency of executive compensation votes ("Proposal No. 5"); and
- (6) Approve the Elite Pharmaceuticals, Inc. 2014 Equity Incentive Plan ("Proposal No. 6").

Record Date and Voting Rights

The holders of our Common Stock and our Series I Preferred Stock as of March 28, 2014 (the "Record Date") are entitled to vote at the Annual Meeting. Each share of Common Stock entitles the holder of record thereof at the close of business on the Record Date to one vote on each of the matters to be voted upon at the Annual Meeting. Each share of Series I Preferred Stock entitles the holder of record thereof to the number of votes equal to the number of shares of Common Stock into which such share of Series I Preferred Stock is convertible as of the Record Date (1,428,571.4 per whole share), on each of the matters to be voted upon at the Annual Meeting. As of the Record Date, we had outstanding 560,142,420 shares of Common Stock (excluding 100,000 treasury shares), and 104.242 shares of Series I Preferred Stock that were convertible into 148,917,143 shares of Common Stock.

Shareholders vote at the Annual Meeting by casting ballots (in person or by proxy) which will be tabulated by a person who is appointed by the Board of Directors before the Annual Meeting to serve as inspector of election at the Annual Meeting and who has executed and verified an oath of office.

Quorum; Abstentions; Broker Non-Votes; Vote Required

A quorum must exist for the transaction of business at the Annual Meeting (other than a motion to adjourn the Annual Meeting). The presence at the Annual Meeting, in person, by remote communication or by proxy, of the holders of a majority of the shares of capital stock of Elite issued and outstanding and entitled to vote at the Annual Meeting, will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker "non-votes" (as discussed below) are counted as present and entitled to vote for purposes of determining a quorum. If you submit a properly executed proxy card, even if you abstain from voting, your shares will be considered part of the quorum.

Assuming that a quorum is present, the six nominees in Proposal No. 1 receiving the highest number of votes cast by the holders of capital stock represented and voting at the meeting will be elected as our Directors and constitute the entire Board of our Directors. There is no right to cumulate votes in the election of directors. Abstentions and broker “non-votes” will not have an effect on the election of directors.

Assuming that a quorum is present, the approval of Proposal No. 2 will require the affirmative vote of the holders of a majority of the voting power of the shares of our capital stock outstanding as of the Record Date. If you abstain or do not instruct your broker how to vote with respect to these proposals, your abstention or broker non-vote will have the same effect as a vote against these proposals.

Assuming that a quorum is present, the approval of Proposals No. 3, 4 and 6 will require the affirmative vote of a majority of the total votes cast in person or by proxy. Abstentions and broker “non-votes” with regard to any such proposal are not considered to have been voted on this proposal and therefore will not have any effect on the vote for such proposals.

The frequency of the advisory vote on executive compensation (Proposal No. 5) receiving the greatest number of votes (every one, two or three years) will be considered the frequency recommended by Shareholders.

Solicitation

Solicitation of proxies may be made by our directors, officers and regular employees by mail, telephone, facsimile transmission or other electronic media and in person for which they will receive no additional compensation. The expenses of preparing, printing and assembling the materials used in the solicitation of proxies on behalf of the Board of Directors will be borne by us. Upon request, we will reimburse the reasonable fees and expenses of banks, brokers, custodians, nominees and fiduciaries for forwarding proxy materials to, and obtaining authority to execute proxies from, beneficial owners for whose accounts they hold shares of Common Stock. We have hired the firm of Morrow & Co. LLC to assist in the solicitation of proxies on behalf of the Board of Directors. Morrow & Co. has agreed to perform this service for a proposed fee of \$7,500.00 plus reasonable out-of-pocket disbursements.

