

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2004.

OR

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number 000-26648

eXegenics Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

75-2402409

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

1250 Pittsford-Victor Road
Building 200, Suite 280
Pittsford, New York 14534
(Address of Principal Executive Offices)

(585) 218-4368

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2): Yes No

As of May 11, 2004, the registrant had 15,877,224 shares of common stock outstanding.

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Item 1. Financial Statements:

*eXegenics Inc.***BALANCE SHEET**
(in thousands)

| | March 31, 2004 | December 31, 2003 |
|--|---------------------------|------------------------------|
| | (unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 9,405 | \$ 10,132 |
| Restricted cash | 225 | 600 |
| Prepaid expenses and other current assets | 397 | 602 |
| Total current assets | 10,027 | 11,334 |
| Other assets | 6 | 8 |
| Total assets | <u>\$ 10,033</u> | <u>\$ 11,342</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 383 | \$ 1,038 |
| Total current liabilities | 383 | 1,038 |
| Total liabilities | <u>383</u> | <u>1,038</u> |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock - \$.01 par value, 10,000,000 shares authorized; 979,584 and 890,564 shares of Series A convertible preferred issued and outstanding (liquidation value \$2,449,000 and \$2,226,000) | 10 | 9 |
| Common stock - \$.01 par value, 30,000,000 shares authorized; 16,474,779 and 16,314,779 shares issued | 165 | 163 |
| Additional paid-in capital | 68,147 | 68,061 |
| Subscriptions receivable | (306) | (302) |
| Accumulated deficit | (55,029) | (54,290) |
| Treasury stock, 611,200 shares of common stock, at cost | (3,337) | (3,337) |
| Total stockholders' equity | 9,650 | 10,304 |
| Total liabilities and stockholders' equity | <u>\$ 10,033</u> | <u>\$ 11,342</u> |

See Notes to Financial Statements.

*eXegenics Inc.*STATEMENT OF OPERATIONS
(in thousands)

| | Three Months Ended March 31, | |
|---|---------------------------------|-------------------|
| | 2004 | 2003 |
| | (unaudited) | |
| Revenue: | | |
| Licensing & research fees | \$ — | \$ 13 |
| Operating Expenses: | | |
| Research and development | — | 122 |
| General and administrative | 769 | 805 |
| Expenses related to strategic redirection | — | 148 |
| | <u>769</u> | <u>1,075</u> |
| Operating loss | (769) | (1,075) |
| Other (income) expense, primarily interest | <u>(30)</u> | <u>(75)</u> |
| Loss before provision (benefit) for taxes | (739) | (1,000) |
| Provision (benefit) for taxes | <u>—</u> | <u>—</u> |
| Net Loss | (739) | (1,000) |
| Preferred stock dividend | <u>(223)</u> | <u>(31)</u> |
| Net loss attributable to common shareholders | \$ <u>(962)</u> | \$ <u>(1,031)</u> |
| Net loss per share-basic and diluted | \$ <u>(0.06)</u> | \$ <u>(0.07)</u> |
| Weighted average number of shares outstanding - basic and diluted | <u>15,773</u> | <u>15,673</u> |

See Notes to Financial Statements.

*eXegenics Inc.*STATEMENT OF CASH FLOWS
(in thousands)

| | Three Months Ended March 31, | |
|---|---------------------------------|-----------|
| | 2004 | 2003 |
| | (unaudited) | |
| Cash flows from operating activities: | | |
| Net loss | \$ (739) | \$ (987) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 2 | 36 |
| Interest Accrual on subscription receivable | (4) | — |
| Value assigned to common shares and options | 5 | 3 |
| Changes in: | | |
| Restricted Cash | 375 | — |
| Prepays and other assets | 205 | 270 |
| Accounts payable and accrued expenses | (655) | (558) |
| Net cash used in operating activities | (811) | (1,236) |
| Cash flows from investing activities: | | |
| Maturity of investment | — | 10,000 |
| Net cash provided by investing activities | — | 10,000 |
| Cash flows from financing activities: | | |
| Proceeds from option exercises | 84 | (26) |
| Net cash provided by (used in) financing activities | 84 | (26) |
| NET (DECREASE) INCREASE IN CASH | (727) | 8,738 |
| Cash and cash equivalents at beginning of period | 10,132 | 6,188 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | \$ 9,405 | \$ 14,926 |

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(1) Financial Statement Presentation

The unaudited financial statements of *eXegenics Inc.*, a Delaware corporation (the “Company”), included herein have been prepared in accordance with the rules and regulations promulgated by the Securities and Exchange Commission and, in the opinion of management, reflect all adjustments necessary to present fairly the results of operations for the interim periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. However, management believes that the disclosures are adequate to make the information presented not misleading. These financial statements and the notes thereto should be read in conjunction with the financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2003. The results for the interim periods are not necessarily indicative of the results for the full fiscal year.

(2) Cash, Cash Equivalents and Investments

The Company considers all non-restrictive, highly liquid short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents, which amount to \$9,405,000 and \$10,132,000 at March 31, 2004 and December 31, 2003, respectively, consist principally of interest-bearing cash deposits placed with a single financial institution. Restricted cash, which amounts to \$225,000 and \$600,000 at March 31, 2004 and December 31, 2003, respectively, consists of certificates of deposits that are used as collateral for equipment leases and corporate credit cards.

(3) Loss Per Common Share

Basic and diluted loss per common share is based on the net loss increased by dividends on preferred stock divided by the weighted average number of common shares outstanding during the period. No effect has been given to outstanding options, warrants or convertible preferred stock in the diluted computation, as their effect would be antidilutive.

(4) Stockholders’ Equity

The Company accounts for its stock-based compensation plans under Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees.” In October 1995, the Financial Accounting Standards Board issued Statement No. 123, “Accounting for Stock-Based Compensation” (“SFAS No. 123”), which establishes a fair value-based method of accounting for stock-based compensation plans. The Company has adopted the disclosure-only alternative under SFAS No. 123. The Company accounts for stock based compensation to nonemployees using the fair value method in accordance with SFAS No. 123 and Emerging Issues Task Force (EITF) Issue No. 96-18. The Company has recognized deferred stock compensation related to certain stock option and warrants grants. No options to purchase shares of common stock were granted in return for consulting services for the three months ended March 31, 2004 and March 31, 2003. In connection with other option grants to consultants in previous years, the Company recorded a charge of \$5,000 and \$4,000 during the three months ended March 31, 2004 and 2003, respectively.

eXegenics Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

(5) Strategic Redirection

During the first quarter of 2003, the Company recognized additional expenses of \$148,000 for severance benefits and legal expenses related to scientific programs that were terminated. All liabilities related to the Company's strategic redirection had been recorded as of December 31, 2003. Cash payments of \$112,000 and \$393,000 were charged against previously accrued restructuring expenses during the quarter ended March 31, 2004 and March 31, 2003, respectively.

(6) Stock Options

The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS Statement No. 123, Accounting for Stock-Based Compensation, to stock-based compensation.

| | Quarter Ended March 31, | |
|---|-------------------------|------------|
| | 2004 | 2003 |
| Net loss attributable to common stockholders as reported | \$ (962) | \$ (1,018) |
| Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects | (22) | (57) |
| Pro forma net loss | \$ (984) | \$ (1,075) |
| Earnings per share: | | |
| Basic and diluted-as reported | \$ (0.06) | \$ (0.07) |
| Basic-pro forma | \$ (0.06) | \$ (0.07) |

The Company has adopted the provisions of SFAS 148, Accounting for Stock-Based Compensation-Transition and Disclosure which requires disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reporting results. The Black-Scholes option valuation model was developed for use in estimating the fair market value of traded option shares which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because our stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair market value estimates, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair market value of our stock options.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

In this section, "Management's Discussion and Analysis of Financial Condition and Results of Operations," references to "we," "us," "our," and "ours" refer to eXgenics Inc.

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Financial Statements and the Notes thereto included in this report. This report contains certain forward-looking statements as that term is defined in the Private Securities Litigation Reform of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. When used in this report the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to our management or us are intended to identify such forward-looking statements. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Historical operating results are not necessarily indicative of the trends in operating results for any future period.

We have historically operated as a drug discovery company, exploiting new enabling technologies to advance and shorten the new drug development cycle. Drug discovery is the first phase of an eight to 12 year cycle, from inception to FDA approval, typically needed to bring a new drug to market. Employing new technologies is a high-risk venture. Our Company has been unsuccessful at advancing research programs. In late 2002, we began to exit this early-stage research business and are now screening new down-stream business opportunities that have strong operating management in place and offer significant revenue growth potential.

On December 5, 2003, our then current Board of Directors: Dr. Joseph M. Davie, Robert J. Easton, Dr. Ronald L. Goode, Dr. Walter M. Lovenberg and Gordon F. Martin, (collectively referred to as the "Prior Board") were removed by a majority vote of our stockholders via a proxy consent solicitation. They were replaced by the following slate of new Directors: John A. Paganelli, Robert A. Baron, Robert Benou, John J. Huntz, Jr., and Dr. David Lee Spencer, collectively referred to as the "New Board". Our New Board of Directors is focused on completing the wind-down of our drug discovery operations begun in late 2002, resolving outstanding liabilities and redeploying the remaining residual assets of the Company. Our New Board has established a committee to recommend strategic direction and identify potential business opportunities. Currently, David E. Riggs is our sole employee who serves as the President, Chief Executive Officer and Chief Financial Officer. Effective May 1, 2004, the Company has relocated from Dallas, Texas to Rochester, New York.

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to investments, intangible assets, income taxes, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements. We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event we were to determine that we would be able to realize deferred tax assets in the future in excess of its net recorded amount, an adjustment to the net deferred tax asset would increase income in the period such determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax asset in

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the future, an adjustment to the net deferred tax asset would be charged to income in the period such determination was made.

RESULTS OF OPERATIONS

Revenue

There were no revenues for the three months ended March 31, 2004. Revenues of \$13,000 for the three months ended March 31, 2003 were attributable to a license and research and development agreement with Aventis, SA, which has been terminated.

Research and Development Expenses

There were no research and development expenses incurred for the three months ended March 31, 2004. Research and development expenses of \$122,000 for the three months ended March 31, 2003 were attributable to the change in our business strategy and the related realignment and consolidation of business priorities.

General and Administrative Expenses

We incurred general and administrative expenses of \$769,000 and \$805,000 for the three months ended March 31, 2004 and 2003, respectively, a decrease of \$36,000 or 4%. The decrease is attributable to the following: a \$102,000 increase in director and officer insurance premium expense offset by a \$45,000 decrease in investor relations expenses, a \$29,000 decrease in professional consulting fees, a \$22,000 decrease in business travel related expenses, a \$9,000 decrease in amortization expense and a \$9,000 decrease in operating lease payments.

Expenses Related to Strategic Redirection

We recognized \$148,000 in expenses from operations terminated during the three months ended March 31, 2003, which included \$127,000 for terminated employees and \$21,000 for legal expenses related to intellectual property for terminated scientific programs. All liabilities related to the Company's strategic redirection had been recorded as of December 31, 2003. We do not anticipate incurring further expenses.

