
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported):

April 9, 2007

eXegenics Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

000-26648

(Commission
File Number)

75-2402409

(IRS Employer
Identification No.)

4400 Biscayne Boulevard
Suite 900

Miami, Florida 33137

(Address of principal executive offices) (Zip Code)

(Former Name or Former Address, if Changed Since Last Report)

Registrant's telephone number, including area code: (305) 575-6015

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 4.01. Changes in Registrant's Certifying Accountant

On April 9, 2007, the Board of Directors of eXegenics Inc. (the "Company") approved the decision to engage Ernst & Young LLP ("Ernst & Young"), as the Company's independent registered public accounting firm and the decision to dismiss of Rotenberg & Co., LLP ("Rotenberg").

The reports of Rotenberg for the fiscal years ended December 31, 2006 and 2005 did not contain any adverse opinion or disclaimer of opinion and were not modified or qualified as to uncertainty, audit scope, or accounting principles.

From September 23, 2005 through the end of the fiscal year ended December 31, 2006, there were no disagreements with Rotenberg on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Rotenberg, would have caused Rotenberg to make reference to the subject matter of the disagreements in connection with its report and there were no "reportable events" as defined in Item 304(a)(1)(v) of Regulation S-K.

The Company has provided Rotenberg a copy of the above disclosures and has requested that Rotenberg furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not Rotenberg agrees with the above statements. Pursuant to our request, Rotenberg has provided the letter included hereto as Exhibit 16.1.

During the fiscal years ended December 31, 2005 and 2006 and during the current fiscal year through the date of this Form 8-K, neither the Company nor anyone acting on its behalf consulted Ernst & Young regarding (1) either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements or (2) any matter that was either the subject of a disagreement with Rotenberg on accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which, if not resolved to the satisfaction of Rotenberg, would have caused Rotenberg LLP to make reference to the matter in their report, or a reportable event as defined in Item 304(a)(1)(v) of Regulation S-K of the Securities and Exchange Commission. The Company provided Ernst & Young with this Form 8-K prior to filing it with the Securities and Exchange Commission.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

The Company entered into a new employment letter with Dale Pfof, PhD effective as of April 9, 2007 (the "Employment Agreement"), pursuant to which Dr. Pfof will serve as the President of the Company. A copy of the Employment Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Under the employment agreement, Dr. Pfof will receive an annual base salary of \$325,000, which may be increased at the discretion of the Company's Board of Directors (the "Board"). The Employment Agreement provides for a bonus of \$40,000 to be paid by April 19, 2007, which represents Dr. Pfof's bonus for fiscal year 2006. Dr. Pfof is also eligible to receive a discretionary annual bonus based on Dr. Pfof's performance and the Company's business results as determined by the Board in its sole discretion. Under the Employment Agreement, either the Company or Dr. Pfof may terminate his employment at any time, subject to continuation of salary payment and benefits for 12 months if the Company terminates Dr. Pfof's employment without cause, if Dr. Pfof terminates his employment for good reason or if the Company gives Dr. Pfof notice of our intent not to renew the Employment Agreement after the first year. The one-year employment period will be automatically extended for an additional year unless either the Company or Dr. Pfof shall have given to the other party written notice of non-extension at least sixty (60) days prior to such anniversary. We have agreed to grant Dr. Pfof an option to purchase 300,000 shares of our common stock subject to the adoption of and approval by our stockholders of a new equity incentive

plan. The exercise price per share for the option will be equal to the fair market value per share on the date the option is granted. The option shall vest in forty-eight monthly installments from the date of grant.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

10.1 Employment letter dated April 9, 2007, between Dale R. Pfost, PhD and eXegenics Inc.

16.1 Letter from Rotenberg & Co., LLP dated April 11, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

eXegenics Inc.
(Registrant)

Date: April 13, 2007

By: /s/ Adam Logal
Name: Adam Logal
Title: Executive Director of Finance, Chief
Accounting Officer, Treasurer and Secretary