Voting of Proxies

If the enclosed form of proxy is properly signed and returned, the shares represented thereby will be voted as specified in the proxy. **If you do not specify in the proxy how your shares are to be voted, the shares will be voted as recommended by the Board of Directors: FOR all directors in Proposal No. 1 and FOR Proposals 2, 3, 4 and 6 and FOR the selection of “three years” on Proposal No. 5 recommending the frequency of advisory votes on executive compensation.**

Voting of shares held in Brokerage Accounts

If you hold your shares at a brokerage firm, you should instruct your broker how you would like to vote your shares by using the written instruction form and envelope provided by your broker. If you do not provide your broker with instructions, your broker may, but is not required to, vote your common shares with respect to certain “routine” matters. However, on other matters, when the broker has not received voting instructions from its customers, the broker cannot vote the shares on the matter and a “broker non-vote” occurs. Proposal No. 4 is the only routine matter to be voted on by

the Shareholders on this year's ballot. The rest of the Proposals are not considered routine matters. This means that brokers may not vote your common shares on such proposals if you have not given your broker specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote can be counted. If you hold your common shares in your broker's name and wish to vote in person at the annual meeting, you must contact your broker and request a document called a "legal proxy." You must bring this legal proxy to the annual meeting in order to vote in person.

Revocation

You have the right to revoke your proxy at any time before it is voted by attending the Annual Meeting and voting in person or by filing with our Secretary either a written instrument revoking the proxy or another executed proxy bearing a later date. Shareholders entitled to vote will not have any appraisal rights in connection with any of the proposals to be voted on at the Annual Meeting.

Recommendations of the Board of Directors

This proxy solicitation is being made by the Company. The Board of Directors recommends a vote:

FOR the six directors listed in the proxy to hold office until the 2015 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified (**Proposal No. 1**);

FOR Proposal No. 2 - the amendment and restatement of our Articles of Incorporation to increase the number of shares of common stock the Company is authorized to issue from 690,000,000 shares to 995,000,000 shares;

FOR Proposal No. 3 - the ratification of the appointment of Demetrius Berkower, LLC (“Demetrius”) as our registered public accounting firm to audit our financial statements for the fiscal year ending March 31, 2014;

FOR Proposal No. 4 – the advisory (non-binding) vote approving executive compensation;

FOR the selection of “three years” on **Proposal No. 5** recommending the frequency of advisory votes on executive compensation; and

FOR Proposal No. 6 – the approval of the Elite Pharmaceuticals, Inc. 2014 Equity Incentive Plan.

Should any nominee named in Proposal No. 1 be unable to serve or for good cause will not serve as director, the persons named in the enclosed form of proxy will vote for such other person as the Board of Directors may recommend.

Other Business

As of the date of this Proxy Statement, we have no knowledge of any business other than that described in the Notice of Annual Meeting that will be presented for consideration at the Annual Meeting. If any other business should properly come before the Annual Meeting, the persons appointed by the enclosed form of proxy shall have discretionary authority to vote all such proxies as they shall decide.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of the Record Date, March 28, 2014 (except as otherwise indicated), regarding beneficial ownership of our Common Stock and our Series I Preferred Stock by (i) each person who is known by us to own beneficially more than 5% of each such class, (ii) each of our directors and nominees for director, (iii) each of our executive officers and (iv) all our directors and executive officers as a group. On the Record Date, we had 560,142,420 shares of Common Stock outstanding (exclusive of 100,000 treasury shares) and 104.242

shares of Series I Preferred Stock outstanding. On any matter presented to the holders of our Common Stock for their action or consideration at any meeting of our Shareholders, each share of Common Stock entitles the holder to one vote and each share of Series I Preferred Stock entitles the holder to the number of votes equal to the number of shares of Common Stock into which such share of Series I Preferred Stock is convertible (1,428,571.4 per whole share).

As used in the table below and elsewhere in this Proxy Statement, the term beneficial ownership with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote, and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the 60 days immediately following March 28, 2014. Except as otherwise indicated, the Shareholders listed in the table have sole voting and investment powers with respect to the shares indicated.