Interest Income

Interest income was \$30,000 and \$75,000 for the three months ended March 31, 2004 and 2003, respectively. The decrease was due primarily to lower principal balances in 2004, as well as decreased interest rates.

Net Loss

We incurred a net loss attributable to common shareholders of \$962,000 and \$1,018,000 for the three months ended March 31, 2004 and 2003, respectively. Net loss per common share was \$0.06 and \$0.07 for the three months ending March 31, 2004 and 2003, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2004, we had cash and cash equivalents of approximately \$9,630,000, inclusive of restricted cash. Since our inception, we have financed our operations from debt and equity financings as well as fees received from licensing and research and development agreements. During the three months ended March 31, 2004, net cash used in operating activities was \$811,000. In addition, during the three months ended March 31, 2004, we received cash from financing activities of \$84,000 related to the exercise of stock options.

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We anticipate the wind-down operations to be completed by the end of the first half of 2004. We estimate that we will use \$1.2-1.5 million during this time to satisfy previous commitments of the Prior Board. Subsequent to the first quarter, we forecast our cash usage to be approximately \$100,000-125,000 per month, assuming that we make no new investments or engage in the operation of a new business. Our future capital needs are uncertain. The Company may or may not need additional financing in the future to fund operations, a determination to be made when the Company implements its new business strategy. We do not know whether additional financing will be available when needed, or that, if available, we will obtain financing on terms favorable to our stockholders.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to financial market risk, including changes in interest rates, relates primarily to our marketable security investments. We generally place our marketable security investments in high credit quality instruments, primarily U.S. government obligations. We do not believe that a 100 basis point increase or decrease in interest rates would significantly impact our business. We do not have any derivative instruments. We operate only in the United States and all sales have been made in U.S. dollars. We do not have any material exposure to changes in foreign currency exchange rates.

Item 4. Controls and Procedures

An evaluation was carried out by the Company's sole officer, who is President, Chief Executive and Chief Financial Officer, of the effectiveness of the Company's "Disclosure Controls and Procedures". We are exiting the biotechnology-drug discovery business and all employees have been terminated except the Principal Executive and Financial Officer. He has concluded that, given our limited operation, our Disclosure Controls and Procedures were effective. As such term is used above, the Company's Controls and Procedures are controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure Controls and Procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including its sole officer as appropriate to allow timely decisions regarding required disclosure.

Further, there were no significant changes in the internal controls or in other factors that could significantly affect these controls after May 14, 2004, the date of the conclusion of the evaluation of disclosure controls and procedures.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any litigation in any court, and management is not aware of any contemplated proceeding by any governmental authority or individual against us except as described below.

Weiss Litigation. On May 15, 2003, The M&B Weiss Family Limited Partnership of 1996 filed a lawsuit in the Delaware Court of Chancery, purportedly as a class action on behalf of all other similarly situated stockholders of the Company, against the Company, as a nominal defendant, and former directors: Joseph M. Davie, Robert J. Easton, Ronald L. Goode and Walter Lovenberg, (collectively referred to as the “Individual Defendants”), and purportedly as a derivative action on behalf of the Company against the Individual Defendants (the “Weiss Litigation”). The complaint alleges, among other things, that the Individual Defendants have mismanaged the Company, have made unwarranted and wasteful loans and payments to certain directors and third parties, have disseminated a materially false and misleading proxy statement in connection with the 2003 annual meeting of our stockholders, and have breached their fiduciary duties to act in the best interests of our Company and its stockholders. The complaint seeks, among other things, court orders mandating that the defendants cooperate with parties proposing bona fide transactions to maximize stockholder value, make corrective disclosures with respect to the proxy statement for the 2003 annual meeting, and account to the Company and the plaintiffs for damages suffered as a result of the actions alleged in the complaint.

On June 9, 2003, the defendants in the Weiss litigation filed a joint motion with the Delaware Court of Chancery to dismiss the complaint for failure to state a claim and for failure to make the statutorily required demand on the Company to assert the subject claims.

On September 9, 2003, a First Amended Shareholder’s Class and Derivative Complaint was filed by the plaintiff in the Weiss Litigation against the Company, as a nominal defendant, and the Individual Defendants, and purportedly as a class action on behalf of the plaintiff and on behalf of all other similarly situated stockholders of the Company, and purportedly as a derivative action on behalf of the company against the Individual Defendants. The amended complaint, which was filed in substitution for the complaint previously filed by the same plaintiff on May 15, 2003, seeks, among other things, court orders mandating: (i) that the amended complaint be declared a proper class action and certifying the plaintiff as the class representative; (ii) that the Individual Defendants restore to the company all monies alleged to have been wasted in connection with the aborted merger transactions with IDDS and AVI; (iii) that the defendants cooperate with parties proposing bona fide transactions to maximize stockholder value; (iv) that the Individual Defendants act independently so that the interests of shareholders are protected; (v) that the Individual Defendants ensure that no conflicts of interest exist between themselves and the Company and our stockholders; and (vi) that the Individual Defendants account to the Company, the plaintiff and the proposed class for damages suffered as a result of the actions alleged in the amended complaint.

On September 22, 2003, the defendants in the Weiss Litigation filed a subsequent joint motion with the Delaware Court of Chancery to dismiss the complaint for failure to state a claim and for failure to make the statutorily required demand on the Company to assert the subject claims. On that same day, the defendants also filed a joint motion with the Delaware Court of Chancery to disqualify Melvyn Weiss and Milberg Weiss Bershad Hynes & Lerach LLP, a firm in which Mr. Weiss is senior partner, from serving as both class counsel and as class representative.

We cannot predict at this point the length of time that the Weiss Litigation will be ongoing or the liability, if any, which may arise there from. The Company will defend itself vigorously against this claim.

Labidi Proceeding. In April 2002, Dr. Labidi, one of our former employees, made certain allegations against us regarding discrimination. Dr. Labidi initially filed an employment discrimination charge with the Equal Employment Opportunity Commission (“EEOC”) alleging that he was harassed and discriminated against. The EEOC dismissed this charge because it found no substantial evidence to support Dr. Labidi’s claims. Dr. Labidi

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subsequently filed a federal court lawsuit against the Company in the United States District Court for the Northern District of Texas. In the lawsuit, Dr. Labidi reasserted his harassment and discrimination claims. In addition, Dr. Labidi alleged that the Company wrongfully converted certain biological research materials that Dr. Labidi claims belong to him. At this point, no formal discovery has occurred in this lawsuit and our investigation of Dr. Labidi's claims are in an early stage. We believe we have meritorious defenses with respect to these allegations, all of which we intend to pursue vigorously.

2110 Research Row, Ltd. Proceeding. On December 31, 2003, the termination date of our lease agreement, we vacated 19,300 square feet of office and laboratory space that we occupied at 2110 Research Row, Dallas, Texas. We had occupied this facility since October 1991. 2110 Research Row, Ltd. (the "Landlord") acquired this property in April 2002. The Landlord contends he is owed payments that we believe to be outside the terms of the lease agreement or waived by the previous landlord. Among the Landlord's claims, for which he seeks monetary payments from the Company, are late fees on monthly lease payments which were waived by the previous landlord, incremental property taxes incurred by the Landlord as a result of the change in the tax status of the property from not-for-profit to for profit, and additional lease payments resulting from the purported mis-measurement of the square footage of space we occupy contained in the lease agreement. The aggregation of these and other claims made by the landlord is approximately \$173,000.

In October 2003, the Landlord filed a lien on our personal property located at 2110 Research Row. The lien was subsequently removed in December 2003.

In October 2003, we filed suit against the Landlord and 9000 Harry Hines, Inc., in a Dallas County District Court. The Company, as Tenant, and Landlord were parties to a lease agreement ("Lease Agreement") dated October 1, 1991, as amended. The petition filed by us contends that the monetary payments sought by the Landlord are excluded under the Lease Agreement and requests a declaration from the Court that the Company is not in either monetary, or non-monetary, default.

On March 19, 2004, we entered into a settlement agreement with the Landlord, whereby we agreed to make a \$33,000 payment to the Landlord, dismiss the suit with prejudice and enter into a mutual release of any and all claims by all parties. Payment in the amount of \$33,000 was made to the Landlord on April 1, 2004.

On April 9, 2004, the Landlord and the Company filed an Agreed Order Of Dismissal With Prejudice in The District Court, 134th Judicial District, Dallas County Texas.

Item 2. Changes in Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

On October 25, 2002, the Company transferred from the Nasdaq National Market to the Nasdaq SmallCap Market as a result of its failure to comply with the minimum bid price requirement of \$1.00 per share, and was provided with a grace period to comply with the requirement. On January 22, 2003, the Company received from Nasdaq a 180-day extension (through July 21, 2003) to comply with the listing requirement. Although on July 21, 2003 we failed to regain compliance with such requirement, given that we met the initial listing requirements for the

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NASDAQ SmallCap Market, NASDAQ provided us with an additional 90 calendar days, or until October 20, 2003, to regain compliance with the minimum bid price requirement.

On October 20, 2003, the Company received official notification from The NASDAQ Stock Market that it was not in compliance with the minimum \$1.00 closing bid price per share requirement as set forth in NASD Marketplace Rule 4310(c)(4), and the requirement for a minimum of three independent members of the audit committee as set forth in NASD Marketplace Rule 4350(d)(2). Our common stock was, therefore, subject to delisting from The NASDAQ SmallCap Market. We requested a hearing before the NASDAQ Listing Qualifications Panel to review the NASDAQ staff determination. This hearing occurred on December 4, 2003. As set forth in NASD Marketplace Rule 4820, this request stayed any delisting action pending issuance of a written determination by the NASDAQ Listing Qualifications Panel.

On January 2, 2004, the NASDAQ Listings Qualification Panel notified us that we were entitled to an extension (until July 25, 2004) to regain compliance with a \$1.00 minimum share price for listing on The NASDAQ SmallCap Market. During this period, it will be necessary for the Company's common stock to trade at or above \$1.00 per share for a minimum of 10 consecutive trading days to remain listed on the NASDAQ SmallCap Market. The NASDAQ Panel's determination was, in part, based on the Company's commitment to seek shareholder approval of a reverse stock split. A reverse stock split is one possible solution to rectifying the Company's deficiency as it relates to the \$1.00 minimum share price issue. There is no guarantee that a reverse split will ultimately satisfy the \$1.00 minimum share price on a limited or long-term basis.

On January 28, 2004 the NASDAQ internal staff review concluded that the New Board and its Audit committee satisfy the independent composition requirements as set forth in NASDAQ Marketplace Rules 4350(c) and 4350(d)(2), respectively.

If we fail to meet the continued listing standards by the time this additional grace period terminates on July 25, 2004, our common stock will be delisted from the NASDAQ SmallCap Market. This would likely have an adverse impact on the trading price and liquidity of our common stock. If our common stock were to be delisted, trading, if any, in the common stock may continue to be conducted on the OTC Bulletin Board upon application by the requisite market makers.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 4.1 – Form of Warrant Agreement between the Company and Gruntal & Co., LLC

Exhibit 4.2 – Form of Warrant Agreement between the Company and Roan Meyers Associates LP

Exhibit 4.3 – Form of Warrant Agreement between the Company and Petkevich & Partners, LLC

Exhibit 31.1 – Certifications pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 31, 2004.