EXEGENICS INC.
4400 Biscayne Blvd.
Suite 900
Miami, Florida 33137

April 9, 2007

Dale R. Pfost
1525 Bardsey Drive
Lower Gwynedd, PA 19002-1546

Dear Dale:

I am sending you this letter (this "Employment Letter") to memorialize the understanding between you and eXegenics Inc. (the "Company") regarding your employment terms with the Company and its wholly owned subsidiary, Acuity Pharmaceuticals, LLC (the "Subsidiary"). This Employment Letter sets forth the terms of your employment with the Company as approved by the Company's board of directors. You may indicate your agreement with these terms by signing and dating the enclosed duplicate original of this Employment Letter and returning the same to me.

1. **Position.** You will serve the Company as its President and you will have responsibilities and obligations not inconsistent with the position of President which shall be mutually agreed upon by you and the Company. You will report directly to Phil Frost, the Chief Executive Officer of the Company, and the Company's Board of Directors. You will also serve the Subsidiary in the same capacity, provided that no additional compensation or benefits will be provided for any services provided to any affiliate of the

Company, and notwithstanding anything to the contrary set forth herein, a termination of employment or Change in Control at the Subsidiary level shall not trigger any payments or acceleration of any vesting of securities hereunder.

2. Place of Employment. The Company will have its principal place of business in and around the city of Miami in the State of Florida. You are required to relocate to the Miami area to be closer to the Company's principal office. The exact timeframe for your relocation will be determined after the Effective Date and you will be afforded a reasonable period of time to complete your relocation. From the Effective Date through the date of your relocation, you will be required to make yourself available in Miami when reasonably requested by the Company. It is contemplated that you will spend up to ten (10) days per month in Miami prior to your relocation. You will be reimbursed for your documented travel expenses prior to the time for relocation.

3. Reimbursement for Relocation. The Company requires that you relocate to the Miami area. You will be reimbursed for your documented relocation expenses (which will include moving expenses, travel expenses for you and your family, temporary housing for up to three months and customary closing costs (excluding points, concessions and pre-paid expenses such as insurance, taxes, homeowner's warranties, etc.) for your purchase of a residence in the Miami area, which will be grossed up for taxes. If, within one year from the date of your relocation, your employment with the Company is terminated for Cause or if you voluntarily terminate your employment with the Company other than for Good Reason, you will be required to refund the relocation monies paid by the Company, including the tax gross-up.

4. Term of Employment. The term of your employment with the Company (the "Employment Period") shall commence on the Effective Date and, unless earlier terminated in accordance with the terms of the Employment Letter, shall end on the one-year anniversary of the Effective Date (the "Initial Termination Date"). Except as provided in the Employment Letter, on the one-year anniversary of the Effective Date, and on each subsequent anniversary thereof, the Employment Period shall be automatically extended for one additional year unless either you or the Company shall have given to the other party written notice of non-extension at least sixty (60) days prior to such anniversary.

5. Salary. You will be paid a salary at the annual rate of \$325,000, payable in monthly installments in accordance with the Company's prevailing payroll practices for executive employees. This salary will be subject to increase (but not decrease) pursuant to the Company's employee compensation policies in effect from time to time. All forms of compensation from the Company will be subject to reduction to reflect applicable withholding and payroll taxes.

6. Benefits. You will be entitled to participate in such benefit programs as are generally made available to other executives of the Company. If you are then an employee in good standing you will be entitled to four (4) weeks paid vacation each year and sick days and other holidays in accordance with the Company's then prevailing policies to be established from time to time for executive employees. Unused vacation

time will not accrue and will lapse and be lost if unused beyond the first quarter of the year following their being earned. We recognize you currently have 19 days of unused vacation accrued from previous years. These days will not be lost and will be retained if unused. If for any reason this Employment Letter is terminated or not renewed, you will be paid for any unused vacation days.