Name and Address Of	Amount and Nature of Beneficial Ownership		Series I Preferred Stock	Percent (%) of Voting Securities Beneficially Owned	
	Common Stock				
Nasrat Hakim, President Chief Executive Officer and Director*	13,943,608	(1)	100.000	22	%
Barry Dash, Director*	1,158,686	(2)	0	**	
Jerry Treppel, Chairman of the Board *	3,226,227	(3)	4.242	1	%
Ashok G. Nigalaye, Chief Scientific Officer and Director *	160,896,964	(4)(5)	0	12	%
Jeenarine Narine, Director *	151,609,231	(4)(6)	0	10	%
Jeffrey Whitnell, Director *	990,511	(7)	0	**	
Carter J. Ward, Chief Financial Officer *	3,166,932	(8)	0	**	
Epic Investments LLC 227-15 North Conduit Ave. Laurelton, NY 11413	140,850,897	(4)	0	10	%
All Directors and Officers as a group	194,141,263	(9)	104.242	37	%

* The address is c/o Elite Pharmaceuticals Inc., 165 Ludlow Avenue, Northvale, NJ 07647.

** Less than 1%

(1) Includes 13,714,141 shares of Common Stock, and 229,467 shares of Common Stock accrued (but not issued) and owed to Mr. Hakim as of the Record Date, pursuant to his employment agreement with the Company.

(2) Includes 1,013,331 shares of Common Stock, options to purchase 120,000 shares of Common Stock, warrants to purchase 12,243 shares of Common Stock and 13,112 shares of Common Stock for Board of Directors fees accrued (but not issued) and owed to Dr. Dash as of the Record Date.

(3) Includes 2,831,558 shares of Common Stock, warrants to purchase up to 375,000 of Common Stock, and 19,669 shares of Common Stock for Chairman of the Board Directors fees accrued (but not issued) and owed to Mr. Treppel as of the Record Date.

Includes 67,669,232 shares of Common Stock and warrants to purchase 73,181,665 shares of Common Stock held by Epic Investments, LLC. Messrs. Nigalaye and Narine are executive officers and equity owners of Epic Pharma, LLC and Epic Investments, LLC. Epic Pharma, LLC is an equity owner of Epic Investments, LLC. Epic Pharma (4)LLC and Messrs. Nigalaye and Narine share voting and investment control over, and are indirect beneficial owners of, the shares. The interest of Epic Pharma LLC and Messrs. Nigalaye, Narine and Potti in the shares is limited, and each disclaims beneficial ownership of such shares except to the extent of his pecuniary interest in Epic Investments, LLC.

Includes 14,275,289 shares of Common Stock, warrants to purchase 5,757,666 shares of Common Stock, and (5) 13,112 shares of Common Stock for Board of Directors fees accrued (but not issued) and owed to Dr. Nigalaye as of the Record Date.

Includes 5,987,556 shares of Common Stock, warrants to purchase 4,757,666 shares of Common Stock, and 13,112 (6) shares of Common Stock for Board of Directors fees accrued (but not issued) and owed to Mr. Narine as of the Record Date.

(7) Includes 977,399 shares of common stock and 13,112 shares of Common Stock for Board of Directors fees accrued (but not issued) and owed to Mr. Whitnell as of the Record Date.

Includes 2,230,596 shares of Common Stock, options to purchase 250,000 shares of Common Stock, warrants to (8) purchase 666,667 shares of Common Stock and 19,669 shares of Common Stock accrued (but not issued) and owed to Mr. Ward as of the Record Date pursuant to his employment agreement with the Company.

Includes 108,699,102 shares of Common Stock, warrants to purchase 84,750,908 shares of Common Stock, options to purchase 370,000 shares of Common Stock and 321,254 shares of Common Stock accrued (but not issued) and (9) owing as of the Record Date for payment of Chairman's Fees, Directors Fees in accordance with the Company's policy regarding compensation of the Chairman and Director, and for payment of salaries pursuant to applicable employment agreements for the Company's Chief Executive Officer and Chief Financial Officer.