Exhibit 32.1 – Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 31, 2004.

(b) The following reports were filed on Form 8-K during the quarter ended March 31, 2004:

- (1) On January 22, 2004, we filed a current report on Form 8-K announcing that the Company had received a determination from Nasdaq that a Nasdaq Listings Qualification Panel had determined that the Company was entitled to an extension (until July 25, 2004) to come into compliance with Marketplace Rule 4450(a)(5) which requires a \$1.00 minimum share price for listing on The Nasdaq SmallCap Market. Also announced was the change in the corporate address to: 2911 Turtle Creek Boulevard, Suite 300, Dallas, TX 75219.
- (2) On February 25, 2004, we filed a current report on Form 8-K to announce that Dr. Ronald L. Goode had resigned his position as President and Chief Executive Officer of the Company effective February 23, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

eXegenics Inc.

Date: May 14, 2004

/s/ DAVID E. RIGGS

David E. Riggs
President and Chief Executive Officer

Date: May 14, 2004

/s/ DAVID E. RIGGS

David E. Riggs
Chief Financial Officer

EXHIBIT INDEX

| EXHIBIT NUMBER | DESCRIPTION |
|---------------------------|---|
| 4.1 | Form of Warrant Agreement between the Company and Gruntal & Co., LLC |
| 4.2 | Form of Warrant Agreement between the Company and Roan Meyers Associates LP |
| 4.3 | Form of Warrant Agreement between the Company and Petkevich & Partners, LLC |
| 31.1 | Certifications pursuant to Rule 13(a)-14 of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 31, 2004. |
| 32.1 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 31, 2004. |

EXEGENICS INC.
CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David E. Riggs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eXegenics Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2004

/s/ DAVID E. RIGGS

David E. Riggs
President and Chief Executive Officer
(Principal Executive Officer)

EXEGENICS INC.

**CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David E. Riggs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eXegenics Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2004

/s/ DAVID E. RIGGS

David E. Riggs
Chief Financial Officer
(Principal Financial Officer)

**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States
Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), I, David E. Riggs, President, Chief Executive Officer and Chief Financial Officer of eXegenics Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 14, 2004

/s/ DAVID E. RIGGS

President and Chief Executive Officer

Dated: May 14, 2004

/s/ DAVID E. RIGGS

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

6(c) hereof) of the shares of Common Stock as to which the Conversion Right is being exercised immediately prior to the exercise of the Conversion Right) by (y) the Current Market Price of one share of Common Stock immediately prior to the exercise of the Conversion Right.

(b) The Conversion Rights provided under this Section 2 may be exercised, in whole or in part, at any time and from time to time, while any Warrants remain outstanding. In order to exercise the Conversion Right, the Holder shall surrender to the Company, at its offices, this Warrant with the Cashless Exercise Form at the end hereof duly executed. The presentation and surrender shall be deemed a waiver of the Holder's obligation to pay all or any portion of the aggregate purchase price payable for the shares of Common Stock as to which such Conversion Right is being exercised. This Warrant (or so much thereof as shall have been surrendered for conversion) shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such Warrant for conversion in accordance with the foregoing provisions.

3. Holder of Record. Upon each exercise of the Holder's rights to purchase Warrant Shares or Conversion Shares, the Holder shall be deemed to be the holder of record of the Warrant Shares or Conversion Shares issuable upon such exercise or conversion, notwithstanding that the transfer books of the Company shall then be closed or certificates representing such Warrant Shares or Conversion Shares shall not then have been actually delivered to the Holder. As soon as practicable after each such exercise or conversion of this Warrant, the Company shall issue and deliver to the Holder a certificate or certificates for the Warrant Shares or Conversion Shares issuable upon such exercise or conversion, registered in the name of the Holder or its designee. If this Warrant should be exercised or converted in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the right of the Holder to purchase the balance of the Warrant Shares (or portions thereof) subject to purchase hereunder.

4. Warrant Register. Any Warrants issued upon the transfer or exercise or conversion in part of this Warrant shall be numbered and shall be registered in a Warrant Register as they are issued. The Company shall be entitled to treat the registered holder of any Warrant on the Warrant Register as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other person, and shall not be liable for any registration or transfer of Warrants which are registered or to be registered in the name of a fiduciary or the nominee of a fiduciary unless made with the actual knowledge that a fiduciary or nominee is committing a breach of trust in requesting such registration or transfer, or with the knowledge of such facts that its participation therein amounts to bad faith. This Warrant shall be transferable only on the books of the Company upon delivery thereof duly endorsed by the Holder or by his duly authorized attorney or representative, or accompanied by proper evidence of succession, assignment, or authority to transfer. In all cases of transfer by an attorney, executor, administrator, guardian, or other legal representative, duly authenticated evidence of his or its authority shall be produced. Upon any registration of transfer, the Company shall deliver a new Warrant or Warrants to the person entitled thereto. This Warrant may be exchanged, at the option of the Holder thereof, for another Warrant, or other Warrants of different denominations, of like tenor and representing in the aggregate the right to purchase a like number of Warrant Shares (or portions thereof), upon surrender to the Company or its duly authorized agent. Notwithstanding the foregoing, the Company shall have no obligation to cause Warrants to be transferred on its books to any person if, in the opinion of counsel to the Company, such transfer does not comply with the provisions of the Securities Act of 1933, as amended (the "Act"), and the rules and regulations thereunder.

5. Valid Issuance. The Company shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of providing for the exercise of the rights to purchase all Warrant Shares and/or Conversion Shares granted pursuant to the Warrants, such number of shares of Common Stock as shall, from time to time, be sufficient therefor. The Company covenants that all shares of Common Stock issuable upon exercise of this Warrant, upon receipt by the Company of the full Exercise Price therefor, and all shares of Common Stock issuable upon conversion of this Warrant, shall be validly issued, fully paid and nonassessable, without any personal liability attaching to the ownership thereof, and will not be issued in violation of any preemptive rights of stockholders, optionholders, warrant holders and any other persons and the Holders will receive good title to the securities purchased by

them, respectively, free and clear of all liens, security interests,

pledges, charges, encumbrances, stockholders' agreements and voting trusts which might be created by acts or omissions to act of the Company.

6. Dilutive Events. (a) In case the Company shall at any time after the date the Warrants were first issued (i) declare a dividend on the outstanding Common Stock payable in shares of its capital stock, (ii) subdivide the outstanding Common Stock into a greater number of shares, (iii) combine the outstanding Common Stock into a smaller number of shares, or (iv) issue any shares of its capital stock by reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), then, in each case, the Exercise Price, and the number and kind of securities issuable upon exercise or conversion of this Warrant, in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, shall be altered, effective as of the close of business on such record date, to a price (calculated to the nearest .001 of a cent) determined by multiplying such Exercise Price by a fraction:

(1) the numerator of which shall be the Current Market Price in effect on such record date or, if the Common Stock trades on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading, less the amount of such dividend or distribution (as determined in good faith by the Board of Directors of the Company) applicable to one Common Share, and

(2) the denominator of which shall be such Current Market Price, provided that, in the event that the amount of such dividend as so determined is equal to or greater than ten percent (10%) of such Current Market Price or in the event that such fraction is less than 9/10, in lieu of the foregoing adjustment, adequate provision shall be made so that the Holder of this Warrant shall receive a pro rata share of such dividend based upon the maximum number of Common Stock at a time issuable to such Holder (determined without regard to whether the Warrant is exercisable at such time).

(b) Treatment of Share Dividends, Share Splits, etc. In case the Company at any time or from time to time after the date hereof shall declare or pay any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding Common Stock into a greater number of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then, and in each such case, Additional Common Stock shall be deemed to have been issued (a) in the case of any such dividend, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend, or (b) in the case of any such clause, at the close of business on the date immediately prior to the day upon which such corporate action becomes effective.

(c) For purposes of this Section 6, "Current Market Price" shall mean the average daily Market Price during the period of the most recent twenty (20) days, ending on such date, on which the national securities exchanges were open for trading, except that if no Common Stock is then listed or admitted to trading on any national securities exchange or quoted in the over-the-counter market, the Current Market Price shall be the Market Price on such date. The "Market Price" shall mean the amount per share of Common Stock equal to (a) the last sale price of such shares of Common Stock on such date or, if no such sale takes place on such date, the average of the closing bid and asked prices thereof on such date, in each case as officially reported on the principal national securities exchanges on which such shares of Common Stock are then listed or admitted to trading or (b) if such shares of Common Stock are not then listed or admitted to trading on any national securities exchange but are designated as a national market system security by the NASD, the last trading price of the shares of Common Stock on such date, or (c) if there shall have been no trading on such date or if the shares of Common Stock are not so designated, the average of the closing bid and asked prices of the shares of Common Stock on such date as shown by the NASD automated quotation system, or (d) if such shares of Common Stock are not then listed or admitted to trading on any national exchange or quoted in the over-the-counter market, the higher of (x) the book value thereof as determined by any firm of independent public accountants of recognized standing selected by the Board of Directors of the Company as of the last day of any month ending within sixty (60) days preceding the date as of which the determination is to be made or (y) the fair value thereof determined in good faith by the Board of Directors of the Company as of

a date which is within twenty (20) days of the date as of which the determination is to be made.

(d) Computation of Consideration. For the purposes of this Section 6:

(1) the consideration for the issue or sale of any Additional Common Stock shall, irrespective of the accounting treatment of such consideration,

(i) insofar as it consists of cash, be computed at the net amount of cash received by the Company, without deducting any expenses paid or incurred by the Company or any commissions or compensations paid or concessions or discounts allowed to underwriters, dealers or other performing similar services in connection with such issue or sale,

(ii) insofar as it consists of property (including securities) other than cash, be computed at the fair value thereof at the time of such issue or sale, as determined in good faith by the Board of Directors of the Company, and

(iii) in case Additional Common Stock are issued or sold together with other shares or securities or other assets of the Company for a consideration which covers both, be the portion of such consideration so received, computed as provided in clauses (i) and (ii) above, allocable to such Additional Common Stock, all as determined in good faith by the Board of Directors of the Company.

(2) Additional Common Stock deemed to have been issued pursuant to Section 7(c) relating to share dividends, share splits, etc., shall be deemed to have been issued for no consideration.

(e) Adjustments for Combinations, etc. In case the outstanding Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Common Stock, the Exercise Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(f) No adjustment in the Exercise Price shall be required if such adjustment is less than \$.05; provided, however, that any adjustments which by reason of this Section 6(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 6 shall be made to the nearest cent or to the nearest one-thousandth of a share, as the case may be.

(g) Upon each adjustment of the Exercise Price as a result of the calculations made in Section 6(a) hereof, this Warrant shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of shares (calculated to the nearest thousandth) obtained by dividing (i) the product obtained by multiplying the number of shares purchasable upon exercise of this Warrant prior to adjustment of the number of shares by the Exercise Price in effect prior to adjustment of the Exercise Price, by (ii) the Exercise Price in effect after such adjustment of the Exercise Price.