7. **Bonus.** Within ten (10) days of the Effective Date, you will be paid a bonus of \$40,000, which represents your bonus for fiscal year 2006. Going forward, you will be eligible for an annual merit bonus, potentially to be paid each year, in accordance with the procedures established by the Company for executive employees. Your targeted bonus for the first year will be equal to approximately 40% of your base salary and will be based on criteria established from time to time by the Company. These criteria will include, but not be limited to, your accomplishments against set objectives, the Company's success and your general contributions to the Company's success, the general fiscal position of the Company and additional factors to be deemed appropriate by the Company's senior management and board of directors. Payment of any bonus shall be at the sole discretion of the Company. The bonus you receive may be below or above the target or may not be paid at all. Any bonus paid for a period of time which is less than 12 months will be paid *pro rata* for such time period. You must be an employee in good standing at the time of any potential payment. Any bonus, if paid, will be paid prior to the end of the first fiscal quarter following the fiscal year for which a bonus is to be paid.

8. **Reimbursement for Travel Expenses.** The Company shall reimburse you for approved travel and other out-of-pocket expenses incurred by you in the course of your employment consistent with applicable procedures in place at any time.

9. **Stock Options.** Subject to: (i) the adoption and approval of an equity incentive plan with sufficient authorized shares by the stockholders of the Company, and (ii) the approval of the Compensation Committee of the Board of Directors of the Company, you shall be granted an option to purchase 300,000 shares of the Company's common stock (subject to adjustment in the event of any stock splits or reverse stock splits). The exercise price per share for each new option grant will be equal to the fair market value per share on the date the option is granted. The options will be subject to the terms and conditions contained in a stock option agreement to be entered into by you and the Company prior to the grant. The options shall vest in forty eight (48) monthly installments from the date of grant.

10. **Termination without Cause and Resignation for Good Reason or Non-extension of Employment Before One Year Anniversary.** The Company may terminate your employment hereunder without "Cause." If your employment is terminated by the Company without "Cause," you terminate your employment with the Company for "Good Reason" or the Company delivers to you a notice of non-extension, in accordance with Section 4 hereof, prior to the one-year anniversary of the Effective Date (which initial non-renewal shall be treated as a termination for purposes of this Section 10), the Company shall pay you all amounts accrued but unpaid as of the effective date of such termination. In addition, you shall continue to receive your then applicable base salary and benefits for twelve (12) months thereafter (the "Severance

Period"). Any outstanding equity awards granted to you which would have vested during the Severance Period shall vest automatically upon such termination and all vested equity awards shall be exercisable for one year from the effective date of termination. Upon the effective date of termination, all other unvested equity awards shall be forfeited. Any shares issued to you shall not be subject to repurchase. In order to receive the severance payments set forth in this Section 10, you will be required to enter into a customary separation and release agreement with the Company which will include the extension of the non-competition provision set forth in Section 12 during the Severance Period. Such separation agreement shall provide that (i) any and all obligations of the Company to pay you accrued salary, bonus or benefits shall survive and shall not be released or waived by you, (ii) any release shall not restrict or adversely affect your ability to exercise any vested stock options or otherwise infringe upon your ownership of any the Company securities, and (iii) you shall not be required to release or waive any rights that you may have to be indemnified by the Subsidiary or the Company (including any rights to advance reimbursement for costs or expenses) pursuant to any provision in the Subsidiary's or the Company's certificate of incorporation, bylaws or as may be otherwise provided for by law or contract.

As used herein, "Good Reason" shall mean (i) any action by the Company which results in any diminution in your salary or reporting requirements (ii) any action by the Company which results in a material diminution in your position, title, authority, duties or responsibilities contemplated by this Employment Letter (and specifically in Section 1 above) or (iii) material breach by the Company of its obligations under this Employment Letter or (iv) the Company's requiring you to be based at any office or location other than a location within 30 miles from the Company's offices in Miami, except for travel reasonably required in connection with the performance of the your responsibilities hereunder.