Changes in Control

The following information is provided with respect to any arrangements known to the Company the operation of which may at a subsequent date result in a change of control of the Company. As of the Record Date, Nasrat Hakim beneficially owns approximately 22 % of our voting equity (calculated in accordance with Rule 13d-3 of the Securities Exchange Act of 1934). As of the Record Date, Epic Investments beneficially owns approximately 10% of our voting equity (calculated in accordance with Rule 13d-3 of the Exchange Act).

PROPOSAL NO. 1

ELECTION OF SIX DIRECTORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"

THE ELECTION OF EACH OF THE NOMINEES LISTED BELOW.

Section 3.03 of our amended and restated bylaws our Board of Directors is now classified into three separate classes of directors, as nearly equal in number as possible, with each respective class to serve a three-year term and until their successors are duly elected and qualified (the "Board Classification"). The Annual Meeting is the first election of directors after adoption of the Board Classification, and as a result, at the Annual Meeting (A) two Class I directors will be elected to an initial one-year term expiring at the 2015 annual meeting and until their respective successors are elected and qualified, (B) two Class II directors will be elected to an initial two-year term expiring at the 2016 annual meeting and until their respective successors are elected and qualified and (C) two Class III directors will be elected to an initial three-year term expiring at the 2017 annual meeting and until their respective successors are elected and qualified. At each annual meeting commencing with the 2015 annual meeting, directors will be elected to succeed those directors whose terms then expire, with each person so elected to serve for a three-year term and until his or her respective successor is elected and qualified.

Nominations for Director

At the Annual Meeting, six directors are to be elected.

Our Board has nominated for election the following six current members of the Board of Directors, each to serve in the respective Class indicated for a term to expire at the annual meeting to be held in the respective year indicated, and until his or her respective successor is elected and qualified:

Class I (term expiring 2015): Barry Dash, Ph.D and Jeenarine Narine

Class II (term expiring 2016): Jerry Treppel and Ashok Nigalaye, Ph.D.

Class III (term expiring 2017): Nasrat Hakim and Jeffrey Whitnell

Vote Required

Directors will be elected by a plurality of the votes of the shares present, in person or by proxy, at the Annual Meeting, entitled to vote at the Annual Meeting and voting on the election of directors.

Information with Respect to Nominees. The table below sets forth the name and current age of each nominee, and the period during which he has served on our Board of Directors.

Name	Age	Director Since
Nasrat Hakim ⁽¹⁾	53	August 2013
Jerry Treppel ⁽²⁾	59	November 2008
Barry Dash, Ph. D.	82	April 2005
Ashok G. Nigalaye, Ph.D. ⁽³⁾	62	June 2009
Jeenarine Narine	63	June 2009
Jeffrey Whitnell	58	October 2009

(1) Mr. Hakim also serves as our Chief Executive Officer and President since August 1, 2013.

(2) Mr. Treppel has served as Chairman of the Board since November 6, 2008 and CEO from September 15, 2009 to July 31, 2013.

- (3) Dr. Nigalaye also serves as our Chief Scientific Officer since September 15, 2009.

We believe our Board Members represent a desirable diversity of background, skills, education and experiences, and they all share the personal attributes of dedication to be effective directors. In recommending Board candidates, our Nominating Committee considers a candidate's: (1) general understanding of elements relevant to the success of a publicly traded company in the current business environment; (2) understanding of our business; and (3) diversity in educational and professional background. The Nominating Committee also gives consideration to a candidate's judgment, competence, dedication and anticipated participation in Board activities along with experience, geographic location and special talents or personal attributes. The following are qualifications, experience and skills for Board members which are important to Hemispherx's business and its future:

Leadership Experience: We seek directors who have demonstrated strong leadership qualities. Such leaders bring diverse perspectives and broad business insight to our Company. The relevant leadership experience that we seek includes a past or current leadership role in a large or entrepreneurial company, a senior faculty position at a prominent educational institution or a past elected or appointed senior government position.