(h) Whenever there shall be an adjustment as provided in this Section 6, the Company shall promptly cause written notice thereof to be sent by registered mail, postage prepaid, to the Holder, at its address as it shall appear in the Warrant Register, which notice shall be accompanied by an officer's certificate setting forth- the number of Warrant Shares purchasable upon the exercise- of this Warrant and the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the computation thereof, which officer's certificate shall be conclusive evidence of the correctness of any such adjustment absent manifest error.

(i) The Company shall not be required to issue fractions of shares of Common Stock or other capital stock of the Company upon the exercise or conversion of this Warrant. If any fraction of a share would be issuable on the exercise or conversion of this Warrant (or specified portions thereof) but for the preceding sentence, the Company shall purchase such fraction for an amount in cash equal to the same fraction of the Current Market Price of such share of Common Stock on the date of exercise or conversion of this Warrant.

7. Assumption of Obligations. (a) In case of any consolidation with or

merger of the Company with or into another corporation (other than a merger or consolidation in which the Company is the surviving or continuing corporation), or in case of any sale, lease or conveyance to another corporation of the property and assets of any nature of the Company as an entirety or substantially as an entirety, such successor, leasing or purchasing corporation, as the case may be, shall (i) execute with the Holder an agreement providing that the Holder shall have the right thereafter to receive upon exercise or conversion of this Warrant solely the kind and amount of shares of stock and other securities, property, cash, or any combination thereof receivable upon such consolidation, merger, sale, lease, or conveyance by a holder of the number of shares of Common Stock for which this Warrant would have been exercisable-or into which this Warrant could have been converted immediately prior to such consolidation, merger, sale, lease or conveyance, and (ii) make effective provision in its certificate of incorporation or otherwise, if necessary, to effect such agreement. Such agreement shall provide for adjustments which shall be as nearly equivalent as practicable to the adjustments in Section 6 hereof.

(b) In case of any reclassification or change of the shares of Common Stock issuable upon exercise or conversion of this Warrant (other than a change in par value or from a specified par value to no par value, or as a result of a subdivision or combination, but including any change in the shares into two or more classes or series of shares), or in case of any consolidation or merger of another corporation into the Company in which the Company is the continuing corporation and in which there is a reclassification or change (including a change to the right to receive cash or other property) of the shares of Common Stock (other than a change in par value, or from a specified par value to no par value, or as a result of a subdivision or combination, but including any change in the shares into two or more classes or series of shares), the Holder shall have the right thereafter to receive upon exercise or conversion of this Warrant solely the kind and amount of shares of stock and other securities, property, cash, or any combination thereof receivable upon such reclassification, change, consolidation, or merger by a holder of the number of shares of Common Stock for which this Warrant would have been exercisable or into which this Warrant could have been converted immediately prior to such reclassification, change, consolidation or merger. Thereafter, appropriate provision shall be made for adjustments which shall be as nearly equivalent as practicable to the adjustments in Section 6.

(c) The above provisions of this Section 7 shall similarly apply to successive reclassifications and changes of shares of Common Stock and to successive consolidations, mergers, sales, leases or conveyances.

8. Notice of Adjustments. In case at any time the Company shall propose

(i) to pay any dividend or make any distribution on shares of Common Stock in shares of Common Stock or make any other distribution (other than regularly scheduled cash dividends which are not in a greater amount per share than the most recent such dividend) to all holders of Common Stock; or

(ii) to issue any rights, warrants or other securities to all holders of Common Stock entitling them to purchase any additional shares of Common Stock or any other rights, warrants or other securities; or

(iii) to effect any reclassification or change of outstanding shares of Common Stock, or any consolidation, merger, sale, lease or conveyance of property, described in Section 7; or

(iv) to effect any liquidation, dissolution or winding-up of the Company; or

(v) to take any other action which would cause an adjustment to the Exercise Price;

then, and in any one or more of such cases, the Company shall give written notice thereof, by registered mail, postage prepaid, to each Holder at the address for such Holder as it shall appear in the Warrant Register, mailed at least 10 days prior to (i) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such dividend, distribution, rights, warrants, other securities are to be determined, (ii) the date on which any such reclassification, change of outstanding shares of Common Stock, consolidation, merger, sale, lease, conveyance of property, liquidation, dissolution or winding-up is expected to become effective, and the date as of

which it is expected that holders of record of shares of Common Stock shall be entitled to exchange their shares for securities or other property, if any, deliverable upon such reclassification, change of outstanding shares, consolidation, merger, sale, lease, conveyance of property, liquidation, dissolution or winding-up, or (iii) the date of such action which would require an adjustment to the Exercise Price.

9. Taxes. The issuance of any shares or other securities upon the exercise or conversion of this Warrant, and the delivery of certificates or other instruments representing such shares or other securities, shall be made without charge to the Holder for any tax or other charge in respect of such issuance. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the Holder and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

10. Registration Rights. (a) If, at any time during the six-year period commencing upon February 23, 2000, the Company shall file a registration statement (other than on Form S-4, Form S-8 or any successor form) with the Securities and Exchange Commission (the "COMMISSION") while any Eligible Securities (as hereinafter defined) are outstanding, the Company shall give all the then holders of any Eligible Securities (the "ELIGIBLE HOLDERS") at least 15 days prior written notice of the filing of such registration statement. If requested by any Eligible Holder in writing within 20 days after receipt of any such notice, the Company shall, at the Company's sole expense (other than the fees and disbursements of counsel for the Eligible Holders and the underwriting discounts, if any, payable in respect of the Eligible Securities sold by any Eligible Holder), register or qualify all or, at each Eligible Holder's option, any portion of the Eligible Securities of any Eligible Holder who shall have made such request, concurrently with the registration of such other securities, all to the extent required to permit a public offering and sale of the Eligible Securities through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use its best efforts through its officers, directors, auditors and counsel to cause such registration statement to become effective as promptly as practicable. Notwithstanding the foregoing, if the managing underwriter of any such offering shall advise the Company in writing that, in its opinion, the distribution of all or a portion of the Eligible Securities requested by the Eligible Holders to be included in the registration concurrently with the securities being registered by the Company would materially adversely affect the distribution of such securities by the Company for its own account, then any Eligible Holder who shall have requested registration of his or its Eligible Securities shall delay the offering and sale of such Eligible Securities (or the portions thereof so designated by such managing underwriter) for such period, not to exceed 90 days from the effectiveness of any registration statement (the "DELAY PERIOD"), as the managing underwriter shall request, provided that no such delay shall be required as to any Eligible Securities if any securities of the Company are included in such registration statement and eligible for sale during the Delay Period for the account of any person other than the Company and any Eligible Holder unless the securities included in such registration statement and eligible for sale during the Delay Period for such other person shall have been reduced pro rata to the reduction of the Eligible Securities which were requested to be included and eligible for sale during the Delay Period in such registration. As used herein, "ELIGIBLE SECURITIES" shall mean the Warrants and the Warrant Shares and the Conversion Shares which, in each case, have not been previously sold pursuant to a registration statement or sold or eligible for sale pursuant to Rule 144 promulgated under the Act.

(b) If, during the six-month period commencing on February 23, 2000, the Company has not filed a registration statement (other than on Form S-4, Form S-8 or any successor form) with the Commission while any Eligible Securities are outstanding, and the Eligible Holders have not been given the opportunity to exercise their registration rights pursuant to Section 10(a) above, the Eligible Holders who in the aggregate own (or upon exercise of all Warrants then outstanding would own) a majority of the total number of shares of Common Stock then included (or upon such exercise would be included) in the Eligible Securities (the "MAJORITY HOLDERS") will have the right to, at any time during the five-year period commencing after the expiration of the six-month period mentioned above, give a written request to the Company to register the

sale of all or part of such Eligible Securities. The Company shall, as promptly as practicable, prepare and file with the Commission a registration statement sufficient to permit the public offering and sale of the Eligible Securities through the facilities of all appropriate securities exchanges and the over-the-counter market, and will use such registration statement to become

effective as promptly as practicable; provided, however, that the Company shall only be obligated to file one such registration statement for which all expenses incurred in connection with such registration (other than the fees and disbursements of counsel for the Eligible Holders and underwriting discounts, if any, payable in respect of the Eligible Securities sold by the Eligible Holders) shall be borne by the Company and one additional such registration statement for which all such expenses shall be paid by the Eligible Holders. Within three business days after receiving any request contemplated by this Section 10(b), the Company shall give written notice to all the other Eligible Holders, advising each of them that the Company is proceeding with such registration and offering to include therein all or any portion of any such other Eligible Securities, provided that the Company receives a written request to do so from such Eligible Holder within 20 days after receipt by him or it of the Company's notice.

(c) In the event of a registration pursuant to the provisions of this Section 10, the Company shall use its best efforts to cause the Eligible Securities so registered to be registered or qualified for sale under the securities or blue sky laws of such jurisdictions as the Holder or Holders may reasonably request; provided, however, that the Company shall not for any such purpose be required to (A) qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not otherwise required to be so qualified, (B) subject itself to taxation in any jurisdiction wherein it is not so subject or (C) consent to general service of process in any such jurisdiction or otherwise take action that would subject it to the general jurisdiction of the courts of any jurisdiction to which it is not so subject.

(d) The Company shall keep effective any registration or qualification contemplated by this Section 10 and shall from time to time amend or supplement each applicable registration statement, preliminary prospectus, final prospectus, application, document and communication for such period of time as shall be required to permit the Eligible Holders to complete the offer and sale of the Eligible Securities covered thereby. The Company shall in no event be required to keep any such registration or qualification in effect for a period in excess of nine months from the date on which the Eligible Holders are first free to sell such Eligible Securities.

(e) In the event of a registration pursuant to the provisions of this Section 10, the Company shall furnish to each Eligible Holder such number of copies of the registration statement and of each amendment and supplement thereto (in each case, including all exhibits), such reasonable number of copies of each prospectus contained in such registration statement and each supplement or amendment thereto (including each preliminary prospectus), all of which shall conform to the requirements of the Act and the rules and regulations thereunder, and such other documents, as any Eligible Holder may reasonably request to facilitate the disposition of the Eligible Securities included in such registration.

(f) In the event of a registration pursuant to the provisions of this Section 10, the Company shall furnish each Eligible Holder of any Eligible Securities so registered with an opinion of its counsel (reasonably acceptable to the Eligible Holders) to the effect that (i) the registration statement has become effective under the Act and no order suspending the effectiveness of the registration statement, preventing or suspending the use of the registration statement, any preliminary prospectus, any final prospectus or any amendment or supplement thereto has been issued, nor has the Commission or any securities or blue sky authority of any jurisdiction instituted or threatened to institute any proceedings with respect to such an order, (ii) the registration statement and each prospectus forming a part thereof (including each preliminary prospectus), and any amendment or supplement, thereto, complies as to form with the Act and the rules and regulations thereunder, and (iii) such counsel has no knowledge of any material misstatement or omission in such registration statement or any prospectus, as amended or supplemented. Such opinion shall also state the jurisdictions in which the Eligible Securities have been registered or qualified for sale pursuant to the provisions of Section 10(c).