If you elect to terminate your employment for Good Reason, you shall first give the Company written notice thereof, including reasonable evidence or description of circumstances to support your finding of Good Reason and a period of thirty (30) days (the "Good Reason Notice Period") from the date of such notice to cure such breach. If such breach is not cured by the Company by the end of the Good Reason Notice Period with such cure being communicated to you in writing, such termination shall be effective upon the first day after the expiration of the Good Reason Notice Period.

11. Termination for Cause. The Company shall be permitted to terminate your employment hereunder for Cause (as defined below). In the event of such termination, your compensation and benefits shall cease as of the effective date of termination and the Company shall pay you all amounts accrued but unpaid as of the date of such termination. The Company shall not thereafter be obligated to make any further payments to you. In addition all outstanding equity awards granted to you, vested or unvested, shall immediately be terminated.

As used herein, "Cause" shall mean (i) your commission of fraud in connection with your employment or intentional theft, misappropriation or

embezzlement of the Company's funds; (ii) your conviction of or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is the punishment; (iii) your material breach of your obligations under this Employment Letter; (iv) your willful violation of any express reasonable direction or reasonable requirement established by the Chief Executive Officer or Board of Directors in good faith, (v) your incompetence or misconduct in the performance of, or neglect of, your duties hereunder which is materially detrimental to the Company; (vii) your abuse of alcohol or other drugs which interfere with the performance of your duties, or the conviction of or your entering of a guilty plea or plea of no contest with respect to the use of any illegal drugs or narcotics.

If the Company elects to terminate your employment for Cause pursuant to clauses (iii), (iv), and (v) of the definition of "Cause" and the action or inaction prompting such termination is capable of cure, the Company shall first give you written notice thereof, including a description of the evidence upon which the Company has relied to support such finding and, a period of thirty (30) days from the date of such notice to cure the action or inaction giving rise to the written notice.

12. Disability. If you are incapacitated by accident, sickness or otherwise so as to render you, for any period totaling 60 or more days during any consecutive twelve-month period, or in the reasonable opinion of the Company's board of directors, is mentally or physically incapable of performing the services required of you under this Employment Letter, the Company may terminate your employment immediately following such 60-day period by giving you written notice specifying the effective date of termination. In the event of such a termination, the Company shall pay to you all amounts accrued but unpaid under this Employment Letter as of the effective date of your termination and thereafter shall not have any further obligation or liability under this Employment Letter. In addition, all restricted shares, options and other securities shall remain outstanding subject to their terms, except that the all equity awards shall be exercisable by you for one (1) year following termination pursuant to this Section 12 and any shares issued to you shall not be subject to repurchase.

13. Death. Your employment with the Company shall automatically terminate in the event of your death. In the event of such a termination, the Company shall pay to your estate or legal representative all amounts accrued but unpaid under this Employment Letter as of the effective date of your termination and thereafter shall not have any further obligation or liability under this Employment Letter. In addition, all restricted shares, options and other securities shall remain outstanding subject to their terms, except that all equity awards shall be exercisable by the executors or administrators of your estate or by your beneficiaries for one (1) year following termination pursuant to this Section 13 and any shares issued to you shall not be subject to repurchase.

14. Non-Competition Provision. During the term of your employment with the Company and for one-year thereafter (so long the Subsidiary is in compliance with its

contractual obligations, if any, under this Employment Letter to provide you with any severance payments or benefits following a termination event) you agree that you shall not engage or participate directly or indirectly in any business which is, or as a result of your engagement or participation would become, competitive with any aspect of the business of the Company and any specific applications or technologies in which the Company has initiated significant plans to develop (the "Competing Business"), such business currently being the development and commercialization of therapeutic compounds for the treatment of ophthalmic disorders. During this period, you agree not to become a stockholder, partner, owner, officer, director or employee or agent of, or a consultant to or give financial or other assistance to, any person or entity engaged in any such Competing Business (other than ownership of 3% or less of the outstanding securities of any publicly traded company).

15. Continuing Obligations after Termination. You hereby acknowledge and agree that you have entered into an Inventions and Proprietary Information Agreement, and that the terms, conditions and covenants contained in such agreement remain in full force and effect and is not in any way modified by the execution of this Employment Letter.