Industry Experience: The Committee seeks directors who have relevant industry experience, both with respect to oral controlled release products primarily in the therapeutic areas of pain management, allergy, cardiovascular and infection, as well as with the economic and competitive dynamics of pharmaceutical markets, including those in which the Company's drugs will be prescribed.

Scientific, Academic or Regulatory Experience: Given the highly technical and specialized nature of pharmaceuticals, we desire that certain of our directors have advanced degrees, as well as drug development experience. Since we are subject to substantial regulatory oversight by the FDA and other agencies, we also desire directors who have legal or regulatory experience.

Finance Experience: We believe that our directors should possess an understanding of finance and related reporting processes, particularly given the complex budgets and long timelines associated with drug development programs.

The principal occupations and employment of each Director nominee during the past five years and the Board's basis for believing that each nominee is qualified is set forth below. In each instance in which dates are not provided in connection with a nominee's business experience, such nominee has held the position indicated for at least the past five years.

Biographical Information – Director Nominees

Nasrat Hakim

Nasrat Hakim has served as a Director, President and Chief Executive officer since August 1, 2013. Mr. Hakim has more than 30 years of pharmaceutical and medical industry experience in Quality Assurance, Analytical Research and Development, Technical Services and Regulatory Compliance. He brings with him proven management experience, in-depth knowledge of manufacturing systems, development knowledge in immediate and extended release formulations and extensive regulatory experience of GMP and FDA regulations. From 2004 - 2013, Mr. Hakim was employed by Actavis, Watson and Alpharma in various senior management positions. Most recently, Mr. Hakim served as International Vice President of Quality Assurance at Actavis, overseeing 25 sites with more than 3,000 employees under his leadership. Mr. Hakim also served as Corporate Vice President of Technical Services, Quality and Regulatory Compliance for Actavis U.S., Global Vice President, Quality and Regulatory Compliance for Alpharma, as well as Executive Director of Quality Unit at TheraTech, overseeing manufacturing and research and development. In 2009, Mr. Hakim founded Mikah Pharma, LLC, a virtual, fully functional pharmaceutical company. Mr. Hakim holds a Bachelor in Chemistry/Bio-Chemistry and Masters of Science in Chemistry from California State University at Sacramento, Sacramento, CA; a Masters in Law with Graduate Certification in U.S. and International Taxation from St. Thomas University, School of Law, Miami, FL.; and a Graduate Certification in Regulatory Affairs (RAC) from California State University at San Diego, San Diego, CA.

NASRAT HAKIM - Director Qualifications:

Leadership Experience: Extensive experience in senior management positions, responsible for 25 global manufacturing/regulatory sites with more than 3,000 employees under his leadership.

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Industry Experience: More than 30 years of pharmaceutical and medical industry experience served in various quality assurance, analytical research and development, technical services and regulatory compliance positions.

Academic Experience: Bachelors degree in Chemistry/Bio-Chemistry, Masters of Science in Chemistry, Masters in Law with Graduate Certification in U.S. and International Taxation and a Graduate Certification Regulatory Affairs.