(g) In the event of a registration pursuant to the provision of this Section 10, the Company shall enter into a cross-indemnity agreement and a contribution agreement, each in customary form, with each underwriter, if any, and, if requested, enter into an underwriting agreement containing conventional representations, warranties, allocation of expenses, and customary closing conditions, including, but not limited to, opinions of counsel and accountants' cold comfort letters, with any underwriter who acquires any Eligible Securities.

(h) The Company covenants and agrees that, until all the Eligible Securities have been sold under a registration statement or pursuant to Rule 144 under the Act, it shall keep current in filing all reports, statements and other materials required to be filed with the Commission to permit holders of the Eligible Securities to sell such securities under Rule 144.

(i) The Company may delay any requested registration hereunder by giving written notice to Eligible Holders who have elected to include their Eligible Securities in a registration under this Section 10 if the Company's Board of Directors determines in good faith that a registration at such time would be materially detrimental to the Company provided that any such delay shall not exceed ninety (90) days and the Company cannot provide this notice more than twice in any twelve-month period.

11. Indemnification. (a) Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless each Eligible Holder, its officers, directors, members, employees, agents and counsel, and each person, if any, who controls any such person within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), from and against any and all loss, liability, charge, claim, damage and expense whatsoever (which shall include, for all purposes of this Section 11, but not be limited to, reasonable attorneys' fees and any and all reasonable expense whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), as and when incurred, arising out of, based upon, or in connection with (i) any untrue statement or alleged untrue statement of a material fact contained (A) in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, relating to the sale of any of the Eligible Securities, or (B) in any application or other document or communication (in this Section 11 collectively called an "application") executed by or on behalf of the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to register or qualify any of the Eligible Securities under the securities or blue sky laws thereof or filed with the Commission or any securities exchange; or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Company with respect to such Eligible Holder by or on behalf of such person expressly for inclusion in any registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, as the case may be, or (ii) any breach of any representation, warranty, covenant or agreement of the Company contained in this Warrant. The foregoing agreement to indemnify shall be in addition to any liability the Company may otherwise have, including liabilities arising under this Warrant.

If any action is brought against any Eligible Holder or any of its officers, directors, members, employees, agents or counsel, or any controlling persons of such person (an "INDEMNIFIED PARTY") in respect of which indemnity, may be sought against the Company pursuant to the foregoing paragraph, such indemnified party or parties shall promptly notify the Company in writing of the institution of such action (provided that the failure so to notify shall not relieve the Company from any liability pursuant to this Section 11(a), but shall only reduce the amount of the indemnification if any to the extent that the Company is prejudiced by such delay) and the Company shall promptly assume the defense of such action, including the employment of counsel (reasonably satisfactory to such indemnified party or parties) and payment of expenses. Such indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless the employment of such counsel shall have been authorized in writing by the Company in connection with the defense of such action or the Company shall not have promptly employed counsel reasonably satisfactory to such indemnified party or parties to have charge of the defense of such action or such indemnified party or parties shall

have reasonably concluded that there may be a conflict of interest between the indemnified party or parties and the Company in the conduct of the defense of such action in any of which events such fees and expenses shall be borne by the Company and the Company shall not have the right to direct the defense of such action on behalf of the indemnified party or parties. Anything in this Section 11 to the contrary notwithstanding, the Company shall not be liable for any settlement of any such claim or action effected without its written consent, which shall not be unreasonably withheld. The Company shall not, without the prior written consent of each indemnified party that is not released as described in this sentence, settle or compromise any action, or permit a default or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened

action, in respect of which indemnity may be sought hereunder (whether or not any indemnified party is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each indemnified party from all liability in respect of such action. The Company agrees promptly to notify the Eligible Holders of the commencement of any litigation or proceedings against the Company or any of its officers or directors in connection with the sale of any Eligible Securities or any preliminary prospectus, prospectus, registration statement, or amendment or supplement thereto, or any application relating to any sale of any Eligible Securities.

(b) The Holder agrees to indemnify and hold harmless the Company, each director of the Company, each officer of the Company who shall have signed any registration statement covering Eligible Securities held by the Holder, each other person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and its or their respective counsel, to the same extent as the foregoing indemnity from the Company to the Holder in Section 11(a), but only with respect to statements or omissions, if any, made in any registration statement, preliminary prospectus or final prospectus (as from time to time amended and supplemented), or any amendment or supplement thereto, or in any application, in reliance upon and in conformity with written information furnished to the Company with respect to the Holder by or on behalf of the Holder expressly for inclusion in any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, as the case may be. If any action shall be brought against the Company or any other person so indemnified based on any such registration statement, preliminary prospectus or final prospectus, or any amendment or supplement thereto, or in any application, and in respect of which indemnity may be sought against the Holder pursuant to this Section 11(b), the Holder shall have the rights and duties given to the Company, and the Company and each other person so indemnified shall have the rights and duties given to the indemnified parties, by the provisions of Section 11(a).

(c) To provide for just and equitable contribution, if (i) an indemnified party makes a claim for indemnification pursuant to Section 11(a) or 11(b) (subject to the limitations thereof) but it is found in a final judicial determination, not subject to further appeal, that such indemnification may not be enforced in such case, even though this Agreement expressly provides for indemnification in such case, or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act or otherwise, then the Company (including for this purpose any contribution made by or on behalf of any director of the Company, any officer of the Company who signed any such registration statement, any controlling person of the Company, and its or their respective counsel), as one entity, and the Eligible Holders of the Eligible Securities included in such registration in the aggregate (including for this purpose any contribution by or on behalf of an indemnified party), as a second entity, shall contribute to the losses, liabilities, claims, damages and expenses whatsoever to which any of them may be subject, on the basis of relevant equitable considerations such as the relative fault of the Company and such Eligible Holders in connection with the facts which resulted in such losses, liabilities, claims, damages and expenses. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission, shall be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Company or by such Eligible Holders, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Company and the Holder agree that it would be unjust and inequitable if the respective obligations of the Company and the Eligible Holders for contribution were determined by pro rata or per capita allocation of the aggregate losses,

liabilities, claims, damages and expenses (even if the Holder and the other indemnified parties were treated as one entity for such purpose) or by any other method of allocation that does not reflect the equitable considerations referred to in this Section 11(c). In no case shall any Eligible Holder be responsible for a portion of the contribution obligation imposed on all Eligible Holders in excess of its pro rata share based on the number of shares of Common Stock owned by it (or which would be owned by it upon exercise of all Eligible Securities) and included in such registration as compared to the number of shares of Common Stock owned by it (or which would be owned by it upon exercise of all Eligible Securities) by all Eligible Holders and included in such registration. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 11(c), each person, if any, who controls any Eligible Holder within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each officer, director, member, employee, agent and counsel of each such Eligible Holder or control person shall have the same rights to contribution as such Eligible Holder or control person and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the

Exchange Act, each officer of the Company who shall have signed any such registration statement, each director of the Company, and its or their respective counsel shall have the same rights to contribution as the Company, subject in each case to the provisions of this Section 11(c). Anything in this Section 11(c) to the contrary notwithstanding, no party shall be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 11(c) is intended to supersede any right to contribution under the Act, the Exchange Act or otherwise.

12. Representations and Warranties. The Company represents and warrants to Holder as follows:

(a) This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms;

(b) The shares of Common Stock issuable hereunder have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable;

(c) The execution and delivery of this Warrant are not, and the issuance of the shares of Common Stock upon exercise of this Warrant in accordance with the terms hereof will not be, inconsistent with the Company's Certificate of Incorporation or by laws, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company, and, except for consents that have already been obtained by the Company, do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any Federal, state or local governmental authority or agency or other person.

13. Legend. Unless registered pursuant to the provisions of Section 10 hereof, the Warrant Shares or Conversion Shares issued upon exercise or conversion of the Warrants shall be subject to a stop transfer order and the certificate or certificates evidencing such Warrant Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

14. Reservation and Listing of Securities. The Company shall at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon the exercise of the Warrants, such number of Common Stock or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the

Warrants and payment of the Exercise Price therefor, all Common Stock and other securities issuable upon such exercise shall be duly and validly issued, fully paid, nonassessable and not subject to the preemptive rights of any shareholder. As long as the Warrants shall be outstanding, the Company shall use its best efforts to cause all Common Stock issuable upon the exercise of the Warrants to be listed on all securities exchanges and/or included in the automated quotation system of the Nasdaq (subject to official notice of issuance) with respect to which the Common Stock issued to the public in connection herewith may then be listed and/or quoted.

15. Destroyed or Lost Warrants. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Warrant (and upon surrender of any Warrant if mutilated), and upon reimbursement of the Company's reasonable incidental expenses, the Company shall execute and deliver to the Holder thereof a new Warrant of like date, tenor and denomination.

16. Notices to Warrant Holders. In the event of

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger involving the Company and any other person or any transfer of all or substantially all the assets of the Company to any other person, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company, the Company will mail to each Holder of a Warrant a notice specifying (i) the date or expected date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right, and (ii) the date or expected date on which any such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place and time, if any such time is to be fixed, as of which the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for the securities or other property deliverable upon such reorganization, reclassification, recapitalization, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be mailed at least 45 days prior to the date therein specified.

17. Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given or made at the time delivered by hand if personally delivered; five calendar days after mailing if sent by registered or certified mail; when answered back, if telexed; when receipt is acknowledged, if telecopied; and the next business day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee):

(a) If to the registered Holder of the Warrants, to the address of such Holder as shown on the books of the Company; or

(b) If to the Company, to the address set forth in Section 1 hereof or to such other address as the Company may designate by notice to the Holders.

18. Supplements and Amendments. The Company and the Underwriter may from time to time supplement or amend this Agreement without the approval of any Holders of Warrants (other than the Underwriter) in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any provisions herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Underwriter may deem necessary or desirable and which the Company and the Underwriter deem shall not adversely affect the interests of the Holders of Warrants.

19. No Notice of Meetings. The Holder of any Warrant shall not have,

solely on account of such status, any rights of a stockholder of the Company, either at law or in equity, or to any notice of meetings of stockholders or of any other proceedings of the Company, except as provided in this Warrant.

20. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and performed within such State, without regard to the principles thereof respecting conflicts of law.

Dated: 2/23/00

CYTOCLONAL PHARMACEUTICS INC.

By:

Name:

Title:

Attest:

Secretary

Acknowledged and Accepted by:

GRUNTAL & CO., LLC

By:

Name:

Title:

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the attached Warrant.)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ a Warrant to purchase _____ shares of Common Stock, no par value, of CYTOCLONAL PHARMACEUTICS INC. (the "Company"), together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ attorney to transfer such Warrant on the books of the Company, with full power of substitution.

Dated:

Signature

NOTICE

The Signature on the foregoing Assignment must correspond to the name as written upon the fact of this Warrant in every particular, without alteration or enlargement or any change whatsoever.