16. Termination following a Change in Control. In the event that the Company shall terminate your employment hereunder without Cause, or you shall terminate your employment hereunder for Good Reason within one year following a "Change in Control" of the Company or in the event of a "Change in Control" of the Company prior to the one-year anniversary of the Effective Date, the Company delivers to you a notice of non-extension, in accordance with Section 4 hereof, prior to the one-year anniversary of the Effective Date, then, in addition to all of the payments and benefits provided by Section 10 of this Employment Letter, all outstanding equity awards which are unvested as of such termination date shall automatically become vested and you shall have a period of one (1) year from such date of termination to exercise any such equity awards and any shares issued to you shall not be subject to repurchase.

For purposes of this Section 16, a "Change in Control" shall be deemed to have occurred if any person other than the Frost Group, LLC and its affiliates, is or becomes the beneficial owner of 60% or more of the combined voting power of the Company's then outstanding securities; or the stockholders of the Company approve a merger or consolidation of the Company with any other unrelated entity (which would not result in the voting securities of the Company outstanding immediately prior thereto continuing to represent more than 50% of the combined voting power of the Company or such surviving entity outstanding immediately after such merger or consolidation) or the sale of all or substantially all of the assets of the Company to any other unrelated entity.

17. Your Termination Right. You may terminate this Employment Letter at any time for any reason upon at least 30 days written notice to the Company. In the event of such a termination, the Company shall pay to you all amounts accrued but unpaid under this Employment Letter as of the effective date of your termination and thereafter shall not have any further obligation or liability under this Employment Letter. In

addition, all restricted shares, options and other securities shall remain outstanding subject to their terms, except that all equity awards shall be exercisable by you for a period of three (3) months following termination pursuant to this Section 17. All unvested equity awards shall be forfeited. Upon such a termination, the provisions of this Employment Letter, including Sections 14 and 15, shall remain in full force and effect.

18. Outside Activities. While you render services to the Company, you will not engage in any other gainful employment, business or activity without the written consent of the Company. While you render services to the Company, you also will not assist any person or organization in competing with the Company, in preparing to compete with the Company or in hiring any employees of the Company. Notwithstanding any provision herein to the contrary, you shall not be precluded from devoting reasonable periods of time required for serving as a member of no more than two committees or advisory boards or boards of directors of companies or organizations which have been approved by the Board, so long as such memberships or activities do not interfere with the performance of your duties hereunder and are not directly or indirectly competitive with, nor contrary to, the business or other interests of the Company. Such approval shall not be unreasonably denied and shall be provided to you within ten (10) business days of the actual receipt by the Company of such request. Failure by the Company to respond to you within ten (10) business days of the actual receipt by the Company of such request shall be deemed approval of such request. The Company approves of your current outside activities, which are listed on Exhibit "A" attached hereto.

19. Amendment and Governing Law. This Employment Letter may not be amended or modified except by an express written agreement signed by you and a duly authorized officer of the Company. The terms of this Employment Letter and the resolution of any disputes will be governed by the laws of the State of Florida.

This Employment Letter contains all of the terms of your employment with the Company and supersede any prior understandings or agreements, whether oral or written, between you and the Subsidiary or the Company. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed duplicate original of this Employment Letter and returning them to me, upon which this Letter Agreement will be a binding agreement between you and the Company.

Very truly yours,

/s/ Phillip Frost

Phillip Frost, M.D.

Chief Executive Officer eXegenics Inc.

ACCEPTED AND AGREED TO:

/s/ Dale R. Pfof

Name: **Dale R. Pfof**

Date: April 9, 2007

Rotenberg & Co., LLP
Certified Public Accountants

April 11, 2007

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Dear Ladies and Gentlemen:

We have read Item 4.01 of Form 8-K dated April 9, 2007 of eXegenics Inc. and are in agreement with the statements regarding Rotenberg & Co., LLP contained therein.

/s/ Rotenberg & Co., LLP
Rotenberg & Co., LLP
Certified Public Accountants