Jerry Treppel

Jerry Treppel has served as a Director since October 28, 2008, Chairman of the Board since November 6, 2008 and Chief Executive Officer from September 15, 2009 to July 31, 2013. Mr. Treppel is currently a Managing Director of ArcLight Advisors, an investment bank specializing in the health care sector. From October 2008 through March 2013, Mr. Treppel was Managing Director of Ledgemont Capital Group LLC, a boutique merchant bank that provided access to capital and corporate advisory services to public and private companies. Additionally, he served as the managing member of Wheaten Capital Management LLC, a capital management company focusing on investments in the health care sector from 2003 to 2008. Over the past 20 years, Mr. Treppel was an equity research analyst focusing on the specialty pharmaceuticals and generic drug sectors at several investment banking firms including Banc of America Securities, Warburg Dillon Read LLC (now UBS), and Kidder, Peabody & Co. He previously served as a healthcare services analyst at various firms, including Merrill Lynch & Co. He also held administrative positions in the healthcare services industry early in his career. From 2003 to 2009, Mr. Treppel served as a member of the board of directors of Akorn, Incorporated (NASDAQ: AKRX), a specialty pharmaceutical company engaged in the development, manufacturing and marketing of branded and multi-source pharmaceutical products and vaccines. Mr. Treppel also served as the Chair of Akorn's Nominating and Corporate Governance Committee and as a member of its Audit Committee and Compensation Committee. Mr. Treppel holds a BA in Biology from Rutgers College in New Brunswick, N.J., an MHA in Health Administration from Washington University in St. Louis, Mo., and an MBA in Finance from New York University. Mr. Treppel has been a Chartered Financial Analyst (CFA) since 1988. Mr. Treppel's knowledge of the pharmaceutical industry as well as his education credentials and his experience as a member of the board of directors of Akorn, Incorporated led to the conclusion that he is qualified to serve as a director.

JERRY TREPPEL – Director Qualifications

Leadership Experience: More than 10 years experience in Director, Managing Director and Chief Executive Officer positions, leading companies engaged in pharmaceutical research and manufacturing, as well as investment banks focusing on the healthcare sector.

Industry Experience: Wall Street industry veteran and established equity research analyst focusing on the specialty pharmaceuticals and generic drug sectors.

Barry Dash, Ph.D.

Dr. Barry Dash has served as a Director since April 2005, Member of the Audit Committee since April 2005, Member of the Nominating Committee since April 2005 and Member and Chairman of the Compensation Committee since June 2007. Dr. Dash has been, since 1995, President and Managing Member of Dash Associates, L.L.C., an independent consultant to the pharmaceutical and health industries. From 1983 to 1996 he was employed by Whitehall-Robins Healthcare, a division of American Home Products Corporation (now known as Wyeth), initially as Vice President of Scientific Affairs, then as Senior Vice President of Scientific Affairs and then as Senior Vice President of Advanced Technologies, during which time he personally supervised six separate departments: Medical and Clinical Affairs, Regulatory Affairs, Technical Affairs, Research and Development, Analytical R&D and Quality Management/Q.C. Dr. Dash had been employed by the Whitehall Robins Healthcare from 1960 to 1976, during which time he served as Director of Product Development Research, Assistant Vice President of Product Development and Vice President of Scientific Affairs. Dr. Dash had been employed by J.B. Williams Company (Nabisco Brands, Inc.) from 1978 to 1982. From 1976 to 1978 he was Vice President and Director of Laboratories of the Consumer Products

Division of American Can Company. He currently serves on the board of directors of GeoPharma, Inc. (NASDAQ: GORX). Dr. Dash holds a Ph.D. from the University of Florida and M.S. and B.S. degrees from Columbia University where he was Assistant Professor at the College of Pharmaceutical Sciences from 1956 to 1960. He is a member of the American Pharmaceutical Association, the American Association for the Advancement of Science and the Society of Cosmetic Chemist, American Association of Pharmaceutical Scientists, Drug Information Association, American Foundation for Pharmaceutical Education, and Diplomate American Board of Forensic Examiners. He is the author of scientific publications and patents in the pharmaceutical field. Dr. Dash's extensive education in pharmaceutical sciences and his experience in the development of scientific products, including his experience in regulatory affairs, led to the conclusion that he is qualified to serve as a director.

BARRY DASH, Ph.D. – Director Qualifications

Industry Experience: More than 30 years experience in Scientific, Medical and Clinical, Regulatory, Research and Development, Quality Management positions in the pharmaceutical and health industries.