To: CYTOCLONAL PHARMACEUTICS INC.
9000 Harry Hines Boulevard, Suite 627
Dallas, TX 75235

ELECTION TO EXERCISE

The undersigned hereby exercises his or its rights to purchase _____ Warrant Shares covered by the within Warrant and tenders payment herewith in the amount of \$ _____ in accordance with the terms thereof, and requests that

certificates for such securities be issued in the name of, and delivered to:

(Print Name, Address and Social Security
or Tax Identification Number)

and, if such number of Warrant Shares shall not be all the Warrant Shares covered by the within Warrant, that a new Warrant for the balance of the Warrant Shares covered by the within Warrant be registered in the name of, and delivered to, the undersigned at the address stated below.

Dated: _____ Name _____
(Print)

Address: _____

(Signature)

To: CYTOCLONAL PHARMACEUTICS INC.
9000 Harry Hines Boulevard, Suite 627
Dallas, TX 75235

CASHLESS EXERCISE FORM
(To be executed upon conversion of the attached Warrant)

The undersigned hereby irrevocably elects to surrender its Warrant for the number of shares of Common Stock as shall be issuable pursuant to the cashless exercise provisions set forth in Section 2 of the within Warrant, in respect of _____ shares of Common Stock underlying the within Warrant, and requests that certificates for such securities be issued in the name of and delivered to:

(Print, Name, Address and Social Security
or Tax Identification Number)

and, if such number of shares shall not be all the shares exchangeable or purchasable under the within Warrant, that a new Warrant for the balance of the Warrant Shares covered by the within Warrant be registered in the name of, and delivered to, the undersigned at the address stated below.

Dated: _____ Name _____
(Print)

Address: _____

(Signature)

EXHIBIT 4.2

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THESE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT.

125,000 Warrants

VOID AFTER AUGUST 13, 2007

WARRANT CERTIFICATE FOR PURCHASE
OF COMMON STOCK

EXEGENICS, INC.

This certifies that FOR VALUE RECEIVED Roan Meyers Associates, L.P., or its registered assigns (the "Registered Holder"), is entitled to subscribe for and purchase from eXegenics, Inc., a Delaware corporation (the "Company"), upon the terms and conditions set forth herein, at any time, or from time to time, during the Exercise Period (as hereinafter defined), up to 125,000 shares of the Company's Common Stock, par value \$.01 par value per share (the "Common Stock"). The Warrant Shares (as hereinafter defined) shall be issuable at a price per share of FIFTY-FIVE CENTS (\$0.55) per share, as may be adjusted (such payment, the "Exercise Price") in lawful money of the United States of America.

As used herein, the term "this Warrant" or "this Warrant Certificate" shall mean and include this Warrant and any Warrants hereafter issued as a consequence of the exercise or transfer of this Warrant in whole or in part. The number of shares issuable upon exercise of this Warrant (the "Warrant Shares") and the Exercise Price may be adjusted from time to time as hereinafter set forth.

As used herein, the term "Exercise Period" shall mean the period of time from and after the date hereof until 5:00 P.M. (New York time) on the earlier of (a) the Termination Date (as hereinafter defined), and (b) August 13, 2007; provided, that, if either such date shall in the State of New York be a holiday or a day on which the banks are authorized to close, then the next following day which, in the State of New York, is not a holiday or a day on which banks are authorized to close.

I. Exercise.

1.1 In General. This Warrant may be exercised during the Exercise Period, at the option of the Registered Holder, as to the whole or any lesser number of whole Warrant Shares, by surrender of this Warrant with a completed Election of Exercise (in the form at the end hereof duly executed) to the Company at its principal corporate offices or at such other place as is designated in writing by the Company, together with a certified or bank cashier's check payable to the order of eXegenics, Inc. in an amount equal to the Exercise Price multiplied by the number of Warrant Shares for which his Warrant is then being exercised (such amount, the "Purchase Price").

1.2 Cashless Exercise. All or any portion of the Purchase Price may be paid by surrender of this Warrant with a completed Election of Cashless Exercise (in the form at the end hereof duly executed) to the Company at its principal corporate offices or at such other place as is designated in writing by the Company, which election of cashless exercise will instruct the Company to deduct from the number of Warrant Shares otherwise deliverable upon such exercise to the Registered Holder such number of Warrant Shares as is equal to such Purchase Price or portion thereof all as more fully described below (a "Cashless Exercise"). Such presentation and surrender shall be deemed a waiver by the Company of the Registered Holder's obligation to pay all or such portion of the aggregate Purchase Price as to which the Cashless Exercise relates. In the event of a Cashless Exercise, the Company will deliver to the Registered

Holder that number of Warrant Shares determined by multiplying the number of Warrant Shares for which the Registered Holder desires to exercise this Warrant by a fraction, the numerator of which shall be the difference between the then current market price per share of the Common Stock and the Exercise Price, and the denominator of which shall be the then current market price per share of Common Stock. For purposes of any computation under this Warrant, the then "current market price" per share of Common Stock at any date shall be deemed to

be the average for the ten consecutive business days immediately prior to the Cashless Exercise of the daily closing prices of the Common Stock on the principal national securities exchange on which the Common Stock is admitted to trading or listed, or if not listed or admitted to trading on any such exchange, the closing prices as reported by the Nasdaq National Market, or if not then listed on the Nasdaq National Market, the average of the highest reported bid and lowest reported asked prices as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("Nasdaq") or if not then publicly traded, the fair market price of the Common Stock as determined by the Board of Directors of the Company.

1.3 Issuance of Certificates. Each exercise of this Warrant shall be deemed effective immediately prior to the close of business on the day on which the last of the actions required for exercise under Section 1.1 or Section 1.2, as applicable, has been satisfied. As soon as practicable after each such exercise of this Warrant (whether pursuant to Section 1.1 or Section 1.2), the Company shall issue and deliver to the Registered Holder a certificate or certificates for the Warrant Shares issuable upon such exercise, registered in the name of the Registered Holder or his or its designee. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new warrant evidencing the right of the Registered Holder to purchase the balance of the Warrant Shares (or portions thereof) subject to purchase hereunder. Notwithstanding anything contained herein to the contrary, the Company may delay issuance of Warrant Shares until completion of any action or execution of any instrument which the Company deems necessary under applicable law, including, without limitation, Federal and State securities laws.

2. Certain Adjustments. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events.

2.1 Changes in Common Stock. In case the Company shall at any time during the Exercise Period (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or on the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur and shall become effective on the record date for the determination of stockholders entitled to receive such dividend or distribution or on the effective date of such subdivision, combination or reclassification, as applicable.

2.2 Adjustments for Reclassification, Exchange and Substitution. If the Warrant Shares issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares which is provided for under Section 2.1 above and other than a reclassification in connection with a merger, consolidation or sale which is provided for under Section 3 below) this Warrant shall thereafter be exercisable into solely the kind and amount of shares of such other class or classes of stock as to which such Registered Holder would have received upon such reorganization, reclassification or other change had such Registered Holder exercised this Warrant in full immediately prior to such reorganization, reclassification or other change. Such adjustment shall be made successively whenever any event listed above shall occur and shall become effective on the effective date of such reorganization, reclassification or other event.

2.3 Other Adjustments. Upon each adjustment of the Exercise Price as a result of the calculations made in this Section 2, this Warrant shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of shares (calculated to the nearest hundredth) obtained by dividing (A) the product obtained by multiplying the number of shares purchasable upon exercise of this Warrant prior to adjustment of the number of shares by the Exercise Price in effect prior to adjustment of the Exercise Price, by (B) the

Exercise Price in effect after such adjustment of the Exercise Price.

2.4 No Fractional Shares. The Company shall not be required to issue fractions of shares of Common Stock or other capital stock of the Company upon the exercise or conversion of this Warrant. If any fraction of a share would be issuable on the exercise or conversion of this Warrant (or specified portions thereof), the Company shall purchase such fraction for an amount in cash equal to the same fraction of the current market price of such share of Common Stock on the date of exercise or conversion of this Warrant.

3. Consolidations, Mergers and Sales. If there shall be a merger or consolidation of the Company with or into another corporation (other than a merger or reorganization involving only a change in the state of incorporation of the Company or a merger or reorganization in which the Company is the surviving or continuing entity), or the sale of all or substantially all of the Company's capital stock or assets to any other person, or the liquidation or dissolution of the Company, then as a part of such transaction, at the Company's option, either:

(a) provision shall be made so that the Registered Holder shall thereafter be entitled to receive upon exercise of this Warrant solely the kind and amount of shares of stock or other securities or property of the Company, or of the successor corporation resulting from the merger, consolidation or sale, to which the Registered Holder would have been entitled if the Registered Holder had exercised its rights pursuant to the Warrant immediately prior thereto (and, thereafter, appropriate provision shall be made for adjustments which shall be as nearly equivalent as practicable to the adjustments in Section 2); or

(b) this Warrant shall terminate, and become null and void, at 5:00 P.M. (New York Time) on the business day immediately preceding the effective date of such merger, consolidation or sale (the "Termination Date"); provided, that if this Warrant shall not have otherwise terminated or expired, the Company shall have given the Registered Holder written notice of such Termination Date at least twenty (20) business days prior to the occurrence thereof.

4. Registration Rights.

4.1 No Prior Registration. The Registered Holder acknowledges that this Warrant and the Warrant Shares have not been registered under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any successor legislation (the "Securities Act"), and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Shares in the absence of (i) an effective registration statement under the Securities Act covering the resale of this Warrant or such Warrant Shares and registration or qualification of this Warrant or such Warrant Shares under any applicable "blue sky" or state securities law then in effect, or (ii) an opinion of counsel, satisfactory to the Company, that such registration and qualification are not required. The Company may delay issuance of the Warrant Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws).

4.2 S-3 Registration Rights. At any one time during the Exercise Period and provided that the Company is then a registrant eligible to use Form S-3, the Registered Holder shall have the right to request that the Company prepare and file with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-3 covering the resale of all or any portion of the Warrant Shares; provided, that the Warrant Shares to be included in any Registration Statement pursuant to this Section 4.2 shall have a minimum aggregate offering price to the public of at least \$75,000, such registration relate to at least 100,000 shares of Common Stock (which condition may be met by aggregating

the Warrant Shares of the Registered Holder with those of other persons having registration rights or otherwise participating in such registration), and the Registered Holder shall have the right to request only one registration under this Section 4.2

4.3 Registration Procedures. Any request for registration pursuant to Section 4.2 shall be made in writing (a "Registration Notice") and shall set forth the number of Warrant Shares requested to be so registered and the Registered Holder's preferred method of distribution of such Warrant Shares.

Subject to the other provisions of this Section 4, the Company shall use its commercially reasonable efforts to (a) prepare and file with the SEC a Registration Statement covering the resale of such Warrant Shares, (b) cause such Registration Statement to become effective as soon as practicable thereafter, and (c) keep such Registration Statement continually effective until the earlier of (i) such time as all Warrant Shares covered thereby are sold, and (ii) the date which is 180 days following the effective date of the Registration Statement.

4.4 Permitted Delays. The Company shall be entitled to postpone the filing of any Registration Statement, if (i) at any time prior to the filing of such Registration Statement the Company determines, in its reasonable business judgment, that such registration and offering could adversely affect any financing, acquisition, corporate reorganization, or other material transaction or development involving the Company or any of its affiliates, and (ii) the Company gives the Registered Holder written notice of such postponement. In the event of such postponement, the Company shall file such Registration Statement as soon as practicable after it shall determine, in its reasonable business judgment, that such registration and offering will not adversely effect the matters described in the first sentence of this Section 4.4.

4.5 Expenses. All expenses incurred in connection with a registration pursuant to this Section 4 (other underwriting discounts and commissions, if any, fees and disbursements of counsel for the Registered Holder, and transfer taxes) shall be borne by the Company, provided that the Company shall not be required to obtain a special audit of its financial statements in connection with such registration statement.

4.6 Cooperation. The Registered Holder agrees to cooperate with the Company in connection with the preparation and filing of any Registration Statement hereunder, and for so long as the Company is obligated to keep any such Registration Statement effective, will provide to the Company, in writing, for use in the Registration Statement, all information as may be necessary to enable the Company to prepare the Registration and prospectus covering the Warrant Shares and to maintain the currency and effectiveness thereof.

4.7 Suspension of Offering or Distribution. On notice from the Company of (i) the happening of any event as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or fails to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the issuance by the SEC of a stop order relating to a Registration Statement covering the resale of Warrant Shares, the Registered Holder shall cease offering or distributing the Warrant Shares until such time as the Company notifies the Registered Holder that offering and distribution of the Warrant Shares may recommence.

4.8 Limitations. Notwithstanding anything in this Warrant to the contrary, Company shall be under no obligation to file a registration statement for the registration of the Warrant Shares if any of such Warrant Shares may then be sold by the Registered Holder to the public pursuant to Rule 144 or otherwise without registration.

5. Exchange and Transferability Replacement. This Warrant Certificate is exchangeable, upon the surrender hereof by the Registered Holder at the corporate office of the Company, or at such other place as the Company may designate, for a new Warrant Certificate or Warrant Certificates of like tenor representing an equal aggregate number of Warrant Shares, each of such new Warrant Certificates to represent such number of Warrant Shares as shall be designated by such Registered Holder at the time of such surrender. Notwithstanding the foregoing, the Company shall have no obligation to cause this Warrant to be transferred on its books to any person if, in the opinion of counsel to the Company, such transfer does not comply with the provisions of the Securities Act. Without the prior written consent of the Company, this Warrant shall not be assigned, pledged or hypothecated in any way, whether by operation of law or otherwise (other than by will or pursuant to the laws of descent and distribution) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Warrant or of any rights granted hereunder contrary to the provisions of this Section 5, or the levy of any attachment or similar process upon this Warrant or such rights, shall be null and void. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction, or

mutilation of this Warrant (and upon surrender of this Warrant if mutilated), and upon reimbursement of the Company's reasonable incidental expenses, the Company shall execute and deliver to the Registered Holder thereof a new Warrant of like date, tenor, and denomination.

6. No Rights as Stockholders. Prior to the exercise of this Warrant, the Registered Holder shall not be entitled, solely on account of this Warrant, to any rights of a stockholder of the Company, including, without limitation, the right to vote or to receive dividends or other distributions, and shall not be entitled to receive any notice of any proceedings of the Company.

7. Taxes. The issuance of any shares or other securities upon the exercise or conversion of this Warrant, and the delivery of certificates or other instruments representing such shares or other securities, shall be made without charge to the Registered Holder for any tax or other charge in respect of such issuance. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the Registered Holder and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

8. Legend. Unless the Warrant-Shares issued upon exercise of this Warrant are registered for resale under the Securities Act, the certificate or certificates evidencing such Warrant Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THESE SHARES MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT."

9. Waivers and Modifications. Any term or provision of this Warrant may be waived only by written document executed by the party entitled to the benefits of such terms or provisions. The terms and provisions of this Warrant may be modified or amended only by written agreement executed by the parties hereto.

10. Governing Law. This Warrant Certificate shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed manually or in facsimile by two of its officers thereunto duly authorized.

EXEGENICS, INC.

Dated: August 13, 2002

By:

Name:
Title:

By:

Name:
Secretary:

[SEAL]

ELECTION OF EXERCISE

(To be completed and executed by Registered Holder to Exercise Warrant)

In accordance with Section 1.1 of the within Warrant Certificate, the undersigned Registered Holder hereby irrevocably elects to exercise his, her or its right to purchase _____ Warrant Shares and, in connection therewith, tenders payment in the aggregate amount of \$ _____, which amount represents the number of Warrant Shares as to which the undersigned is electing his, her or its right to purchase, multiplied by the Exercise Price (as defined in said Warrant), as adjusted pursuant to Section 2 therein, if applicable. The undersigned Registered Holder requests that certificates for such Warrant Shares

shall be issued in the name of:

(Print Name, Address and Social Security or Tax Identification Number)

and, if such number of Warrant Shares shall not be all the Warrants Shares evidenced by the within Warrant Certificate, that a new Warrant Certificate for the balance of such Warrants be registered in the name of, and delivered to, the Registered Holder at the address- stated below.

Date:

(Print Name of Registered Holder)

Address of Registered Holder:

(Signature and Title, if applicable)

THE SIGNATURE ON THIS ELECTION TO EXERCISE FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF THE AMERICAN STOCK EXCHANGE, NEW YORK STOCK EXCHANGE, PACIFIC STOCK EXCHANGE OR MIDWEST STOCK EXCHANGE.

ASSIGNMENT

(To be completed and executed by the Registered Holder to transfer Warrant)

FOR VALUE RECEIVED, the undersigned Registered Holder hereby sells, assigns and transfers unto:

(Print Name, Address and Social Security or Tax Identification Number)

the right to purchase _____ of the Warrants Shares represented by the within Warrant Certificate, and hereby irrevocably constitutes and appoints _____ attorney-in-fact to transfer this Warrant Certificate on the books of the Company, with full power of substitution in the premises, and, if such number of Warrant Shares shall not be all the Warrants Shares evidenced by the within Warrant Certificate, that a new Warrant Certificate for the balance of such Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below.

Date:

(Print Name of Registered Holder)

Address of Registered Holder:

(Signature and Title, if applicable)

THE SIGNATURE ON THIS ASSIGNMENT FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF THE AMERICAN STOCK EXCHANGE, NEW YORK STOCK EXCHANGE, PACIFIC STOCK EXCHANGE OR MIDWEST STOCK EXCHANGE.

ELECTION OF CASHLESS EXERCISE
(To be completed and executed by Registered Holder to Exercise Warrant pursuant to Cashless Exercise provisions)

In accordance with Section 1.2 of the within Warrant Certificate, the undersigned Registered Holder hereby irrevocably elects to exercise his, her or its right to purchase _____ Warrant Shares and, in connection therewith, directs that the payment of the purchase price for such Warrant Shares be made pursuant to the cashless exercise provisions of the within Warrant. The undersigned Registered Holder requests that certificates for such Warrant Shares (less any Warrant Shares not delivered in accordance with such cashless exercise provisions) shall be issued in the name of:

(Print Name, Address and Social Security or Tax Identification Number)

and, if such number of Warrant Shares shall not be all the Warrants Shares evidenced by the within Warrant Certificate, that a new Warrant Certificate for the balance of such Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below.

Date:

(Print Name of Registered Holder)

Address of Registered Holder:

(Signature and Title, if applicable)

THE SIGNATURE ON THIS ELECTION OF CASHLESS EXERCISE FORM MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF THE AMERICAN STOCK EXCHANGE, NEW YORK STOCK EXCHANGE, PACIFIC STOCK EXCHANGE OR MIDWEST STOCK EXCHANGE.

EXHIBIT 4.3

THIS WARRANT AND THE SHARES OF CAPITAL STOCK ISSUED UPON ANY EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, UNLESS (1) EITHER (A) A REGISTRATION WITH RESPECT TO THERETO SHALL BE EFFECTIVE UNDER THE SECURITIES ACT, OR (B) THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE, AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

No. _____ For the Purchase
of 40,000 shares
of Common Stock

WARRANT TO PURCHASE STOCK
OF
EXEGENICS INC.
(A DELAWARE CORPORATION)

eXegenics Inc., a Delaware corporation (the "Company"), for value received, hereby certifies that Petkevich & Partners, LLC (the "Holder"), is entitled, subject to the vesting provisions and other terms set forth below, to purchase from the Company, at any time or from time to time at or before the earlier of 5:00 p.m. EST on March 5, 2008 (the "Expiration Date") and the termination of this Warrant as provided in Section 8 hereof, Forty Thousand (40,000) shares of Common Stock, par value \$0.01 per share, of the Company (the "Common Stock"), at a purchase price per share equal to fifty-eight cents (\$0.58) per share (the "Base Price"), as adjusted upon the occurrence of certain events as set forth in Section 3 of this Warrant. This Warrant shall vest and become exercisable in quarterly increments as follows: (a) this Warrant shall vest and become exercisable with respect to Ten Thousand (10,000) shares of Common Stock on March 5, 2003; (b) this Warrant shall vest and become exercisable with respect to another Ten Thousand (10,000) shares of Common Stock on June 5, 2003; (c) this Warrant shall vest and become exercisable with respect to another Ten Thousand (10,000) shares of Common Stock on September 5, 2003; and (d) this Warrant shall vest and become exercisable with respect to the remaining Ten Thousand (10,000) shares of Common Stock on December 5, 2003. The shares of stock issuable upon exercise of this Warrant, and the purchase price per share, are hereinafter referred to as the "Warrant Stock" and the "Purchase Price," respectively.

I. Exercise.

1.1 Manner of Exercise; Payment in Cash. This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the purchase form appended hereto as Exhibit A duly executed by the Holder, at the principal office of the Company, or at such other place as the Company may designate, accompanied by payment in full of the Purchase Price payable in respect of the number of shares of Warrant Stock purchased upon such exercise. Payment of the Purchase Price shall be in cash or by certified or official bank check payable to the order of the Company.

1.2 Effectiveness. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in Section 1.1 above. At such time, the person or persons in whose name or names any certificates for Warrant Stock shall be issuable upon such exercise as provided in Section 1.3 below shall be deemed to have become the holder or holders of record of the Warrant Stock represented by such certificates.

1.3. Delivery of Certificates. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within ten (10) business days thereafter, the Company at its sole expense will cause to be issued in the name of, and delivered to, the Holder, or, subject to the terms and conditions hereof; as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

(a) A certificate or certificates for the number of full shares of Warrant Stock to which such Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which such Holder would otherwise be entitled,

cash in an amount determined pursuant to Section 2 hereof, and

(b) In case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock (without giving effect to any adjustment therein) equal to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided in Section 1.1 above.

2. Fractional Shares. The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall make an adjustment therefor in cash on the basis of the fair market value of the Warrant Stock reasonably determined by the Board of Directors of the Company.