Academic Experience: Ph.D, Masters and Bachelors degrees in Pharmacy. Author of scientific publications and patents in the pharmaceutical field.

Ashok G. Nigalaye, Ph.D.

Dr. Ashok G. Nigalaye has served as a Director since June 24, 2009, member of the Compensation Committee since October 23, 2009 and Chief Scientific Officer since September 15, 2009. Dr. Nigalaye was elected as a member of Elite's Board in June 2009 as one of three directors designated by Epic pursuant to the terms of the Epic Strategic Alliance Agreement. Since December 2010, Dr. Nigalaye has been the Chairman and Chief Executive Officer of Epic Pharma, LLC, a manufacturer of generic pharmaceuticals and Elite's strategic partner pursuant to the Epic Strategic Alliance Agreement. From July 2008 to December 2010, Dr. Nigalaye served as Epic Pharma's President and Chief Executive Officer. From August 1993 to February 2008, Dr. Nigalaye served as Vice President of Scientific Affairs and Operations of Actavis Totowa LLC, a manufacturer of generic pharmaceuticals, where he was responsible for directing and organizing company activities relating to pharmaceutical drug manufacturing, regulatory affairs and research and development. Dr. Nigalaye currently serves as a director of GTI Inc., a privately held company. Dr. Nigalaye holds a B.S. in Pharmacy from the University of Bombay, an M.S. in Industrial Pharmacy from Long Island University, and a Ph.D. in Industrial Pharmacy from St. John's University. Dr. Nigalaye is also a licensed pharmacist in the State of New York. Dr. Nigalaye's extensive education in pharmaceutical sciences and experience as a director and officer of pharmaceutical companies led to the conclusion that he is qualified to serve as a director.

ASHOK NIGALAYE, Ph.D. – Director Qualifications

Industry Experience: More than 25 years experience in Scientific and Regulatory Affairs, Pharmaceutical Research and Development, and Pharmaceutical Manufacturing Operations.

Scientific Experience: Extensive experience in pharmaceutical sciences, formulation development and research.

Academic Experience: Ph.D in Industrial Pharmacy, Masters in Industrial Pharmacy, Bachelors in Pharmacy and a licensed Pharmacist in New York State.

Jeenarine Narine

Jeenarine Narine has served as a Director since June 24, 2009 and member of the Nominating Committee since October 23, 2009. Mr. Narine was elected as a member of Elite's Board in June 2009 as one of three directors designated by Epic pursuant to the terms of the Epic Strategic Alliance Agreement. Since December 2010, Mr. Narine has been the President and Chief Operating Officer of Epic Pharma, LLC, a manufacturer of generic pharmaceuticals and Elite's strategic partner pursuant to the Epic Strategic Alliance Agreement, in which capacity he oversees all manufacturing operations. From July 2008 to December 2010, Mr. Narine served as Epic Pharma's Executive Vice President of Manufacturing and Operations. Mr. Narine is also the current President of Eniran Manufacturing Inc., a contract manufacturer of dietary and nutritional supplements, and has held such office since 2000. In addition, Mr. Narine has been since 1989 the President of A&J Machine Inc., a company owned by Mr. Narine that is engaged in the sales of new and used pharmaceutical manufacturing equipment. In addition to this professional experience, Mr. Narine graduated from the Guyana Industrial Institute, where he studied Metalology and Welding. Mr. Narine's experience as the Executive Vice President of Manufacturing and Operations of Epic Pharma LLC and his knowledge of pharmaceutical manufacturing equipment led to the conclusion that he is qualified to serve as a director.

JEENARINE NARINE – Director Qualifications

Industry Experience: Extensive experience overseeing large scale pharmaceutical manufacturing entities, including all aspects of operations, facility maintenance and expansion, quality systems and supply chain.

Jeffrey Whitnell

Jeffrey Whitnell has served as a Director since October 23, 2009, Chairman of the Audit Committee since October 23, 2009, member of the Nominating Committee since October 23, 2009, member of the Compensation Committee since October 23, 2009 and designated by the Board as an “audit committee financial expert” as defined under applicable rules under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), since October 23, 2009. Since June 2010, Mr. Whitnell has been the Chief Financial Officer for Neurowave Medical Technologies, a medical device company. From June 2009 to June 2010, Mr. Whitnell provided financial consulting services to various healthcare companies, including Neurowave Medical Technologies. From June 2004 to June 2009, Mr. Whitnell was Chief Financial Officer and Senior Vice President of Finance at Akorn, Inc. From June 2002 to June 2004, Mr. Whitnell was Vice President of Finance and Treasurer for Ovation Pharmaceuticals. From 1997 to 2001, Mr. Whitnell was Vice President of Finance and Treasurer for MediChem Research. Prior to 1997, Mr. Whitnell held various finance positions at Akzo Nobel and Motorola. Mr. Whitnell began his career as an auditor with Arthur Andersen & Co. He is a certified public accountant and holds an M.B.A. in Finance from the University of Chicago and a B.S. in Accounting from the University of Illinois. Mr. Whitnell’s qualifications as an accounting and audit expert provide specific experience to serve as a director for the Company.

JEFFREY WHITNELL, CPA – Director Qualifications

Finance Experience: Extensive experience in Chief Financial Officer and senior finance positions at companies engaged in the development and manufacture of pharmaceuticals and medical devices, with initial career experience as an auditor at Arthur Andersen & Co.

- **Academic Experience:** Certified Public Accountant, M.B.A. in Finance and Bachelors in Accounting

There are no family relationships between any of our directors and executive officers.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF EACH OF THE FOREGOING NOMINEES TO OUR BOARD OF DIRECTORS.

PROPOSAL NO. 2

approval of amendment to our Articles of Incorporation

to increase the number of shares of common stock the Company is authorized to issue from 690,000,000 shares to 995,000,000 shares

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” PROPOSAL NO. 2

Our Articles of Incorporation currently authorizes us to issue up to 690,000,000 shares of Common Stock, \$.001 par value, and 15,000 shares of Preferred Stock, \$0.01 par value. Our Board of Directors has unanimously adopted, subject to Shareholder approval, an amendment to our Articles of Incorporation to increase the authorized number of shares of our Common Stock by 305,000,000 shares to 995,000,000 shares. Under the amendment, Article IV, Section 4.1 of our Articles of Incorporation would read as follows:

“4.1. Authorized Capital Stock. The aggregate number of shares which this Corporation shall have authority to issue is Nine Hundred Ninety Five Million Fifteen Thousand (995,015,000) shares, consisting of (a) Nine Hundred Ninety Five Million, (995,000,000) shares of Common Stock, par value \$0.001 per share (the “Common Stock”) and (b) Fifteen Thousand, (15,000) shares of Preferred Stock, par value \$0.01 per share (the “Preferred Stock”), issuable in one or more series as hereinafter provided. A description of the classes of shares and a statement of the number of shares in each class and the relative rights, voting power, and preferences granted to and restrictions imposed upon the shares of each class are as follows:”

The complete text of the proposed Amendment to the Articles of Incorporation is attached as **Appendix A** to this Proxy Statement.

Background

We may issue shares of capital stock to the extent such shares have been authorized under our Articles of Incorporation.

As of the Record Date, the total shares of Common Stock issued and outstanding and reserved for issuance upon the exercise of outstanding warrants, options, and the conversion of outstanding shares of preferred stock totaled 821,985,073 shares, including:

- 560,242,420 shares of Common Stock;
- 102,157,376 shares reserved for issuance pursuant to warrants to purchase Common Stock
- 1,895,666 shares reserved for issuance pursuant to options to purchase Common Stock;
- 148,917,143 shares reserved for issuance upon the conversion of shares of our outstanding series of preferred stock;
- 5,772,468 shares reserved pursuant to