3. Certain Adjustments.

3.1 Changes in Common Stock. If the Company shall (i) combine the outstanding shares of Common Stock into a lesser number of shares, (ii) subdivide the outstanding shares of Common Stock into a greater number of shares, or (iii) issue additional shares of Common Stock as a dividend or other distribution with respect to the Common Stock, the number of shares of Warrant Stock shall be equal to the number of shares which the Holder would have been entitled to receive after the happening of any of the events described above if such shares had been issued immediately prior to the happening of such event, such adjustment to become effective concurrently with the effectiveness of such event. The Purchase Price in effect immediately prior to any such combination of Common Stock shall, upon the effectiveness of such combination, be proportionately increased. The Purchase Price in effect immediately prior to any such subdivision of Common Stock or at the record date of such dividend shall upon the effectiveness of such subdivision or immediately after the record date of such dividend be proportionately reduced.

3.2 Reorganizations and Reclassifications. If there shall occur any capital reorganization or reclassification of the Common Stock (other than a change in par value or a subdivision or combination as provided for in Section 3.1), then, as part of any such reorganization or reclassification, lawful provision shall be made so that the Holder shall have the right thereafter to receive upon the exercise hereof the kind and amount of shares of stock or other securities or property which such Holder would have been entitled to receive it immediately prior to any such reorganization or reclassification, such Holder had held the number of shares of Common Stock which were then purchasable upon the exercise of this Warrant. In any such case, appropriate adjustment (as reasonably determined by the Board of Directors of the Company) shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of the Holder such that the provisions set forth in this Section 3 (including provisions with respect to adjustment of the Purchase Price) shall thereafter be applicable, as nearly as is reasonably practicable, in relation to any shares of stock or other securities or property thereafter deliverable upon the exercise of this Warrant

3.3 Certificate of Adjustment. When any adjustment is required to be made in the Purchase Price, the Company shall promptly mail to the Holder a certificate setting forth the Purchase Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Delivery of such certificate shall be deemed to be a final and binding determination with respect to such adjustment unless challenged by the Holder within ten (10) days of receipt thereof. Such certificate shall also set forth the kind and amount of stock or other securities or property into which this Warrant shall be exercisable following the occurrence of any of the events specified in this Section 3.

4. Compliance with Securities Act.

4.1 Unregistered Securities. The Holder acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any successor legislation (the "Securities Act"), and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Stock in the absence of (i) an effective registration statement under the Securities Act covering this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable "blue sky" or state securities law then in effect, or (ii) an opinion of counsel, satisfactory to the Company, that such registration and qualification are not required. The Company may delay issuance of the Warrant Stock until completion of any action

or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

4.2 Investment Letter. Without limiting the generality of Section 4.1, unless the offer and sale of any shares of Warrant Stock shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue the Warrant Stock unless and until the Holder shall have executed an investment letter in form and substance satisfactory to the Company, including a warranty at the time of such exercise that the Holder is acquiring such shares for its own account, for investment and not with a view to, or for sale in connection with, the distribution of any such shares.

4.3 Legend. Certificates delivered to the Holder pursuant to Section 1.3 shall bear the following legend or a legend in substantially similar form:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN TAKEN FOR INVESTMENT AND THEY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION IS THEN AVAILABLE."

5. Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the exercise of this Warrant, such shares of Warrant Stock and other stock, securities and property, as from time to time shall be issuable upon the exercise of this Warrant. The Company covenants that all shares of Warrant Stock so issuable will, when issued, be duly and validly issued and fully paid and nonassessable.

6. Registration Rights.

6.1. "Piggy Back" Registration. If at any time the Company shall determine to register under the Securities Act, any of its Common Stock, other than on Form S-8, Form S-4 or their then equivalents, it shall send to the Holder written notice of such determination and, if within thirty (30) days after receipt of such notice, the Holder shall so request in writing, the Company shall use its best efforts to include in such registration statement all or any part of the Warrant Stock except that if, in connection with any offering involving an underwriting of Common Stock to be issued by the Company, the managing underwriter shall impose a limitation on the number of shares of such Common Stock which may be included in any such registration statement because, in its judgment, such limitation is necessary to effect an orderly public distribution, and such limitation is imposed pro rata among the holders of such Common Stock having an incidental ("piggyback") right to include such Common Stock in the registration statement according to the amount of such Common Stock which each holder had requested to be included pursuant to such right, then the Company shall be obligated to include in such registration statement only such limited portion of the Warrant Stock with respect to which the Holder has requested inclusion hereunder.

6.2. Effectiveness. The Company will use its best efforts to maintain the effectiveness for up to six (6) months of any registration statement pursuant to which any of the Warrant Stock is being offered, and from time to time will amend or supplement such registration statement and the prospectus contained therein as and to the extent necessary to comply with the Securities Act and any applicable state securities statute or regulation. The Company will also provide the Holder with as many copies of the prospectus contained in any such registration statement as it may reasonably request.

6.3. Indemnification of Company. In the event that the Company registers any of the Warrant Stock under the Securities Act, the Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the registration statement, each underwriter of the shares so registered (including any broker or dealer through whom such of the shares may be sold) and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act from and against any and all losses, claims, damages, expenses or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or under any other statute or at common law or otherwise, and, except as hereinafter provided, will reimburse the Company and each such director, officer, underwriter or controlling person for any legal or other expenses reasonably incurred by them or any of them in connection with investigating or defending any actions whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, liabilities

or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement, in any preliminary or amended preliminary prospectus or in the prospectus (or in the registration statement or prospectus as from time to time amended or supplemented) or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, but only insofar as any such statement or omission was made in reliance upon and in conformity with information furnished in writing to the Company in connection therewith by the Holder expressly for use therein. Promptly after receipt of notice of the commencement of any action in respect of which indemnity may be sought against the Holder, the Company will notify the Holder in writing of the commencement thereof and the Holder shall, subject to the provisions hereinafter stated, assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the Company) and the payment of expenses insofar as such action shall relate to the alleged liability in respect of which indemnity may be sought against the Holder. The Company and each such director, officer, underwriter or controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall not be at the expense of the Holder unless employment of such counsel has been specifically authorized by the Holder. The Holder shall not be liable to indemnify any person for any settlement of any such action effected without the Holder's consent.

7. Replacement of Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

8. Termination Upon Certain Events. If there shall be a merger or consolidation of the Company with or into another corporation (other than a merger or reorganization involving only a change in the state of incorporation of the Company or the acquisition by the Company of other businesses where the Company survives as a going concern), or the sale of all or substantially all of the Company's capital stock or assets to any other person, or the liquidation or dissolution of the Company, then as a part of such transaction, at the Company's option, either:

(a) provision shall be made so that the Holder shall thereafter be entitled to receive the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from the merger, consolidation or sale, to which the Holder would have been entitled if the Holder had exercised its rights pursuant to the Warrant immediately prior thereto (and, in such case, appropriate adjustment shall be made in the application of the provisions of this Section 8(a) to the end that

the provisions of this Section 3 shall be applicable after that event in as nearly equivalent a manner as may be practicable); or

(b) this Warrant shall terminate: on the effective date of such merger, consolidation or sale (the "Termination Date") and become null and void, provided that if this Warrant shall not have otherwise terminated or expired, (1) the Company shall have given the Holder written notice of such Termination Date at least twenty (20) business days prior to the occurrence thereof and (2) the Holder shall have the right until 5:00 p.m., Eastern Standard Time, on the day immediately prior to the Termination Date to exercise its rights hereunder to the extent not previously exercised.

9. Transferability. Without the prior written consent of the Company, the Warrant shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Warrant or of any rights granted hereunder contrary to the provisions of this Section 9, or the levy of any attachment or similar process upon the Warrant or such rights, shall be null and void.

10. No Rights as Stockholder. Until the exercise of this Warrant, the Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company.

11. Notices. All notices, requests and other communications hereunder shall be in writing, shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail, postage prepaid, return receipt requested. In the case of notices from the Company to the Holder, they shall be sent to the address furnished to the Company in writing by the last Holder who shall have furnished an address to the Company in writing. All notices from the Holder to the Company shall be delivered to the Company at its offices at 2110 Research Row, Dallas, Texas 75235 or such other address as the Company shall so notify the Holder. All notices, requests and other communications hereunder shall be deemed to have been given (i) by hand, at the time of the delivery thereof to the receiving party at the address of such party described above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notices is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

12. Waivers and Modifications. Any term or provision of this Warrant may be waived only by written document executed by the party entitled to the benefits of such terms or provisions. The terms and provisions of this Warrant may be modified or amended only by written agreement executed by the parties hereto.

13. Headings. The headings in this Warrant are for convenience of reference only and shall in no way modify ----- or affect the meaning or construction of any of the terms or provisions of this Warrant.

14. Governing Law. This Warrant will be governed by and construed in accordance with and governed by the laws of Delaware, without giving effect to the conflict of law principles thereof.

eXegenics Inc.

By:

Name:

Title:

EXHIBIT A
PURCHASE FORM

To: eXegenics Inc.

The undersigned pursuant to the provisions set forth in the attached Warrant (No. W-_____), hereby irrevocably elects to purchase _____ shares of the Common Stock, par value \$0.01 per share (the "Common Stock") of eXegenics Inc., covered by such Warrant and herewith makes payment of \$_____, representing the full purchase price for such shares at the price per share provided for in such Warrant.

The Common Stock for which the Warrant may be exercised shall be known herein as the "Warrant Stock".

The undersigned is aware that the Warrant Stock has not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or any state securities laws. The undersigned understands that reliance by the Company on exemptions under the Securities Act is predicated in part upon the truth and accuracy of the statements of the undersigned in this Purchase Form.

The undersigned represents and warrants that (1) it has been furnished with all information which it deems necessary to evaluate the merits and risks of the purchase of the Warrant Stock, (2) it has had the opportunity to ask questions concerning the Warrant Stock and the Company and all questions posed have been answered to its satisfaction, (3) it has been given the opportunity to obtain any additional information it deems necessary to verify the accuracy of any information obtained concerning the Warrant Stock and the Company and (4) it has such knowledge and experience in financial and business matters that it is able to evaluate the merits and risks of purchasing the Warrant Stock and to make an informed investment decision relating thereto.

The undersigned hereby represents and warrant that it is purchasing the Warrant Stock for its own account for investment and not with a view to the sale or distribution of all or any part of the Warrant Stock.

The undersigned understands that because the Warrant Stock has not been registered under the Securities Act, it must continue to bear the economic risk of the investment for an indefinite period of time and the Warrant Stock cannot be sold unless it is subsequently registered under applicable federal and state securities laws or an exemption from such registration is available.

The undersigned agrees that it will in no event sell or distribute or otherwise dispose of all or any part of the Warrant Stock unless (1) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Warrant Stock, or (2) the Company receives an opinion satisfactory to the Company of the undersigned's legal counsel stating that such transaction is exempt from registration. The undersigned consents to the placing of a legend on its certificate for the Warrant Stock stating that the Warrant Stock has not been registered and setting forth the restriction on transfer contemplated hereby and to the placing of a stop transfer order on the books of the Company and with any transfer agents against the Warrant Stock until the Warrant Stock may be legally resold or distributed without restriction.

The undersigned has considered the federal and state income tax implications of the exercise of the Warrant and the purchase and subsequent sale of the Warrant Stock.

Dated:
